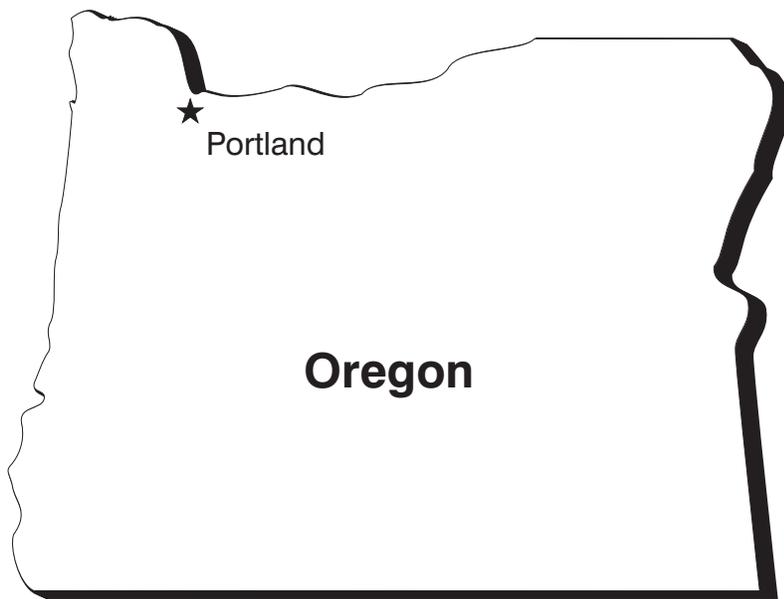


*The City of
Portland, Oregon*

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2014**



Portland's Waterfront in Spring
Cover Photographer: Lois Summers

Other photography provided by Lois Summers.

CITY OF PORTLAND, OREGON

Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2014



Office of Management and Finance
Fred Miller, Chief Administrative Officer



Rose and Portland Rain

**City of Portland, Oregon
Comprehensive Annual Financial Report
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Pioneer Square Flowers

**City of Portland, Oregon
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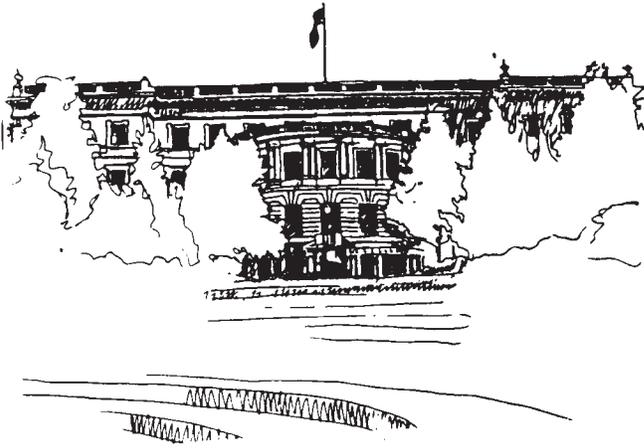
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Hawthorne Bridge

INTRODUCTORY SECTION



Portland City Hall, 1895

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CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

Charlie Hales, Mayor
Fred Miller, Chief Administrative Officer
1120 S.W. Fifth Avenue, Rm. 1250
Portland, Oregon 97204-1912
(503) 823-5288
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December 19, 2014

Mayor Charlie Hales, City Commissioners,
City Auditor, and Citizens 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 ended June 30, 2014.

This report is published to provide the City Council, City staff, our citizens, 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 (GFOA).

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

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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 nonmajor funds.

Lastly, the statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

CITY PROFILE

The City, with a population in excess of 609,000, comprises an area of approximately 145 square miles in northwestern Oregon. Located astride the Willamette River at its confluence with the Columbia River, the City is the center of commerce, industry, transportation, finance, and services for a contiguous metropolitan area spanning into three Oregon counties and the City of Vancouver Washington, which altogether include over two million people. The City is also the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.

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 was created, which is rare in cities as large as Portland.

The Charter provides for five non-partisan Council members, called Commissioners, including the Mayor. They are elected at-large to four-year terms. The Mayor and Commissioners act as legislators and administrators, with the Commissioners 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 City Auditor is also elected and required by Charter to be a Certified Public Accountant, Certified Internal Auditor, or Certified Management Accountant. The Auditor is not part of the Council and has no formal voting authority.

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

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 and sewer
- Other operations:
Refuse disposal and environmental remediation

REPORTING ENTITY

This report encompasses all funds of the City and organizations required to be included, because the City is financially accountable for them. Under the City Charter, the Fire and Police Disability and Retirement Fund and the Portland Development Commission (PDC) are required to have separate financial audits conducted by external certified public accountants. The various funds of these organizations are also included in this report, 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

Broadly speaking, the local economy has done comparatively well over the last couple of years. FY2013-14 had a more typical economic recovery than prior years. The number of jobs in Multnomah County finally exceeded its pre-recession peak. Unemployment continued to tick lower, down to 5.9 percent in June 2014, its lowest level in six years. Meanwhile, the housing market continued to prosper, with prices rising by more than 10 percent in the local area.

Local area inflation was modest during the first half of calendar year 2014. The Portland-Salem Consumer Price Index, All Urban Wage Earners (CPI-W), was up an annualized 1.8 percent for the first six months of calendar year 2014 over the last six months of calendar year 2013. These levels are expected to remain moderate in the second half of the year, and remain relatively low for the foreseeable future.

The City has two primary revenue sources that are acutely sensitive to economic conditions, business license revenues and transient lodging taxes. General Fund business license revenues reached record levels by growing 3.6 percent to \$81 million for FY2013-14. Meanwhile, General Fund transient lodging taxes had a 3.2 percent growth. However, this is artificially low due to a one-time accrual adjustment pushing collections to \$22.3 million. Without the accrual adjustment, growth would have exceeded 10 percent for the fourth year in a row. Continued low interest rates coupled with low fund balances helped to push interest earnings lower. Property taxes, after absorbing the impact from the new Multnomah County Library District, fell slightly from FY2012-13 figures. Overall, General Fund revenue from external sources grew by 1.9 percent in FY2013-14 over FY2012-13 figures.

B. Outlook

The inconsistent economic recovery, combined with non-economic impacts, like the formation of the County Library District, is resulting in slower revenue growth than would normally be experienced during an economic recovery. However, the economic expansion has finally gained steam, particularly locally. Employment growth has improved slowly, but steadily, as government employment and investment have finally turned positive. Most broad economic measures suggest positive momentum.

There are several aspects of the current economic and political climate that present risks to the City's finances. Some are more localized, such as deferred infrastructure maintenance needs and pension reform, while others are more national or global in nature, such as geopolitical uncertainty that could actively harm the general economic conditions that underlie the forecast assumptions.

C. 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 budget distinguishes between ongoing and one-time revenues. City financial policies discourage the use of one-time revenue to fund ongoing obligations. The City continues to maintain General Fund reserves equal to 10 percent of General Fund discretionary revenues in order to guard against a significant economic downturn, disaster, or major unanticipated expense. In FY2013-14, the City Council expanded programs and grants slightly, in line with a modest increase in available resources.

Several non-General Fund bureaus also face resource challenges related to the funding of major capital projects and infrastructure maintenance. The Bureau of Environmental Services anticipates annual increases in the typical household's sewer/storm-water bill to be 4.0 percent in FY2014-15, 4.0 percent for FY2015-16, 3.6 percent for years three and four, and 3.35 percent in the fifth year of the forecast. The increases will fund deferred maintenance and system improvement projects as well as continued operations and maintenance of the City's sewer and stormwater infrastructure. The Water Bureau has an adopted effective retail rate increase of 7.0 percent for FY2014-15, with forecasted retail rate increases of 11.3 percent in FY2015-16, 10.4 percent in FY 2016-17, 9.5 percent in FY 2016-17, and 7.6 percent in FY2018-19. These increases are needed to fund capital projects related to the Environmental Protection Agency's Long Term 2 Enhanced Surface Water Treatment Rule, the treatment variance monitoring program, and other critical infrastructure maintenance and replacement needs. The Bureau of Transportation continues to face a growing maintenance backlog. Additionally, Portland Parks & Recreation is similarly challenged to maintain its growing portfolio of developed parks, recreation facilities, and natural areas.

Along with traditional infrastructure investments, such as pipes, streets, and water treatment plants, the City invests in and relies on green infrastructure (for example, floodplains, tree canopies, wetlands) and natural resources to provide services to Portland ratepayers and taxpayers. Investments in green infrastructure can save up-front capital costs, reduce operating expenses, provide recreational benefits to the citizens of Portland, and they increase in value over time. Acquiring, protecting, restoring, and maintaining natural assets helps reduce climate, disaster, and regulatory risks. However, since current accounting rules do not acknowledge recording some types of green infrastructure assets, their value has not been reported.

D. Major initiatives

In order to address the shortfall in FY2013-14, the Mayor asked City bureaus to submit budget requests at 90 percent of current service levels. He also asked bureaus to focus on a number of priorities, a few of which are identified below:

- *Preserve core services:* Council examined bureau budgets line by line, looking for areas of savings other than reductions to core services. These efforts prevented the layoff of sworn personnel in the Police Bureau, kept all fire stations open, and reduced the use of one-time funding for ongoing programs. The City was also able to reduce expenditures in the General Fund by \$21.5 million while laying off fewer than 25 employees Citywide.

- *Minimize overhead and administration:* Funding was included to study and modify the ratio of managers-to-workers throughout the bureaus in hopes of reducing the number of manager positions. Cost-of-living adjustments were reduced by half, and in some cases delayed 6 months, to preserve funding for important programs. The budget also set aside \$1 million in an innovation fund to front the startup costs for proposals that find creative ways to provide City services more effectively or with less money.
- *Protect public safety:* Even though the budget reduced 56.25 FTE in sworn positions within the Portland Police Bureau, Council implemented a voluntary retirement incentive program that avoided laying off any of the newer, more diverse, sworn officers. In addition, reductions were made to Portland Fire & Rescue in a manner that kept all fire stations open.
- *Emphasize intergovernmental collaboration:* The budget included an agreement with Multnomah County to continue shared funding for the Crisis Assessment and Treatment Center, programs for youth victimized by human trafficking, Hooper Detoxification Center, Schools Uniting Neighborhoods (SUN) sites, and senior centers.

OTHER FINANCIAL INFORMATION

A. Financial policies

To help ensure its continued ability to meet immediate and long-term service objectives, the City has adopted and adheres to a set of Comprehensive Financial Management Policies. These policies govern the allocation and management of resources including use of one-time only funds.

B. 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 close 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.

Council has set the level of appropriations under Oregon Budget Law at the fund, organizational unit (bureau), and major category of expenditure. Transfers between major object categories are

allowed with approval of the Commissioner-in-Charge. The Council conducts three to four budget monitoring and amendment actions during the fiscal year to address changing financial needs and conditions.

OTHER INFORMATION

A. Independent audit

The City's Charter requires an annual audit of the City's financial records. These records, represented in the CAFR, have been audited by the City's independent Certified Public Accountants, Moss Adams LLP. This audit included the City's Single Audit for FY2013-14 pursuant to OMB Circular A-133. A report on the City's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Circular A-133, is issued under separate cover and is available upon request from the Office of Management and Finance.

B. Certificate of Achievement

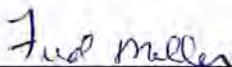
The GFOA has awarded the City with a Certificate of Achievement for Excellence in Financial Reporting for its CAFR consecutively for the last thirty-three fiscal years. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR with contents 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 report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

C. Acknowledgments

We would like to express our sincere gratitude to the City personnel who contributed to this report, especially personnel in the Accounting Division. Appreciation is also extended to the bureaus, City Council, City Auditor, and the many City managers whose leadership and commitment are vital to the health and vitality of the City of Portland.

Respectfully submitted,



Fred Miller
Chief Administrative Officer
Office of Management & Finance



Kenneth L. Rust
Chief Financial Officer
Bureau of Revenue & Financial Services

ELECTED OFFICIALS OF THE CITY OF PORTLAND



Charlie Hales
Mayor



Dan Saltzman
Commissioner of Public Affairs



Steve Novick
Commissioner of Public Safety



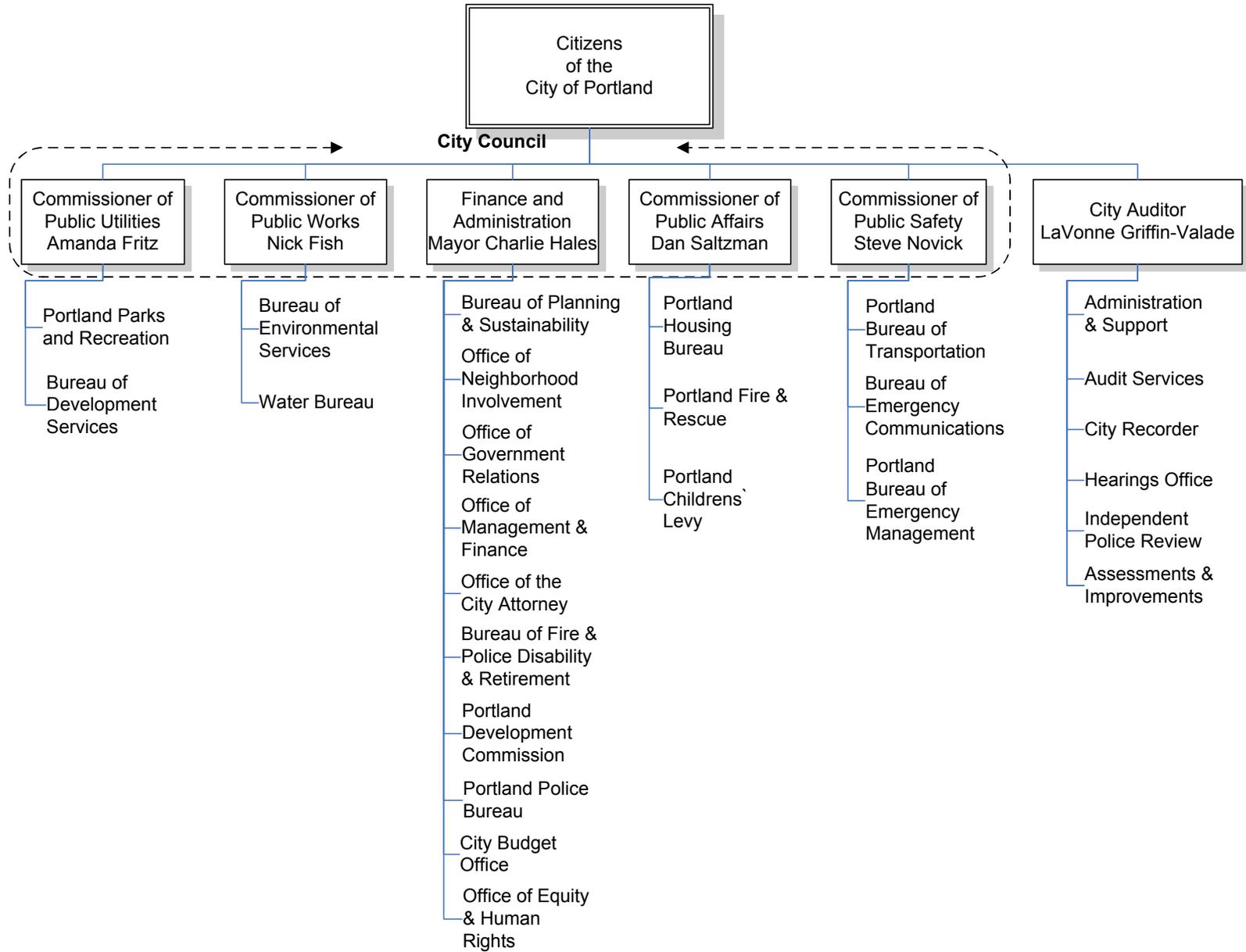
Nick Fish
Commissioner of Public Works



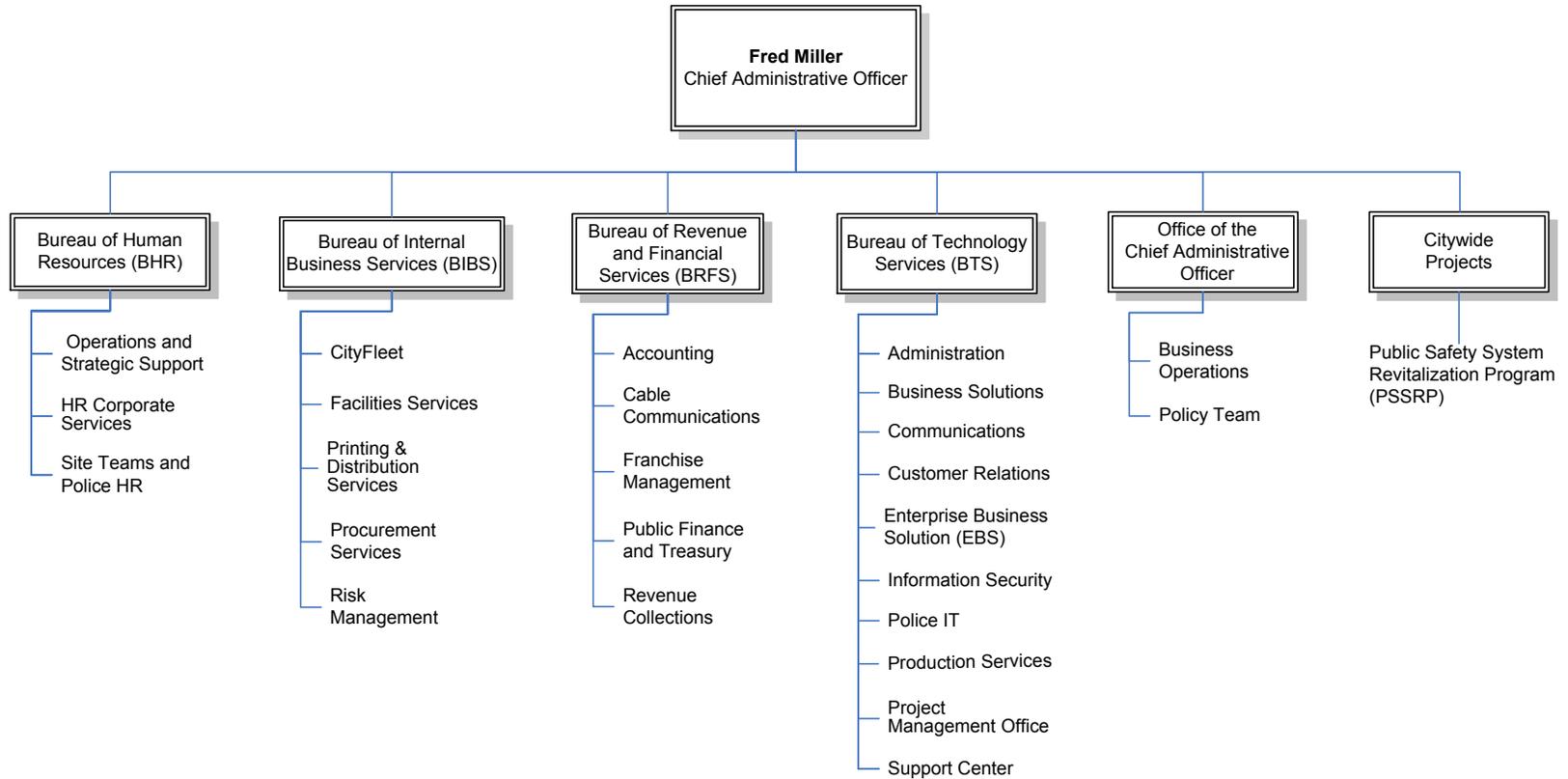
Amanda Fritz
Commissioner of Public Utilities



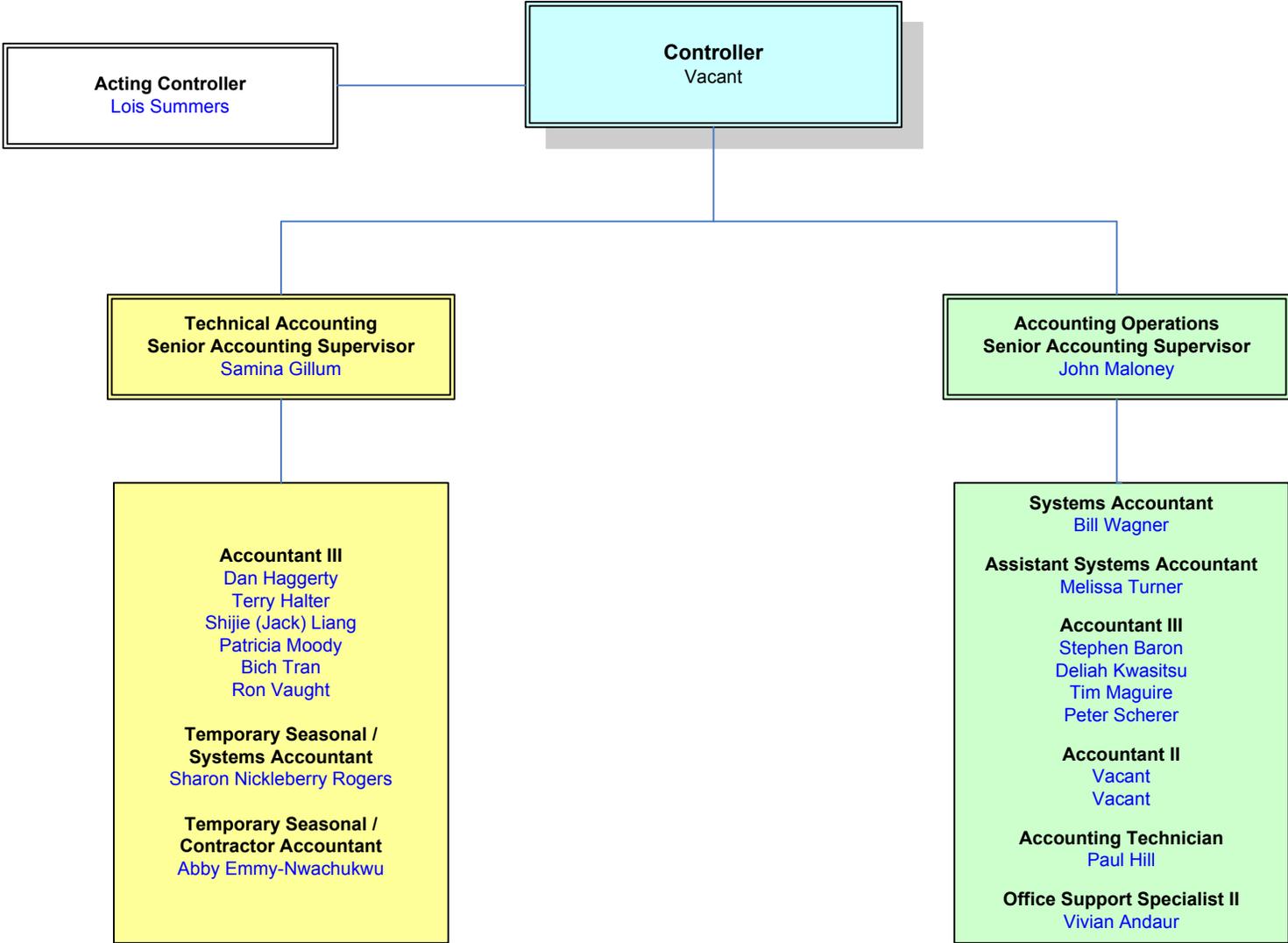
LaVonne Griffin-Valade
City Auditor



Office of Management and Finance



City of Portland
Office of Management and Finance
Office of the Chief Administrative Officer
Accounting Division





Government Finance Officers Association

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Presented to

**City of Portland
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

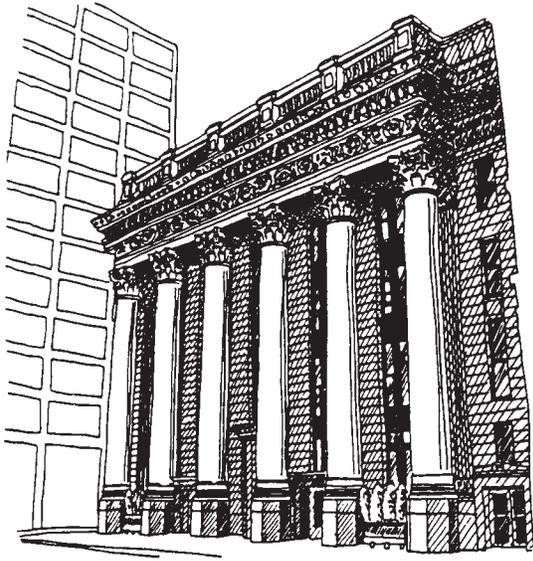
June 30, 2013

Executive Director/CEO



Portland Fire Boat

FINANCIAL SECTION



U.S. National Bank, c 1917

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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, 2014, 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 of 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 City'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.

MOSS ADAMS LLP

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, 2014, 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.

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, and employee benefit funding progress information (collectively, the required supplementary information) on pages 25 through 47, 147 through 153, and 154 through 155, 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 discussion and analysis and employee benefit funding progress information on pages 25 through 47, and pages 154 through 155 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 147 through 153 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 157 to 312 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

MOSS ADAMS LLP

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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014 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 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 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 December 19, 2014 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
Eugene, Oregon
December 19, 2014



Portland Building

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, 2014. 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 9 of this report.

FINANCIAL HIGHLIGHTS

The following are the City's financial highlights for fiscal year ending June 30, 2014:

- The assets of the City exceeded its liabilities at the close of FY 2013-14 by \$2,335,945,107 (*net position*). Included in this amount is an unrestricted *net position* deficit totaling \$1,964,020,283, as shown on table 1-C on page 29. This negative balance is caused by 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 27.
- The City's total *net position* decreased by \$17,950,606 from FY 2012-13 as shown on table 2-C on page 33. This decrease was primarily the result of governmental activities, the most significant factor being the \$100,209,992 increase to the pension trust obligation liability. The decrease in net position caused by governmental activities is further discussed in the governmental activities analysis section of this Management's Discussion and Analysis (MD&A) found on page 34.
- The City's governmental funds reported combined ending fund balances of \$432,457,890, an increase of \$68,748,355, in comparison to FY 2012-13, as shown on page 55. Of the combined ending governmental fund balances, \$100,059,904 or 23.1 percent, 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 \$28,900,909 or 5.1 percent of total General Fund expenditures.
- The City's total bonded debt increased by \$80,336,790 or 2.4 percent over FY 2012-13, as shown on Table 5 on page 44. Major components contributing to this rise included increases of \$82,484,002 in revenue bonds, \$13,175,000 in general obligation bonds, and \$8,681,704 in limited tax revenue bonds. Urban renewal bonds decreased by \$29,050,000 and limited tax improvement bonds decreased by \$2,075,000. The residual change of \$7,121,084 was comprised of unamortized bond premiums and discounts.

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 of the City's assets and liabilities, with the difference between the two 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 and metered parking, legislative/administrative/support services, environmental 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, spectator facilities, and housing.

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

The government-wide financial statements can be found on pages 50 - 52 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 financing 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, Transportation Operating Fund, and the Grants Fund, all of which are considered to be *major funds*. Data from the other 47 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, Transportation Operating Fund, and the Grants Fund, are presented in their respective columns, and the remaining funds are combined into a column titled "Other Governmental 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 53 - 56 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, ten are *enterprise funds*.

Internal service funds are used to accumulate and allocate costs internally among the City's various functions. 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, eight 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 58 - 63 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 64 - 65 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 67 - 146 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 on pages 147 - 155 of this report.

The combining statements referred to earlier in connection with *nonmajor* governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 157 - 202 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, *net position* may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by \$2,335,945,107 at the close of FY 2013-14.

A. Analysis of net position

The largest portion of the City's *net position* reflects an investment of \$4,014,456,008 or 171.9 percent in capital assets (e.g. land, buildings, equipment, and intangible assets), less any related outstanding debt used to acquire those assets, as shown on table 1-C on page 29. The high percentage of investment in capital assets, vis-à-vis total *net position*, is largely a result of the offsetting deficit *unrestricted net position* (mentioned 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 40.

An additional portion of the City's *net position*, \$285,509,382 or approximately 12.2 percent, represents

resources that are subject to external restrictions on how they may be used. The remaining balance is an *unrestricted net position* deficit totaling \$1,964,020,283.

At the end of FY 2013-14, 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 due to governmental activities, and is comprised primarily of outstanding debt with no offsetting assets and increases in accrued liabilities for the Fire and Police Disability and Retirement Plan with no assets set aside to cover them. Business-type activities have a positive balance for all three categories of *net position*.

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

Governmental Activities

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
ASSETS			
Current and other assets	\$ 824,192,605	\$ 785,445,327	\$ 38,747,278
Capital assets	<u>2,165,018,728</u>	<u>2,247,220,610</u>	<u>(82,201,882)</u>
Total assets	<u>2,989,211,333</u>	<u>3,032,665,937</u>	<u>(43,454,604)</u>
LIABILITIES			
Long-term liabilities outstanding	2,577,782,787	2,493,128,108	84,654,679
Other liabilities	<u>198,997,842</u>	<u>184,370,953</u>	<u>14,626,889</u>
Total liabilities	<u>2,776,780,629</u>	<u>2,677,499,061</u>	<u>99,281,568</u>
NET POSITION			
Net investment in capital assets	2,045,982,585	2,125,382,711	(79,400,126)
Restricted	271,371,138	254,008,558	17,362,580
Unrestricted surplus (deficit)	<u>(2,104,923,019)</u>	<u>(2,024,224,393)</u>	<u>(80,698,626)</u>
Total net position	<u>\$ 212,430,704</u>	<u>\$ 355,166,876</u>	<u>\$ (142,736,172)</u>

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

Business-type Activities

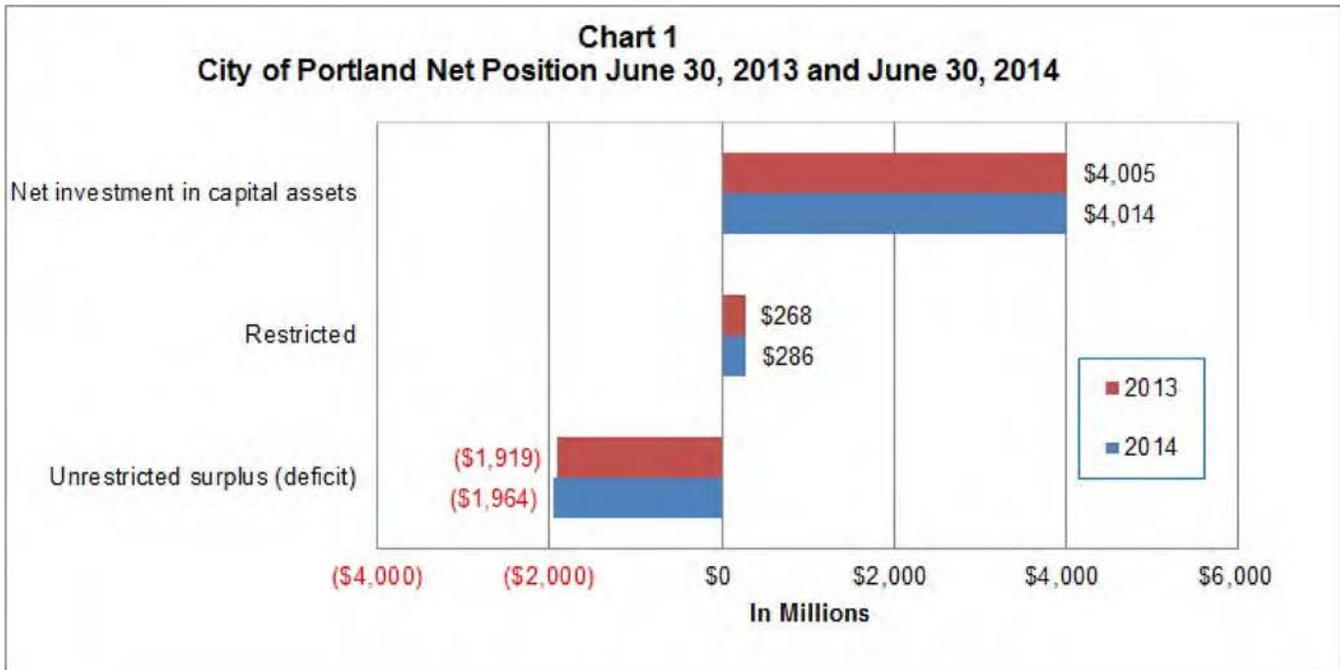
	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
ASSETS			
Current and other assets	\$ 411,196,177	\$ 456,718,690	\$ (45,522,513)
Capital assets	<u>4,241,267,492</u>	<u>4,064,666,597</u>	<u>176,600,895</u>
Total assets	<u>4,652,463,669</u>	<u>4,521,385,287</u>	<u>131,078,382</u>
LIABILITIES			
Long-term liabilities outstanding	2,335,964,675	2,341,093,142	(5,128,467)
Other liabilities	<u>192,984,591</u>	<u>181,563,308</u>	<u>11,421,283</u>
Total liabilities	<u>2,528,949,266</u>	<u>2,522,656,450</u>	<u>6,292,816</u>
NET POSITION			
Net investment in capital assets	1,968,473,423	1,879,196,917	89,276,506
Restricted	14,138,244	13,855,864	282,380
Unrestricted surplus (deficit)	<u>140,902,736</u>	<u>105,676,056</u>	<u>35,226,680</u>
Total net position	<u>\$ 2,123,514,403</u>	<u>\$ 1,998,728,837</u>	<u>\$ 124,785,566</u>

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

Total Net Position

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
ASSETS			
Current and other assets	\$ 1,235,388,782	\$ 1,242,164,017	\$ (6,775,235)
Capital assets	<u>6,406,286,220</u>	<u>6,311,887,207</u>	<u>94,399,013</u>
Total assets	<u>7,641,675,002</u>	<u>7,554,051,224</u>	<u>87,623,778</u>
LIABILITIES			
Long-term liabilities outstanding	4,913,747,462	4,834,221,250	79,526,212
Other liabilities outstanding	<u>391,982,433</u>	<u>365,934,261</u>	<u>26,048,172</u>
Total liabilities	<u>5,305,729,895</u>	<u>5,200,155,511</u>	<u>105,574,384</u>
NET POSITION			
Net investment in capital assets	4,014,456,008	4,004,579,628	9,876,380
Restricted	285,509,382	267,864,422	17,644,960
Unrestricted surplus (deficit)	<u>(1,964,020,283)</u>	<u>(1,918,548,337)</u>	<u>(45,471,946)</u>
Total net position	<u>\$ 2,335,945,107</u>	<u>\$ 2,353,895,713</u>	<u>\$ (17,950,606)</u>

Chart 1 illustrates the components of the City's net position.



B. Analysis of changes in net position

As noted previously, the City's overall *net position* decreased by \$17,950,606 during FY 2013-14. This decrease is explained in the governmental and business-type activities discussion beginning on page 35.

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

Governmental Activities

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 386,205,170	\$ 357,399,397	\$ 28,805,773
Operating grants and contributions	147,816,324	187,508,857	(39,692,533)
Capital grants and contributions	56,392,854	65,753,370	(9,360,516)
<i>General revenues:</i>			
Property taxes	455,381,655	441,030,147	14,351,508
Lodging taxes	35,063,066	28,746,920	6,316,146
Miscellaneous taxes	7,062,234	7,815,970	(753,736)
Investment earnings	8,950,181	6,496,779	2,453,402
Total revenues	<u>1,096,871,484</u>	<u>1,094,751,440</u>	<u>2,120,044</u>
Expenses			
Public safety	524,324,725	539,582,340	(15,257,615)
Parks, recreation and culture	85,522,569	77,384,671	8,137,898
Community development	166,124,118	206,451,529	(40,327,411)
Transportation and metered parking	321,045,231	304,095,341	16,949,890
Legislative/ admin / support services	100,869,933	106,340,680	(5,470,747)
Environmental services	387,345	604,474	(217,129)
Water	185,404	221,364	(35,960)
Parking facilities	17,000	-	17,000
Interest on long-term debt	47,846,811	50,436,861	(2,590,050)
Total expenses	<u>1,246,323,136</u>	<u>1,285,117,260</u>	<u>(38,794,124)</u>
Revenues over (under) expenses	(149,451,652)	(190,365,820)	40,914,168
Transfers	6,715,480	7,655,640	(940,160)
Change in net position	(142,736,172)	(182,710,180)	39,974,008
Net position -- beginning	<u>355,166,876</u>	<u>537,877,056</u>	<u>(182,710,180)</u>
Net position -- ending	<u>\$ 212,430,704</u>	<u>\$ 355,166,876</u>	<u>\$ (142,736,172)</u>

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

Business-type Activities

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 499,526,964	\$ 478,282,045	\$ 21,244,919
Capital grants and contributions	2,794,342	3,259,994	(465,652)
<i>General revenues:</i>			
Investment earnings	<u>2,894,317</u>	<u>640,963</u>	<u>2,253,354</u>
Total revenues	<u>505,215,623</u>	<u>482,183,002</u>	<u>23,032,621</u>
Expenses			
Environmental services	234,976,444	229,742,394	5,234,050
Water	112,388,000	120,814,693	(8,426,693)
Hydroelectric power	1,661,975	1,786,015	(124,040)
Parking facilities	6,872,812	6,272,155	600,657
Golf	8,890,606	8,528,501	362,105
Motor sports	1,685,405	1,745,465	(60,060)
Spectator facilities	6,517,715	10,232,186	(3,714,471)
Housing	<u>721,620</u>	<u>763,346</u>	<u>(41,726)</u>
Total expenses	<u>373,714,577</u>	<u>379,884,755</u>	<u>(6,170,178)</u>
Revenues over (under) expenses	131,501,046	102,298,247	29,202,799
Transfers	(6,715,480)	(7,655,640)	940,160
Special item:			
Capital asset write-off	<u>-</u>	<u>(7,000,000)</u>	<u>7,000,000</u>
Change in net position	124,785,566	87,642,607	37,142,959
Net position -- beginning	<u>1,998,728,837</u>	<u>1,911,086,230</u>	<u>87,642,607</u>
Net position -- ending	<u>\$ 2,123,514,403</u>	<u>\$ 1,998,728,837</u>	<u>\$ 124,785,566</u>

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

Total Net Position

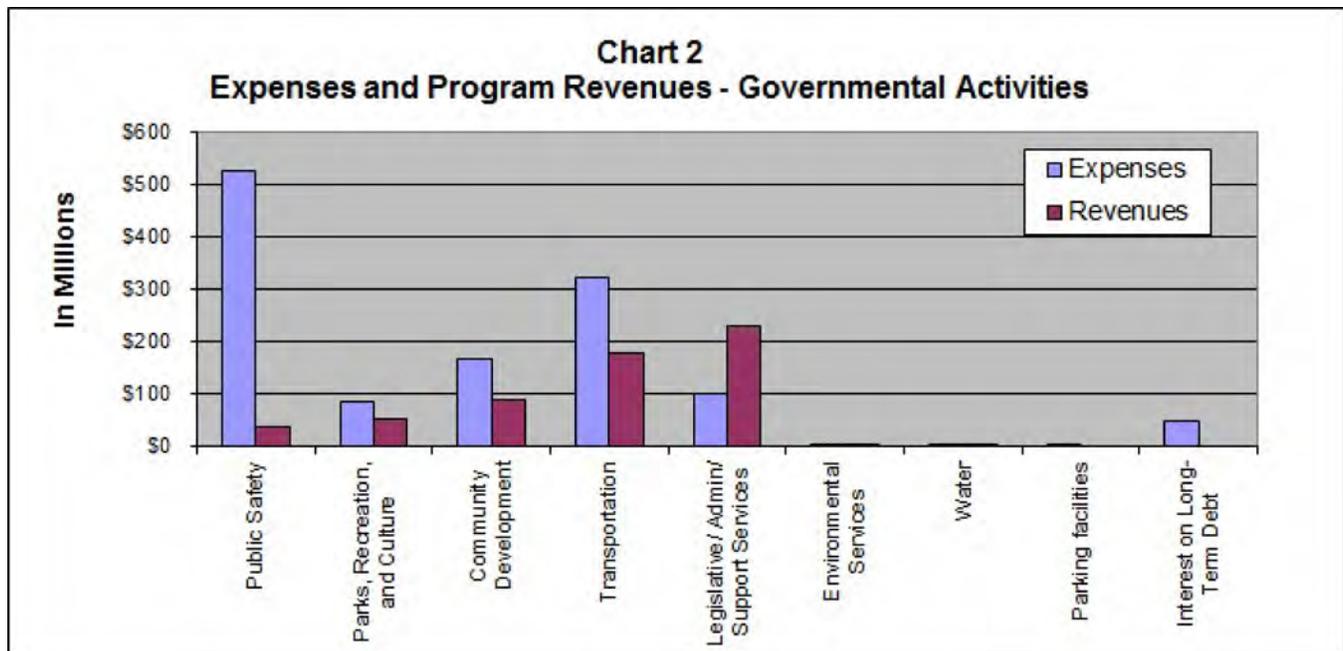
	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 885,732,134	\$ 835,681,442	\$ 50,050,692
Operating grants and contributions	147,816,324	187,508,857	(39,692,533)
Capital grants and contributions	59,187,196	69,013,364	(9,826,168)
<i>General revenues:</i>			
Property taxes	455,381,655	441,030,147	14,351,508
Lodging taxes	35,063,066	28,746,920	6,316,146
Miscellaneous taxes	7,062,234	7,815,970	(753,736)
Investment earnings	11,844,498	7,137,742	4,706,756
Total revenues	<u>1,602,087,107</u>	<u>1,576,934,442</u>	<u>25,152,665</u>
Expenses			
Public safety	524,324,725	539,582,340	(15,257,615)
Parks, recreation and culture	85,522,569	77,384,671	8,137,898
Community development	166,124,118	206,451,529	(40,327,411)
Transportation and metered parking	321,045,231	304,095,341	16,949,890
Legislative / admin / support services	100,869,933	106,340,680	(5,470,747)
Interest on long-term debt	47,846,811	50,436,861	(2,590,050)
Environmental services	235,363,789	230,346,868	5,016,921
Water	112,573,404	121,036,057	(8,462,653)
Hydroelectric power	1,661,975	1,786,015	(124,040)
Parking facilities	6,889,812	6,272,155	617,657
Golf	8,890,606	8,528,501	362,105
Motor sports	1,685,405	1,745,465	(60,060)
Spectator facilities	6,517,715	10,232,186	(3,714,471)
Housing	721,620	763,346	(41,726)
Total expenses	<u>1,620,037,713</u>	<u>1,665,002,015</u>	<u>(44,964,302)</u>
Revenues over (under) expenses	(17,950,606)	(88,067,573)	70,116,967
Special items:			
Capital asset write-off	-	(7,000,000)	7,000,000
Change in net position	(17,950,606)	(95,067,573)	77,116,967
Net position -- beginning	<u>2,353,895,713</u>	<u>2,448,963,286</u>	<u>(95,067,573)</u>
Net position -- ending	<u>\$ 2,335,945,107</u>	<u>\$ 2,353,895,713</u>	<u>\$ (17,950,606)</u>

Governmental activities. Governmental activities decreased the City's *net position* by \$142,736,172. Overall governmental assets declined \$43,454,604 and liabilities increased \$99,281,568. The *net position* decline is strongly linked to the Fire and Police Disability and Retirement (FPD&R) Plan net pension obligation (NPO), which increased by \$100,209,992. Contributions toward the NPO are funded through a special property tax levy, which is passed through the General Fund to FPD&R. There is some risk that revenues from this tax levy may be negatively affected by declines in property tax values, and/or the levy cap may cause revenues to fall short of a particular year's benefit payment. However, as the economy improves and property taxes increase, it is expected that this dedicated revenue stream will continue to provide a stable funding resource for the City's pension liability.

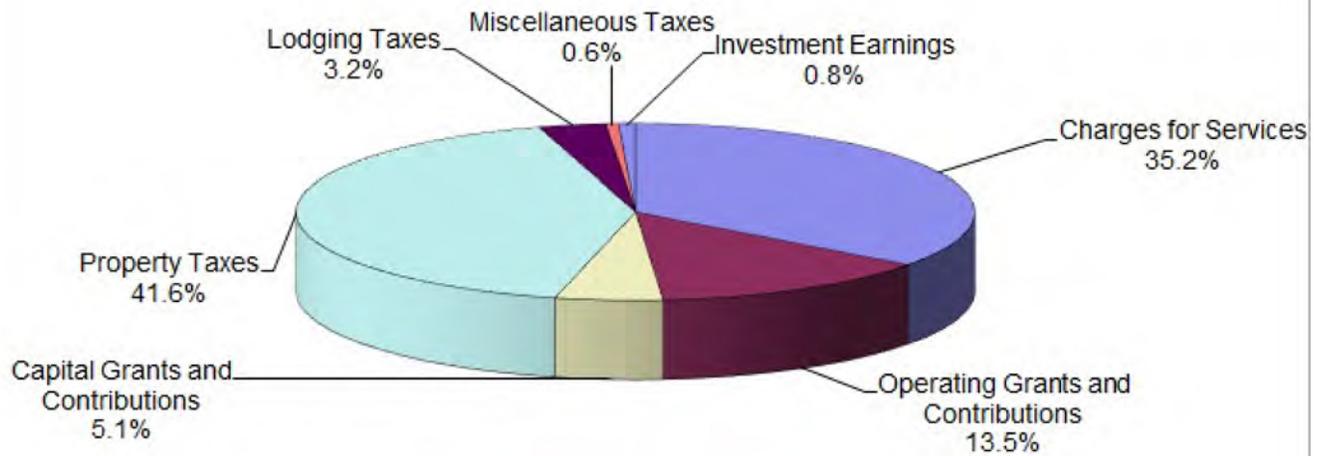
Governmental capital assets have decreased overall by \$82,201,882. In contrast, depreciation increased by \$5,242,336 or 2.8 percent over the year, primarily due to increases in transportation related assets, most notably the Portland Eastside Streetcar. Further information on capital assets can be found in the section beginning on page 40, or in Note III.F., beginning on page 97.

Increases in governmental revenues of \$2,120,044 or 0.2 percent helped offset the rise in expenses discussed above. These increases were primarily in general fund revenues and included increases in property taxes and lodging taxes of \$14,351,508 or 3.3 percent and \$6,316,146 or 22.0 percent, respectively, an indication of some improvement in the local economy. Revenue from capital grants and contributions decreased \$9,360,516 or 14.2 percent which reflects a decrease in the availability of federal grant funds. Transportation project grant revenues declined significantly over the prior year, primarily due to the completion of the Eastside Streetcar project, which opened in September 2013.

The following charts provide a visual representation of the expenses and revenues for governmental activities for FY 2013-14. Chart 2 shows expenses and program revenues generated by each program activity while Chart 3 shows all governmental revenues.



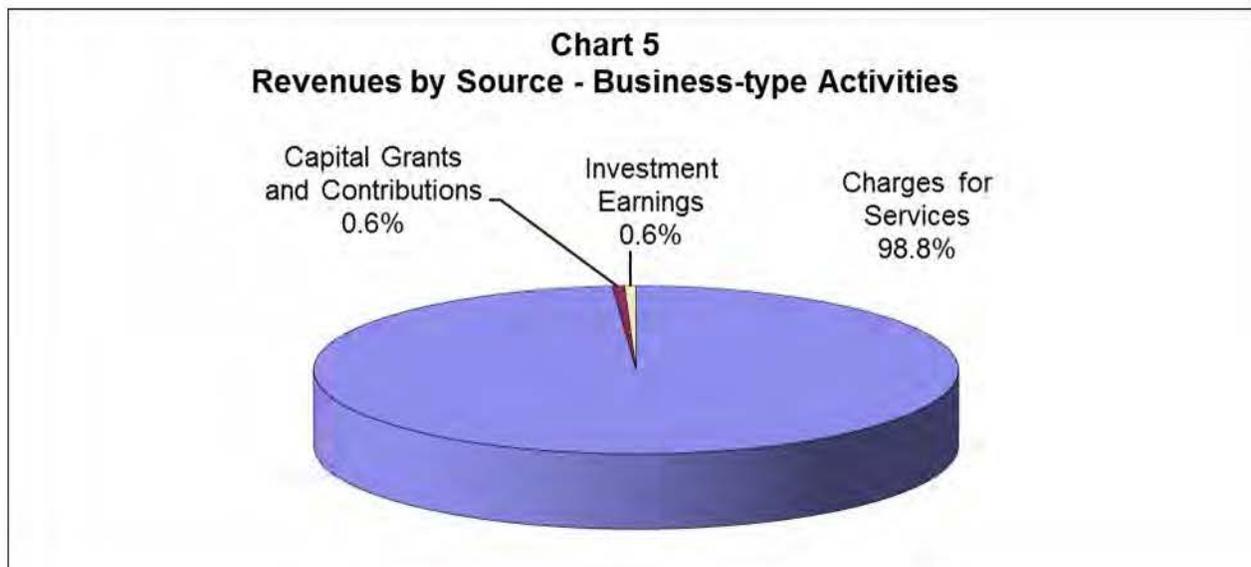
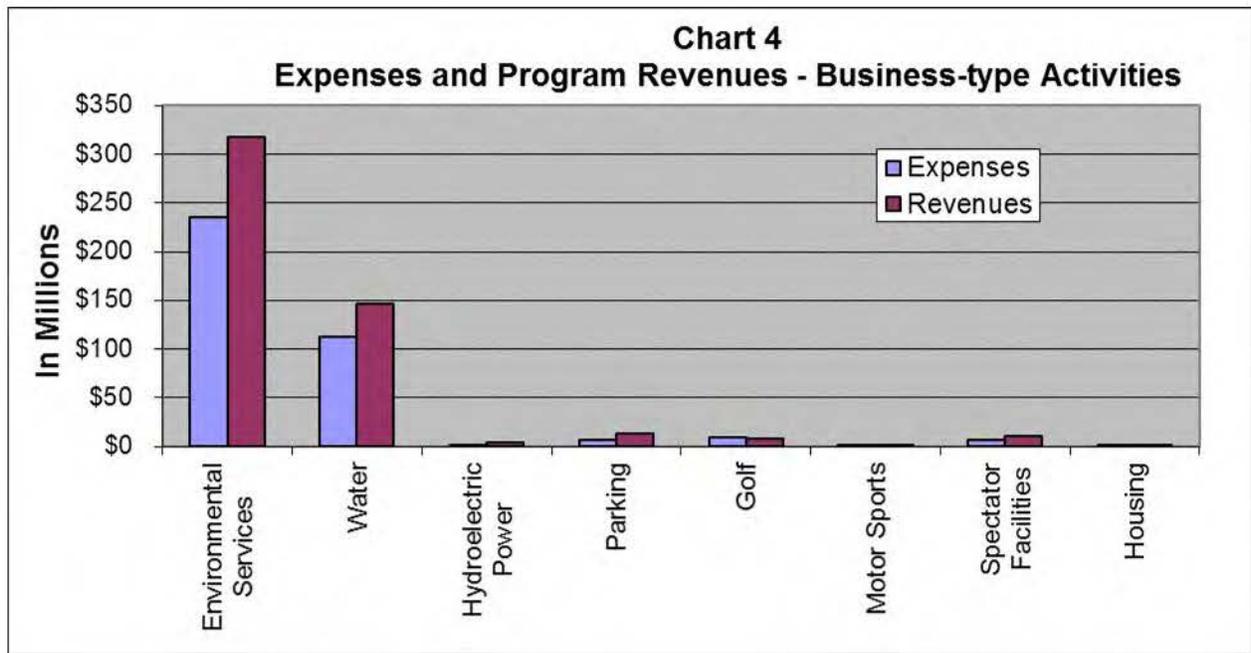
**Chart 3
Revenues by Source - Governmental Activities**



Business-type activities. Business-type activities increased the City's *net position* by \$124,785,566. Sewage disposal and water operations contributed \$87,062,294 and \$34,735,600, respectively. The remaining *net position* contributions came from other business-type activities as shown in Chart 4. Key elements of these *net position* increases are as follows:

- Charges for services were \$21,244,919 more than last year. Service charges and fees from Water and Sewer operations accounted for \$21,498,835, or 101.2 percent of the increase, resulting from approved rate increases of 3.6 percent and 5.3 percent, respectively. The increased revenues provided additional resources for system improvements, compliance with U.S. Environmental Protection Agency mandates, and for related debt service payments.
- Revenues for capital grants and contributions decreased by \$465,652. This decrease was primarily due to decreases in capital contributions in the Bureau of Environmental Services and Water Bureau of \$448,452 and \$338,833 respectively. These decreases were partially offset by an increase of \$285,782 in capital contributions in the Spectator Facilities Fund primarily related to turf replacement at Providence Park.
- Total assets for all business-type activities increased by \$131,078,382 over the prior year. Key components of this increase included an increase of \$176,600,895 or 4.3 percent from additions to capital assets, net of depreciation.
- Total liabilities for all business-type activities increased \$6,292,816 over the prior year. Significant changes included a \$79,985,349 decrease in notes and loans payable partially offset by a \$77,178,322 increase in bonds payable, both related to the issuance of sewer revenue bonds. Accrued interest payable also increased by \$6,280,994.

The following graphs provide 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

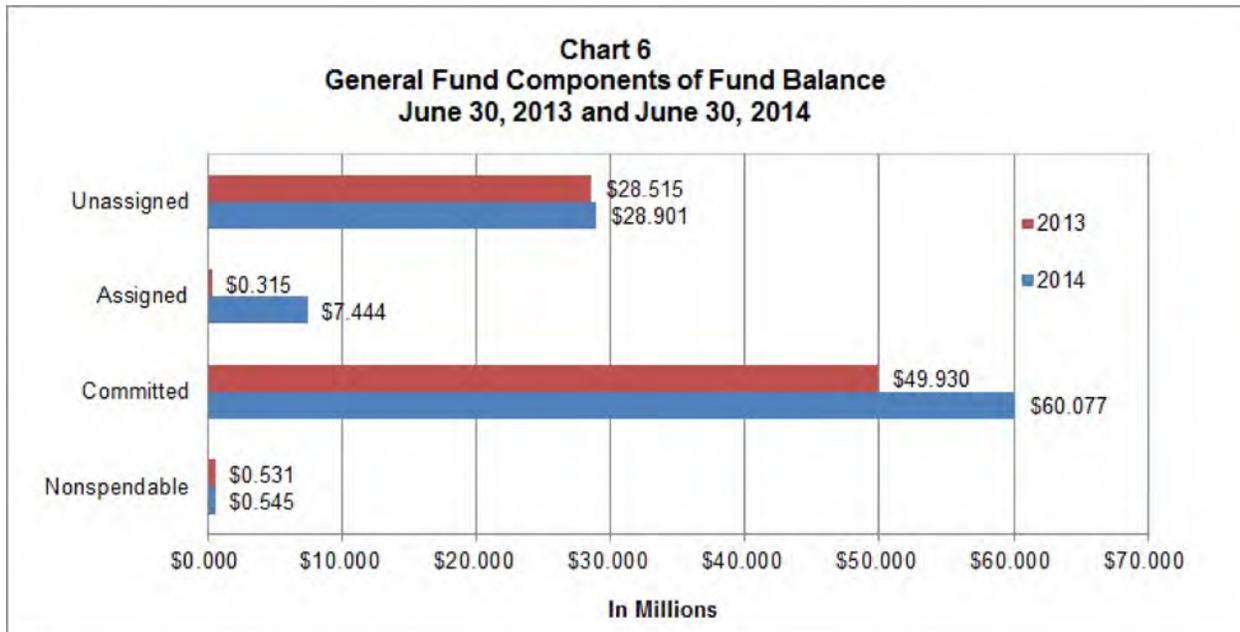
A. Governmental funds

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 financing 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 \$432,457,890, an increase of \$68,748,355. Of the combined ending fund balances, \$28,268,108 or 6.5 percent constitutes the *unassigned fund balance*, and \$71,791,796 or 16.6 percent constitutes *assigned fund balance* in the appropriate fund types as shown on page 53. The remainder of fund balance is classified as *nonspendable, restricted, or committed* to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of FY 2013-14, *total fund balance* was \$96,968,033, of which \$28,900,909 or 29.8 percent is unassigned, \$7,444,423 or 7.7 percent is assigned through the fiscal year 2013-14 budget, and \$60,077,408 or 62.0 percent 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, \$545,293 or 0.6 percent is nonspendable, as shown on page 53. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 17.2 percent of total General Fund expenditures.

Chart 6 illustrates the changes in the components of General Fund fund balance from June 30, 2013 to June 30, 2014.

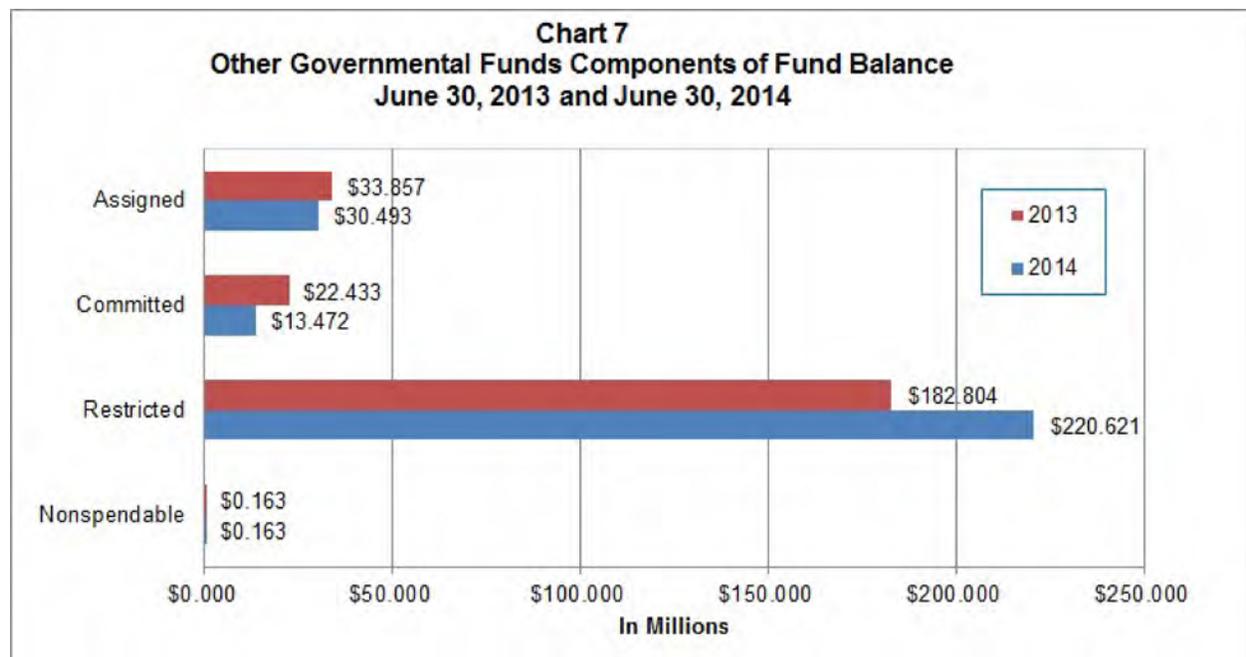


The fund balance of the City's General Fund increased by \$17,677,167 during FY 2013-14. Key factors in the increase related to current year activities were a \$19,268,412 increase in revenues, offset by a \$7,753,305 increase in expenditures, and an increased use of other financing sources of \$6,934,270. Significant revenue increases included property taxes, which increased \$6,023,995 or 1.9 percent, licenses and fees, which increased \$8,071,183 or 5.1 percent, and interagency revenues, which increased \$2,574,916 or 5.6 percent. These revenues had significant decreases in prior years due to the downturn in the local economy and are now beginning to return to more normal levels. The most significant expenditure increase of \$11,063,688 or 2.9 percent was in public safety and was primarily attributed to increased spending on the Public Safety Systems Revitalization Program (PSSRP) Regional Justice Information Network (RegJIN) project. This increase was

partially offset by a decrease of \$6,308,617 or 9.1 percent in legislative and administrative support. Spending in this area was higher in FY 2012-13 due to a one-time transfer of \$6,637,365 to local schools.

The Transportation Operating Fund had a total ending fund balance of \$71,374,015 for FY 2013-14, an increase of \$18,932,041; of which \$5,725,138 is nonspendable, \$31,794,588 is restricted, and \$33,854,289 is assigned, as shown on page 53. Overall revenue reductions of \$1,751,759 or 1.1 percent and an increase in expenditures of \$11,380,394 or 6.0 percent were offset by an \$18,519,618 increase in other financing sources. Significant variances include a \$6,344,588 or 9.0 percent reduction in intergovernmental revenues and a \$7,529,323 or 4.7 percent increase in transportation expenditures. Notable other financing sources included the issuance of \$44 million in bonds to finance the Sellwood Bridge project and an increase in streetcar Local Improvement District (LID) assessments. Fund balance represents 35.8 percent of total Transportation Operating Fund expenditures.

The Grants Fund experienced a \$6,647,403 increase in fund balance for FY 2013-14. The entire fund balance of \$(632,801) is an unassigned deficit, as shown on page 53. See Note II.C on page 82 for an explanation of the nature of the deficit fund balance. The improvement in fund balance was the result of decreases in both revenues and expenditures. Revenues decreased \$11,682,897 or 23.5 percent while expenditures decreased \$16,807,858 or 34.1 percent. The most significant expenditure decreases were in capital outlay and community development for \$6,478,692 or 28.3 percent and \$6,475,721 or 46.9 percent respectively. Reductions in these areas were due to the completion of the Eastside Streetcar and the winding down of the American Recovery and Reinvestment Act (ARRA) grant program.



Other Governmental Funds showed a significant increase in ending fund balance for FY 2013-14, \$25,491,744 or 10.7 percent, primarily due to increased revenues across most categories.

Chart 7 illustrates the changes in the components of fund balance for Other Governmental Funds from June 30, 2013 to June 30, 2014.

See pages 157-179 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 182-202.

At the end of FY 2013-14, *unrestricted net position* of the Sewage Disposal Fund and the Water Fund amounted to \$55,823,095 and \$68,370,261, respectively. The total growth in *net position* for the Sewage Disposal Fund and the Water Fund was \$87,062,294 and \$34,735,600, respectively.

The *unrestricted net position* for other enterprise funds totaled \$14,326,706, while the change in *net position* for other enterprise funds equaled an increase of \$3,611,581. Other factors concerning the finances of these 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 \$8,708,195 and can be briefly summarized as follows:

- *\$2,415,546 increase in personal services.* This budgetary *increase* resulted primarily from the City's Budget Monitoring Process (BMP) including compensation set-aside adjustments totaling \$3.5 million. These adjustments included: \$2.2 million for the Portland Police Bureau, \$800,000 for Portland Fire & Rescue, and \$470,781 for 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.
- *\$6,553,048 increase in materials and services.* This budgetary *increase* resulted primarily from the City's Budget Monitoring Process (BMP) which included Fall BMP encumbrance carryovers totaling \$5.3 million. 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. Fall BMP carryover adjustments included \$2.0 million for Special Appropriation advances, \$567,178 for Police Bureau encumbrances, \$529,963 for Office of the Mayor advances, and \$392,005 for Portland Fire & Rescue encumbrances.

Other notable adjustments to the General Fund materials and services budget included a \$570,012 increase in Portland Fire & Rescue external materials and services appropriation for excess prior-year program revenues and an \$871,000 reduction under Special Appropriations to carry six innovation fund projects into FY 2014-15. There were a number of smaller adjustments to General Fund external materials budgets spread across multiple bureaus.

- *\$877,598 increase in capital outlay.* This budgetary *increase* resulted primarily from the City's Budget Monitoring Process (BMP), which included a \$200,000 increase to the Portland Fire & Rescue capital outlay budget and an \$834,619 increase to the Portland Police Bureau for the Mobile Audio Video (MAV) project. The Police Bureau capital outlay was increased by an additional \$648,429 for the purchase of replacement equipment over the capitalization threshold of \$5,000, and the capital outlay budget was reduced by \$989,619 to carry technology projects over into the following fiscal year.
- *\$1,147,997 decrease in general operating contingencies.* This overall budgetary decrease is primarily the net

result of a \$3.5 million decrease for compensation set-aside spread across multiple bureaus.

Actual revenues were \$12,684,968 above the final amended budget, primarily due to increased licenses and fees of \$5,852,463 and increased taxes of \$7,093,813. Actual expenditures were \$24,580,138 less than the final amended budget, primarily due to under expenditures for: personal services of \$4,763,499, materials and services of \$11,942,612, capital outlay of \$378,359, and general operating contingencies of \$7,134,550. These under expenditures were primarily due to:

- \$4,763,499 in under spending for personal services was spread across multiple bureaus. The most significant underspending of \$1.3 million occurred in Portland Fire & Rescue (PF&R) and was attributed to position vacancies and fewer retirement payouts.

The Portland Police Bureau ended the fiscal-year with personal services underspending of \$1.0 million, less than one percent of budget for the bureau.

The Office of Management and Finance (OMF) had personal services underspending of \$958,268 for the year. Savings were in all divisions and resulted from position vacancies throughout the year.

The remaining personal services underspending spanned multiple bureaus.

- \$11,942,612 in under expenditures in materials and services spreads across multiple bureaus. Special appropriations approved by City Council were underspent by \$1,090,468, due to advances paid to recipients that were not recovered by the end of the fiscal year.

The Office of Management and Finance underspent \$3,078,558 in materials and services, underspent \$834,637 on professional services spread across the bureau, and underspent \$423,867 due to lower than projected costs in miscellaneous services. A significant portion of this underspending was for the Public Safety System Revitalization Program (PSSRP) Regional Justice Information Network (RegJIN) project. This appropriation was carried forward through the FY 2014-15 Fall BMP process.

The Portland Police Bureau experienced underspending in materials and services of \$2,521,622 due to projects and purchases initiated but not completed before the end of FY 2013-14. As requested by the bureau, the majority of these encumbrances were reappropriated in FY 2014-15 through the Fall BMP.

Portland Parks and Recreation had \$759,873 of under expenditures in materials and services primarily due to underspending in EMS supplies.

- \$378,359 in capital outlay under expenditures. The majority of underspending in this category was in the Portland Police Bureau and Portland Fire & Rescue due to projects not completed before year end.

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 2013-14, 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, 2014, amounts to \$6,406,286,220 (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. The total increase in the City's investment in capital assets for the current fiscal year was \$94,399,013 or 1.5 percent, a 3.7 percent decrease for governmental activities and a 4.3 percent increase for business-type activities.

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

Governmental activities - Governmental capital assets decreased by \$82,201,882 or 3.7 percent. Additional investments in capital assets of \$109,875,174 were more than offset by depreciation of \$192,077,056. Key factors in this change were decreases in infrastructure of \$137,290,029 or 9.3 percent, buildings of \$1,875,716 or 0.9 percent,

improvements to land of \$3,944,095 or 5.3 percent, and intangible assets of \$1,631,101 or 3.9 percent. Decreases in these areas were partially offset by increases in construction in progress of \$45,988,247 or 32.0 percent, land of \$2,242,660 or 1.1 percent, and equipment of \$14,308,152 or 16.6 percent.

The decrease in infrastructure of \$137,290,029 was due primarily to depreciation in excess of new projects completed by Transportation for street improvements, street lighting, neighborhood livability, and economic vitality. Transportation infrastructure additions included the Southeast Clay Green Street, South Foster - East Lents Phase 1 and 2. Portland Streetcar Eastside Extension, Lents Town Center Foster Streetscape, South Corridor I-205 Light Rail Transit (LRT), Safe Routes to Schools and various other projects.

The construction in progress increase of \$45,988,247 was due to additional work on several large projects including the Public Safety Systems Revitalization Program (PSSRP) Radio Systems Replacement and Regional Justice Information Network (RegJIN) Projects, Fire Station 21 construction, and the Bureau of Development Services (ITAP) project.

Equipment increased \$14,308,152 primarily due to the addition of five domestically manufactured Portland Streetcars to meet the service demands of the system expansion.

Intangible assets decreased \$1,631,101. Land use rights increased \$6,864,619 due to additions by Portland Bureau of Transportation, which included property on Hayden Island. Software decreased \$8,495,720 due primarily to Emergency Communication depreciation of \$1,128,416 for the new Computer Aided Dispatch (CAD) system; and the Enterprise Business Solutions (EBS) depreciation of \$7,367,304 for the SAP implementation, Business Objects Reporting Module and various other software.

Buildings decreased \$1,875,716 primarily due to Parks depreciation in excess of new buildings purchased. Additionally, improvements to land decreased \$3,944,095 primarily due to Parks depreciation for play structures, playgrounds, trails and other park improvements in prior years in excess of major park improvements.

Business-type activities - Business-type capital assets increased \$176,600,895 or 4.3 percent. This increase resulted from additional investments in capital assets of \$249,119,563 which were partially offset by depreciation of \$72,518,668. Key factors in this change were an increase in infrastructure of \$97,224,725 or 2.9 percent, an increase in construction in progress of \$40,606,797 or 11.7 percent, and an increase in buildings of \$38,596,015 or 25.7 percent.

The increase in infrastructure was primarily due to Portland Water Bureau (PWB) and Bureau of Environmental Services (BES) assets that were placed in service during FY 2013-14 and were partially offset by depreciation. For PWB, these assets were primarily for new water mains and North Tower improvements at the Bull Run dam. For BES, these assets included upgrades to aeration basins and instrumentation and controls at the Columbia Boulevard Wastewater Treatment Plant, rehabilitation and replacement of the sewer system in the Overlook Neighborhood, and sewer rehabilitation on several streets in NE Portland.

The increase in construction in progress was primarily due to ongoing projects in PWB and BES. PWB projects included the 25 million gallon reservoir being built at Kelly Butte. BES projects included the SW 86th Avenue Pump Station and Appurtenances project and the sewer rehabilitation and replacement in the Overlook Neighborhood.

The increase in buildings was due in part to new facilities in PWB and BES. PWB building additions included the new Shops & Stores Warehouse constructed at the Interstate Facility. Notable additions for BES include the new Columbia Building constructed to replace temporary structures and house engineering, design, and construction staff at the Columbia Boulevard Wastewater Treatment Plant.

Equipment decreased \$311,786 primarily due to BES \$(965,700) and Parking Facilities \$(142,924) and various other activities with depreciation in excess of purchases; and the PWB \$(850,893) purchases in excess of depreciation.

Land decreased \$241,194 primarily due to the PWB reclassification of land to land improvements for various road repairs, extensions, landscaping and other improvements.

Software decreased \$375,467 primarily due to the PWB and BES depreciation in excess of software purchased.

The following table provides comparative information on the City's capital assets for FY 2013-14 and FY 2012-13:

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

Asset Category	FY 2013-2014	FY 2012-2013	Change
Governmental Activities			
Infrastructure	\$ 1,336,262,464	\$ 1,473,552,493	\$ (137,290,029)
Construction in progress	189,767,908	143,779,661	45,988,247
Buildings	218,439,096	220,314,812	(1,875,716)
Land	208,606,191	206,363,531	2,242,660
Improvements to land	71,007,143	74,951,238	(3,944,095)
Equipment	100,655,790	86,347,638	14,308,152
Intangible assets:			
Land use rights	29,118,787	22,254,168	6,864,619
Software	11,132,396	19,628,116	(8,495,720)
Owning rights	28,953	28,953	-
Total	\$ 2,165,018,728	\$ 2,247,220,610	\$ (82,201,882)
Business-type Activities			
Infrastructure	\$ 3,480,768,529	\$ 3,383,543,804	\$ 97,224,725
Construction in progress	388,224,188	347,617,391	40,606,797
Buildings	188,820,369	150,224,354	38,596,015
Land	102,491,418	102,732,612	(241,194)
Improvements to land	27,019,784	26,360,481	659,303
Equipment	34,414,120	34,725,905	(311,785)
Intangible assets:			
Land use rights	17,078,543	16,632,273	446,270
Software	2,442,074	2,820,540	(378,466)
Owning rights	8,467	9,237	(770)
Total	\$ 4,241,267,492	\$ 4,064,666,597	\$ 176,600,895
Total Net Capital Assets			
Infrastructure	\$ 4,817,030,993	\$ 4,857,096,297	\$ (40,065,304)
Construction in progress	577,992,096	491,397,052	86,595,044
Buildings	407,259,465	370,539,166	36,720,299
Land	311,097,609	309,096,143	2,001,466
Improvements to land	98,026,927	101,311,719	(3,284,792)
Equipment	135,069,910	121,073,543	13,996,367
Land use rights	46,197,330	38,886,441	7,310,889
Software	13,574,470	22,448,656	(8,874,186)
Owning rights	37,420	38,190	(770)
Total	\$ 6,406,286,220	\$ 6,311,887,207	\$ 94,399,013

Information on the City's capital assets can be found in Note III.F. on pages 97 - 103 of this report.

B. Debt administration

The City holds debt in the form of lines of credit, loans, notes, and bonds. The increases of \$80,336,790 in bonds outstanding and reductions of \$92,429,809 to the lines of credit outstanding account for the largest components of the net decrease in debt outstanding of \$13,810,186. The decreases in the lines of credit was largely attributable to the payoff of the 2012 sewer system interim financing of \$88,387,347, the payoff of the 2011 Parks SDC line of credit of \$959,100, the payoff of the 2011 Parks Maintenance Facilities line of credit of \$3,210,000, and other draws and repayments which net to an additional decrease of \$73,362.

The increase in bonds outstanding is a combination of a \$77,178,322 net increase in business-type activity bonds, primarily sewer revenue bonds, and a \$3,158,468 net increase in governmental bonds, which include limited tax revenue, limited tax improvement, and general obligation bonds. Scheduled payments on loans, primarily business-type loans, decreased overall debt by \$1,674,710.

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

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
Governmental Activities			
Bonds	\$ 1,072,502,180	\$ 1,069,343,712	\$ 3,158,468
Lines of Credit	50,379,705	64,192,206	(13,812,501)
Loans	<u>7,147,057</u>	<u>7,496,183</u>	<u>(349,126)</u>
Total governmental activities	<u>1,130,028,942</u>	<u>1,141,032,101</u>	<u>(11,003,159)</u>
Business-type Activities			
Bonds	2,418,204,864	2,341,026,542	77,178,322
Lines of Credit	-	78,617,308	(78,617,308)
Loans	17,611,990	18,937,574	(1,325,584)
Notes	<u>198,761</u>	<u>241,218</u>	<u>(42,457)</u>
Total business-type activities	<u>2,436,015,615</u>	<u>2,438,822,642</u>	<u>(2,807,027)</u>
Total Outstanding Debt			
Bonds	3,490,707,044	3,410,370,254	80,336,790
Lines of Credit	50,379,705	142,809,514	(92,429,809)
Loans	24,759,047	26,433,757	(1,674,710)
Notes	<u>198,761</u>	<u>241,218</u>	<u>(42,457)</u>
Total outstanding debt	<u>\$ 3,566,044,557</u>	<u>\$ 3,579,854,743</u>	<u>\$ (13,810,186)</u>

As of June 30, 2014, the City had total bonded debt outstanding of \$3,490,707,044. Unamortized premiums and discounts for governmental activities net to \$36,904,989, while unamortized premiums and discounts for business-type activities net to \$117,958,078. Of the total bonded debt outstanding, \$75,850,000 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 \$13,175,000 from FY 2012-13. This increase was due to the issuance of the General Obligation Bonds, 2014 Series A (Public Safety Projects and Emergency Facilities Refunding) in the amount of \$29,795,000 which, in addition to providing proceeds for public safety projects, refunded \$8,265,000 of the General Obligation Emergency Facilities Bonds, 2004 Series A. The increase was further offset by scheduled repayments of \$4,210,000 related to public safety and emergency facilities and \$4,145,000 related to parks.

The City has \$529,349,975 of limited tax revenue bonds outstanding, an increase of \$8,681,699 from FY 2012-13. In the governmental funds, an increase of \$17,909,584 was due to issuance of \$44,215,000 for the Sellwood Bridge Project that was offset by scheduled principal payments of \$26,305,416. In business-type activities, the decrease of \$9,227,883 was due to scheduled payments and the net effect of refunding \$21,710,000 of the 2001 stadium bonds with \$21,915,000 of stadium refunding bonds issued in FY 2013-14. 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.

An additional \$490,735,000 of the City's outstanding debt consists of urban renewal bonds that are repaid from tax increment revenues generated from the City's various urban renewal areas (URA). The decrease of \$29,050,000 was entirely due to scheduled debt service payments.

As of June 30, 2014, the City had \$48,625,000 of outstanding limited tax improvement bonds a decrease of \$2,075,000 from FY 2012-13. The decrease was the net effect of scheduled principal payments of \$1,525,000, early bond payments of \$7,935,000 and new bond issuance of \$7,385,000.

The remainder of the City's debt is comprised of revenue bonds, totaling approximately \$2,191,284,002, an increase of \$82,484,002 over FY 2012-13. This increase is due to new sewer revenue and refunding bonds issued in the amount of \$210,965,000 and gas tax revenue refunding bonds issued in the amount of \$1,073,000. The new bonds issued were offset by bonds refunded in the amount of \$31,900,000 and scheduled revenue bond principal payments of \$97,654,000. After the refunding and payoff of the interim financing, proceeds from the new sewer bonds issued will be used to fund the cost of capital improvements for the City's sewer system. In general, revenue bonds are secured solely by specified revenue sources such as water, sewer, or gas tax revenues.

The following table provides comparative information on the City's outstanding bonded debt, not including unamortized premiums and discounts on bonds:

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

	<u>FY 2013-14</u>	<u>FY 2012-13</u>	<u>Change</u>
Governmental Activities			
General Obligation Bonds	\$ 75,850,000	\$ 62,675,000	\$ 13,175,000
Limited Tax Improvement Bonds	48,625,000	50,700,000	(2,075,000)
Urban Renewal Bonds	490,735,000	519,785,000	(29,050,000)
Limited Tax Revenue Bonds	405,413,191	387,503,607	17,909,584
Revenue Bonds	14,974,000	16,820,000	(1,846,000)
Unamortized premiums & discounts	<u>36,904,989</u>	<u>31,860,105</u>	<u>5,044,884</u>
Total governmental activities	<u>1,072,502,180</u>	<u>1,069,343,712</u>	<u>3,158,468</u>
Business-type Activities			
Limited Tax Revenue Bonds	123,936,784	133,164,667	(9,227,883)
Revenue Bonds	2,176,310,002	2,091,980,000	84,330,002
Unamortized premiums & discounts	<u>117,958,078</u>	<u>115,881,875</u>	<u>2,076,203</u>
Total business-type activities	<u>2,418,204,864</u>	<u>2,341,026,542</u>	<u>77,178,322</u>
Total Outstanding Debt			
General Obligation Bonds	75,850,000	62,675,000	13,175,000
Limited Tax Improvements Bonds	48,625,000	50,700,000	(2,075,000)
Urban Renewal Bonds	490,735,000	519,785,000	(29,050,000)
Limited Tax Revenue Bonds	529,349,975	520,668,276	8,681,699
Revenue Bonds	2,191,284,002	2,108,800,000	82,484,002
Unamortized premiums & discounts	<u>154,863,067</u>	<u>147,741,978</u>	<u>7,121,089</u>
Total outstanding bonded debt	<u>\$ 3,490,707,044</u>	<u>\$ 3,410,370,254</u>	<u>\$ 80,336,790</u>

The City's total bonded debt increased by \$80,336,790, or 2.4 percent, during the FY 2013-14. Bonded debt for governmental activities increased by \$3,158,468 while debt for business-type activities increased by \$77,178,322. As detailed previously, the primary reason for the increase in bonded debt relating to governmental activities was the sale of bonds to fund the Sellwood Bridge project and public safety projects, while the primary reason for the increase in debt relating to business-type activities was the sale of bonds to

fund capital improvements for the City's sewer system.

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 2013-14 real market value, this debt limitation is \$2,521,346,866. The amount of outstanding City debt subject to this limitation is \$75,850,000.
- **Debt ratings.** The City's unlimited tax general obligation debt remains rated "Aaa" by Moody's Investors Service and was confirmed in May 2014. The Standard and Poor's rating on the Second Lien Sewer Revenue Bonds was downgraded from AA to AA- in August 2013. All other ratings remain unchanged in FY 2013-14.

Credit	<u>Moody's Rating</u>
Unlimited Tax General Obligation Bonds	Aaa
First Lien Water Revenue Bonds	Aaa
Second Lien Water Revenue Bonds	Aa1
Limited Tax Revenue Bonds	Aa1
Arena Limited Tax Revenue Bonds	Aa1
Limited Tax Improvement Bonds	Aa1
Limited Tax Pension Obligation Revenue Bonds	Aa1
Limited Tax Housing Revenue Bonds	Aa1
Gas Tax Revenue Bonds	Aa2
First Lien Sewer Revenue Bonds (1)	Aa2
Second Lien Sewer Revenue Bonds (2)	Aa3
Airport Way Urban Renewal Bonds	Aa3
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	A2
Interstate Corridor Urban Renewal Bonds	A2
Hydroelectric Revenue Bonds (PGE) (3)	Baa1

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.
 (3) These bonds are additionally rated BBB by Standard and Poor's.

- Debt ratios. The City's debt ratios, as of June 30, 2014, are shown below:

	Amount	Per Capita	Percent of Real Market Valuation	Percent of Assessed Valuation
Population July 1, 2013	592,120	--	--	-
2013-2014 Market Value (1) (2)	\$ 84,044,895,532	\$ 141,939	--	-
2013-2014 Assessed Value (1)	\$ 54,352,520,253	\$ 91,793	64.67 %	-
Gross Bonded Debt (3)	\$ 703,347,863	\$ 1,188	0.84 %	1.29 %
Net Direct Debt (4)	\$ 235,507,067	\$ 398	0.28 %	0.43 %
Net Overlapping Debt	\$ 1,079,052,345	\$ 1,822	1.28 %	1.99 %
Net Direct and Overlapping Debt	\$ 1,314,559,412	\$ 2,220	1.56 %	2.42 %

(1) Market and Assessed Values reported in this table encompasses City of Portland values within Multnomah, Washington, and Clackamas Counties, including estimated urban renewal incremental real market values.

(2) 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 FY 2013-14, the Measure 5 Market Value represented about 82 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 108 - 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 of Portland's budget for the 2014-15 fiscal year.

- According to the U.S. Bureau of Labor Statistics, the unemployment rate for the City of Portland in June 2014 was 5.9 percent. This compares favorably with the State of Oregon rate of 7.0 percent and is equal to the national rate.
- Based on data released August 15, 2014, inflation rose at an annualized rate of 1.8 percent for the first six months of 2014. Much of the total Consumer Price Index (CPI) increase was driven by increases in energy costs. Real estate and transportation costs rose only slightly. The CPI-W, which determines the cost of living increases for nearly all City employees, is expected to be similar and approximately 2.5 percent for the 2014 calendar year.
- Water rates and sewer bills increased 7.0 percent and 4.0 percent, respectively, for the FY 2014-15 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.
- Home sales activity remains the headline for the local economy at this time. Bolstered by historically low mortgage rates and increasing general confidence, demand from consumers is far outstripping supply. The result is rapidly rising prices, often exceeding asking prices. In spite of the recent growth, prices remain well below pre-recession levels. According to the S&P-Case Schiller index, Portland prices remain more than 9.4 percent below the peak level in April 2007.
- Year-over-year employment growth during the first quarter of 2014 was nearly 3 percent, the fastest growth since the end of 2006. For private employers the growth was even greater, approaching 3.5 percent.
- Economic conditions have continued to improve, but they lack the type of rapid expansion expected in a

typical economic recovery. Home prices, after rebounding significantly over the last 18 months, have slowed significantly. Job growth has also continued to recover, as the local economy has now regained all of the jobs lost in the recession. As this relates to the City's revenue streams, an increased growth rate is expected.

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, Office of Management and Finance, 1120 SW Fifth Avenue, Suite 1250, Portland, Oregon 97204.



Pioneer Courthouse and Sign Showing Points of Interest Near and Far

Basic Financial Statements

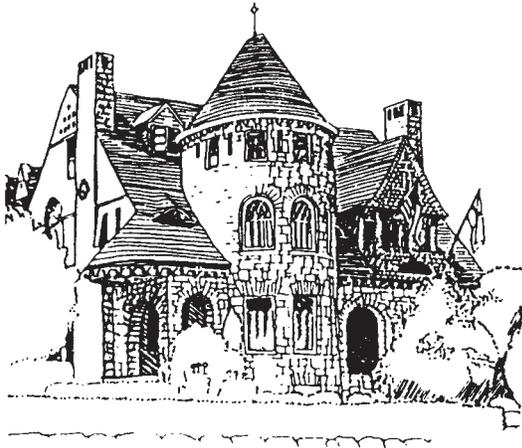


E.K. Haseltine Residence, 1880

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Government-wide Financial Statements



K.A.J. Mackenzie Residence, 1892

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City Hall and Portland Building

City of Portland, Oregon
Statement of Net Position
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Portland Development Commission
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 277,182,090	\$ 151,414,055	\$ 428,596,145	\$ 190,881,528
Receivables:				
Taxes	14,192,434	-	14,192,434	-
Accounts, net	45,106,855	72,642,965	117,749,820	855,812
Assessments	1,138,319	1,142,602	2,280,921	-
Notes and loans, net	658,995	83,232	742,227	1,848,610
Advances	1,494,067	305,568	1,799,635	-
Accrued interest	869,054	613,625	1,482,679	291,211
Due from primary government	-	-	-	3,723,796
Due from component unit	355,094	93,342	448,436	-
Internal balances	351,213	2,390,849	-	-
Inventories	7,231,997	3,387,864	10,619,861	-
Property held for sale	-	-	-	73,370,002
Prepaid expenses	950,767	-	950,767	237,704
Current assets (restricted):				
Cash and investments	70,435,112	20,135,931	90,571,043	-
Receivables:				
Taxes	17,854,432	-	17,854,432	-
Accounts, net	304,062	-	304,062	-
Assessments	21,265,853	-	21,265,853	-
Notes and loans, net	2,896,817	-	2,896,817	-
Advances	3,923	-	3,923	-
Grants	9,029,885	-	9,029,885	-
Accrued interest	608,590	-	608,590	-
Due from component unit	1,664,008	-	1,664,008	-
Prepaid items	5,118	-	5,118	-
Internal balances	(2,742,062)	-	-	-
Property held for sale	11,213,852	-	11,213,852	-
	482,070,475	252,210,033	734,280,508	271,208,663
Total current assets				
Noncurrent assets (unrestricted):				
Capital assets, not being depreciated or amortized:				
Land	208,606,191	102,491,418	311,097,609	7,495,883
Construction in progress	189,767,908	388,224,188	577,992,096	-
Intangible assets:				
Land use rights	29,118,787	16,762,843	45,881,630	-
Owning rights	28,953	-	28,953	-
Capital assets, net of accumulated depreciation:				
Infrastructure	1,336,262,464	3,480,768,529	4,817,030,993	-
Buildings	218,439,096	188,820,369	407,259,465	4,452,393
Improvements to land	71,007,143	27,019,784	98,026,927	-
Equipment	100,655,790	34,414,120	135,069,910	144,101
Intangible assets:				
Land use rights	-	315,700	315,700	-
Owning rights	-	8,467	8,467	-
Software	11,132,396	2,442,074	13,574,470	2,415,180
	2,165,018,728	4,241,267,492	6,406,286,220	14,507,557
Net capital assets				
Receivables:				
Assessments	7,961,227	3,413,843	11,375,070	-
Notes and loans, net	5,691,241	-	5,691,241	53,363,554
Prepaid expense	95,167,331	37,103,294	132,270,625	-
Noncurrent assets (restricted):				
Cash and investments	135,216,069	118,469,007	253,685,076	-
Receivables:				
Assessments	49,200,874	-	49,200,874	-
Notes and loans, net	45,417,476	-	45,417,476	-
Grants	3,467,912	-	3,467,912	-
	2,507,140,858	4,400,253,636	6,907,394,494	67,871,111
Total noncurrent assets				
Total assets				
	\$ 2,989,211,333	\$ 4,652,463,669	\$ 7,641,675,002	\$ 339,079,774

Continued next page

City of Portland, Oregon
Statement of Net Position, Continued
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Portland Development Commission
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	\$ 21,703,282	\$ 12,552,465	\$ 34,255,747	\$ 3,377,855
Self insurance claims	12,037,136	-	12,037,136	-
Compensated absences	39,411,372	8,409,968	47,821,340	106,698
Bonds payable	29,593,850	125,622,711	155,216,561	-
Notes and loans payable	9,280,162	1,386,781	10,666,943	-
Accrued interest payable	3,578,459	22,123,046	25,701,505	-
Unearned revenue	3,862,759	1,216,132	5,078,891	-
Due to primary government	-	-	-	2,112,444
Due to component unit	2,959,205	-	2,959,205	-
Pollution remediation	32,866	1,410,000	1,442,866	666,928
Other liabilities	3,150	127,557	130,707	-
Current liabilities (payable from restricted assets):				
Accounts payable	8,287,226	17,745,931	26,033,157	-
Bonds payable	49,761,560	2,390,000	52,151,560	-
Due to component unit	764,591	-	764,591	-
Unearned revenue	3,609,016	-	3,609,016	-
Other liabilities	14,113,208	-	14,113,208	-
Total current liabilities	198,997,842	192,984,591	391,982,433	6,263,925
Noncurrent liabilities:				
Self insurance claims	14,431,702	-	14,431,702	-
Compensated absences	12,704,559	257,180	12,961,739	395,046
Bonds payable	993,146,770	2,290,192,153	3,283,338,923	-
Notes and loans payable	48,246,601	16,423,970	64,670,571	-
Accrued interest payable	74,439,661	20,023,369	94,463,030	-
Net pension obligation	1,397,744,268	-	1,397,744,268	-
Other postemployment benefits	35,596,583	3,449,676	39,046,259	744,163
Landfill postclosure	877,818	-	877,818	-
Pollution remediation	594,825	5,169,200	5,764,025	7,867,795
Other liabilities	-	449,127	449,127	3,491,193
Total noncurrent liabilities	2,577,782,787	2,335,964,675	4,913,747,462	12,498,197
Total liabilities	2,776,780,629	2,528,949,266	5,305,729,895	18,762,122
NET POSITION				
Net investment in capital assets	2,045,982,585	1,968,473,423	4,014,456,008	14,507,557
Restricted for:				
Public safety	1,586,781	-	1,586,781	-
Parks, recreation and culture	2,289,008	-	2,289,008	-
Community development	115,483,239	-	115,483,239	297,804,184
Transportation	32,451,737	-	32,451,737	-
Legislative / admin / support services	3,146,907	-	3,146,907	-
Debt service	75,564,825	2,445,609	78,010,434	-
Capital projects	40,659,167	11,692,635	52,351,802	-
Parks endowment fund:				
Nonexpendable	181,300	-	181,300	-
Water	8,174	-	8,174	-
Unrestricted surplus (deficit)	(2,104,923,019)	140,902,736	(1,964,020,283)	8,005,911
Total net position	\$ 212,430,704	\$ 2,123,514,403	\$ 2,335,945,107	\$ 320,317,652

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

City of Portland, Oregon
Statement of Activities
For the Year Ended June 30, 2014

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Public safety	\$ 524,324,725	\$ 13,932,328	\$ 23,012,441	\$ -	\$ (487,379,956)	\$ -	\$ (487,379,956)	\$ -
Parks, recreation and culture	85,522,569	21,579,257	3,001,879	29,920,702	(31,020,731)	-	(31,020,731)	-
Community development	166,124,118	61,010,720	28,024,914	72,958	(77,015,526)	-	(77,015,526)	-
Transportation	321,045,231	83,482,648	68,518,827	24,602,516	(144,441,240)	-	(144,441,240)	-
Legislative / admin / support services	100,869,933	206,200,217	25,171,169	1,628	130,503,081	-	130,503,081	-
Environmental services	387,345	-	87,094	1,376,452	1,076,201	-	1,076,201	-
Water	185,404	-	-	418,598	233,194	-	233,194	-
Parking facilities	17,000	-	-	-	(17,000)	-	(17,000)	-
Interest on long-term debt	47,846,811	-	-	-	(47,846,811)	-	(47,846,811)	-
Total governmental activities	<u>1,246,323,136</u>	<u>386,205,170</u>	<u>147,816,324</u>	<u>56,392,854</u>	<u>(655,908,788)</u>	<u>-</u>	<u>(655,908,788)</u>	<u>-</u>
Business-type activities:								
Environmental services	234,976,444	316,057,459	-	2,266,450	-	83,347,465	83,347,465	-
Water	112,388,000	145,760,796	-	197,470	-	33,570,266	33,570,266	-
Hydroelectric power	1,661,975	4,054,750	-	-	-	2,392,775	2,392,775	-
Parking facilities	6,872,812	12,896,245	-	-	-	6,023,433	6,023,433	-
Golf	8,890,606	7,990,960	-	-	-	(899,646)	(899,646)	-
Motor sports	1,685,405	1,424,301	-	-	-	(261,104)	(261,104)	-
Spectator facilities	6,517,715	10,473,920	-	330,422	-	4,286,627	4,286,627	-
Housing	721,620	868,533	-	-	-	146,913	146,913	-
Total business-type activities:	<u>373,714,577</u>	<u>499,526,964</u>	<u>-</u>	<u>2,794,342</u>	<u>-</u>	<u>128,606,729</u>	<u>128,606,729</u>	<u>-</u>
Total primary government	<u>\$ 1,620,037,713</u>	<u>\$ 885,732,134</u>	<u>\$ 147,816,324</u>	<u>\$ 59,187,196</u>	<u>(655,908,788)</u>	<u>128,606,729</u>	<u>(527,302,059)</u>	<u>-</u>
Component unit:								
Portland Development Commission	<u>\$ 65,987,877</u>	<u>\$ 15,735,491</u>	<u>\$ 7,641,493</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,610,893)</u>
General revenues:								
Taxes:								
Property					455,381,655	-	455,381,655	-
Lodging					35,063,066	-	35,063,066	-
Miscellaneous					7,062,234	-	7,062,234	-
Payments from the City					-	-	-	59,718,111
Investment earnings					8,950,181	2,894,317	11,844,498	865,969
Miscellaneous revenues (primarily sale of property held for sale)					-	-	-	5,966,992
Transfers					6,715,480	(6,715,480)	-	-
Special item:								
Contribution to PDC - historic monument					-	-	-	5,800,000
Total general revenues and transfers					<u>513,172,616</u>	<u>(3,821,163)</u>	<u>509,351,453</u>	<u>72,351,072</u>
Change in net position					(142,736,172)	124,785,566	(17,950,606)	29,740,179
Net position -- beginning					355,166,876	1,998,728,837	2,353,895,713	290,577,473
Net position -- ending					<u>\$ 212,430,704</u>	<u>\$ 2,123,514,403</u>	<u>\$ 2,335,945,107</u>	<u>\$ 320,317,652</u>

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

Fund Financial Statements



Union Station, 1890

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**City of Portland, Oregon
Balance Sheet
Governmental Funds
June 30, 2014**

	General Fund	Transportation Operating	Grants	Other Governmental Funds	Total
ASSETS					
Unrestricted:					
Cash and investments	\$ 73,099,421	\$ 31,915,211	\$ -	\$ 36,100,444	\$ 141,115,076
Receivables:					
Taxes	14,192,434	-	-	-	14,192,434
Accounts, net	30,446,842	11,174,241	-	2,203,539	43,824,622
Assessments	19,876	1,082,038	-	7,997,632	9,099,546
Notes and loans, net	-	125,000	-	5,849,336	5,974,336
Advances	1,494,067	-	-	-	1,494,067
Accrued interest	139,523	83,280	-	437,860	660,663
Due from other funds	-	37,958	-	929	38,887
Due from component unit	318,277	82	-	-	318,359
Internal loans receivable	695,000	2,000,000	-	-	2,695,000
Inventories	299,864	5,434,125	-	-	5,733,989
Prepaid items	245,429	291,013	-	-	536,442
Restricted:					
Cash and investments	5,881,293	31,794,588	14,578	162,107,423	199,797,882
Receivables:					
Taxes	8,231,915	-	-	9,622,517	17,854,432
Accounts, net	-	-	-	304,062	304,062
Assessments	-	-	-	70,466,727	70,466,727
Notes and loans, net	-	-	842,302	47,471,991	48,314,293
Advances	-	-	-	3,923	3,923
Grants	-	-	11,559,707	938,090	12,497,797
Accrued interest	-	-	4,949	603,641	608,590
Due from component unit	-	-	171,429	1,492,579	1,664,008
Property held for sale	-	-	-	11,213,852	11,213,852
Prepaid items	-	-	5,118	-	5,118
Total assets	\$ 135,063,941	\$ 83,937,536	\$ 12,598,083	\$ 356,814,545	\$ 588,414,105
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 7,729,597	\$ 6,357,932	\$ -	\$ 767,082	\$ 14,854,611
Due to component units	1,255,384	-	-	-	1,255,384
Internal loans payable	1,323,735	-	-	-	1,323,735
Unearned revenue	152,320	3,621,086	-	16,186	3,789,592
Pollution remediation	32,866	-	-	-	32,866
Other accrued liabilities	-	3,150	-	-	3,150
Liabilities payable from restricted assets:					
Accounts payable	-	-	3,128,155	4,752,633	7,880,788
Due to other funds	-	-	47,062	-	47,062
Due to component unit	-	-	121,659	642,932	764,591
Due to fiduciary fund	8,231,915	-	-	-	8,231,915
Internal loans payable	-	-	2,695,000	-	2,695,000
Unearned revenue	-	-	3,609,016	-	3,609,016
Other accrued liabilities	5,881,293	-	-	-	5,881,293
Total liabilities	24,607,110	9,982,168	9,600,892	6,178,833	50,369,003
Deferred inflows of resources:					
Unavailable revenue - unrestricted	13,488,798	2,581,353	-	7,841,737	23,911,888
Unavailable revenue - restricted	-	-	3,629,992	78,045,332	81,675,324
Total deferred inflows of resources	13,488,798	2,581,353	3,629,992	85,887,069	105,587,212
Fund balances:					
Nonspendable	545,293	5,725,138	-	162,843	6,433,274
Restricted	-	31,794,588	-	220,621,067	252,415,655
Committed	60,077,408	-	-	13,471,649	73,549,057
Assigned	7,444,423	33,854,289	-	30,493,084	71,791,796
Unassigned	28,900,909	-	(632,801)	-	28,268,108
Total fund balances (deficits)	96,968,033	71,374,015	(632,801)	264,748,643	432,457,890
Total liabilities, deferred inflows of resources and fund balances	\$ 135,063,941	\$ 83,937,536	\$ 12,598,083	\$ 356,814,545	\$ 588,414,105

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, 2014

Fund balances - total governmental funds	\$	432,457,890
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental funds are not financial resources and, therefore, are reported only in the government-wide statements:		1,980,547,123
Other long-term assets are prepaid or are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:		
Prepaid item - unamortized PERS balance		86,563,933
Deferred items eliminated for government-wide (See Note III.D., Deferred inflows of resources and unearned revenue)		105,587,212
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.		232,593,638
Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds.		(1,009,212,479)
Unfunded net pension obligation 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.E., Employee retirement systems and pension plans)		(1,397,744,268)
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		(49,351,975)
Notes and loans payable		(57,526,763)
Accrued interest		(73,129,456)
Other postemployment benefits		(34,498,834)
Landfill postclosure		(877,818)
Pollution remediation		(594,825)
Internal service fund look-back adjustment to business-type activities		(2,382,674)
Total net position of governmental activities	\$	<u>212,430,704</u>

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 Year Ended June 30, 2014

	<u>General Fund</u>	<u>Transportation Operating</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES					
Taxes:					
Property	\$ 316,020,813	\$ -	\$ -	\$ 137,007,477	\$ 453,028,290
Lodging	22,317,995	-	-	12,745,071	35,063,066
Miscellaneous	-	-	-	7,062,234	7,062,234
Licenses and fees	167,880,349	3,726,335	-	36,628,628	208,235,312
Intergovernmental	27,200,418	64,365,815	38,077,439	35,413,328	165,057,000
Charges for services	12,395,309	11,897,901	-	22,322,742	46,615,952
Interagency	48,238,550	30,296,599	-	970,517	79,505,666
Parking fees	363,147	26,782,608	-	921,521	28,067,276
Parking fines	-	6,574,304	-	-	6,574,304
Concessions	44,666	-	-	-	44,666
Rents and reimbursements	4,738,380	508,800	-	34,930	5,282,110
Miscellaneous service charges	2,494,754	2,505,841	42	11,903,426	16,904,063
Assessments	2,257	266,649	-	20,550,218	20,819,124
Investment earnings	1,279,286	470,519	23,059	6,037,830	7,810,694
Payments in lieu of taxes	924,647	-	-	-	924,647
Sale of inventory	-	-	-	2,107,577	2,107,577
Miscellaneous	2,833,772	4,327,222	137	2,267,958	9,429,089
Total revenues	606,734,343	151,722,593	38,100,677	295,973,457	1,092,531,070
EXPENDITURES					
Current:					
Public safety	386,756,653	-	6,846,453	24,016,426	417,619,532
Parks, recreation and culture	63,842,686	-	392,342	4,028,988	68,264,016
Community development	36,329,749	-	7,341,992	126,881,952	170,553,693
Transportation	-	167,521,250	738,553	-	168,259,803
Legislative / admin / support services	63,226,710	-	381,851	25,614,653	89,223,214
Environmental services	-	-	350,203	-	350,203
Water	-	-	50,294	-	50,294
Debt service and related costs:					
Principal	4,428,159	6,323,059	-	122,834,026	133,585,244
Interest	2,396,431	3,319,140	-	37,808,106	43,523,677
Debt issuance costs	-	134,130	-	659,226	793,356
Capital outlay	6,815,692	22,275,877	16,405,034	37,737,055	83,233,658
Total expenditures	563,796,080	199,573,456	32,506,722	379,580,432	1,175,456,690
Excess (deficiency) of revenues over (under) expenditures	42,938,263	(47,850,863)	5,593,955	(83,606,975)	(82,925,620)
OTHER FINANCING SOURCES (USES)					
Transfers in	10,348,435	20,082,696	1,053,448	88,058,165	119,542,744
Transfers out	(35,609,531)	(4,642,483)	-	(66,130,651)	(106,382,665)
Bonds and notes issued	-	45,404,379	-	32,752,895	78,157,274
Refunding bonds issued	-	-	-	49,808,705	49,808,705
Bonds and notes premium	-	5,938,312	-	3,907,850	9,846,162
Sale of capital asset	-	-	-	701,755	701,755
Total other financing and uses	(25,261,096)	66,782,904	1,053,448	109,098,719	151,673,975
Net change in fund balances	17,677,167	18,932,041	6,647,403	25,491,744	68,748,355
Fund balances (deficits) - beginning	79,290,866	52,441,974	(7,280,204)	239,256,899	363,709,535
Fund balances (deficits) - ending	<u>\$ 96,968,033</u>	<u>\$ 71,374,015</u>	<u>\$ (632,801)</u>	<u>\$ 264,748,643</u>	<u>\$ 432,457,890</u>

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 Year Ended June 30, 2014

Net change in fund balances - total governmental funds	\$	68,748,355
Amounts reported for governmental activities in the statement of activities are different because:		
The effect of capital outlays made by the governmental funds		83,233,658
Disposals of capital assets and capital contributions		14,266,120
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., the Capital assets section of the Notes to the Financial Statements, for a breakdown of depreciation expense by function.)		(173,505,866)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(12,866,241)
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.		(9,817,324)
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.		(6,199,616)
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 and interest payable, the premium amortization on bonds payable, and recognition of capital lease obligations		1,066,124
Accrual of net pension liability which is not reported as an expenditure in governmental funds		(100,209,992)
Amortization of prepaid pension costs		(5,614,958)
Internal service fund look-back adjustment to business-type activities		623,909
Accrual of landfill postclosure costs		(6,344)
Accrual of environmental remediation costs		118,810
Accrual of other postemployment benefits which are not reported as an expenditure in governmental funds		(2,572,807)
Change in net position - governmental activities	\$	<u>(142,736,172)</u>

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



City Hall Columns

**City of Portland Oregon
Statement of Net Position
Proprietary Funds
June 30, 2014**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Other Funds</u>	<u>Total</u>	
ASSETS					
Current assets (unrestricted):					
Cash and investments	\$ 50,475,180	\$ 80,318,903	\$ 20,619,972	\$ 151,414,055	\$ 136,067,014
Receivables:					
Accounts, net	49,471,836	21,247,691	1,923,438	72,642,965	1,282,233
Assessments	902,694	239,908	-	1,142,602	-
Notes and loans, net	83,232	-	-	83,232	53,700
Advances	-	245,568	60,000	305,568	-
Accrued interest	230,548	242,925	140,152	613,625	208,391
Due from other funds	-	8,175	-	8,175	-
Due from component unit	-	-	93,342	93,342	36,735
Internal loans receivable	-	-	-	-	137,516
Inventories	1,527,400	1,860,464	-	3,387,864	1,498,008
Prepaid expenses	-	-	-	-	414,325
Total current assets (unrestricted)	<u>102,690,890</u>	<u>104,163,634</u>	<u>22,836,904</u>	<u>229,691,428</u>	<u>139,697,922</u>
Current assets (restricted):					
Cash and investments	<u>9,901,365</u>	<u>7,844,566</u>	<u>2,390,000</u>	<u>20,135,931</u>	<u>867,687</u>
Total current assets (restricted)	<u>9,901,365</u>	<u>7,844,566</u>	<u>2,390,000</u>	<u>20,135,931</u>	<u>867,687</u>
Total current assets	<u>112,592,255</u>	<u>112,008,200</u>	<u>25,226,904</u>	<u>249,827,359</u>	<u>140,565,609</u>
Noncurrent assets (unrestricted):					
Capital assets, not being depreciated or amortized:					
Land	69,112,316	14,779,034	18,600,068	102,491,418	10,468,512
Construction in progress	164,129,220	223,600,474	494,494	388,224,188	33,666,284
Intangible assets:					
Land use rights	14,135,856	2,622,487	4,500	16,762,843	-
Capital assets, being depreciated or amortized:					
Infrastructure	3,203,922,370	981,654,125	44,128,641	4,229,705,136	11,983,338
Buildings	32,688,308	61,143,415	194,786,782	288,618,505	155,018,405
Improvements to land	1,292,824	18,431,666	23,339,920	43,064,410	873,162
Equipment	27,321,346	32,056,168	5,802,668	65,180,182	100,275,377
Intangible assets:					
Land use rights	-	322,212	-	322,212	-
Owning rights	-	10,776	-	10,776	-
Software	8,631,572	2,744,247	252,638	11,628,457	42,644,840
Accumulated depreciation and amortization	<u>(427,486,282)</u>	<u>(364,271,887)</u>	<u>(112,982,466)</u>	<u>(904,740,635)</u>	<u>(170,458,313)</u>
Capital assets, net of accumulated depreciation and amortization	3,093,747,530	973,092,717	174,427,245	4,241,267,492	184,471,605
Receivables:					
Assessments	3,193,985	219,858	-	3,413,843	-
Notes and loans, net	-	-	-	-	322,200
Internal loans receivable	-	-	-	-	1,186,219
Prepaid pension obligation	<u>17,331,098</u>	<u>18,000,228</u>	<u>1,771,968</u>	<u>37,103,294</u>	<u>8,603,398</u>
Total noncurrent assets (unrestricted)	3,114,272,613	991,312,803	176,199,213	4,281,784,629	194,583,422
Noncurrent assets (restricted):					
Cash and investments	<u>45,955,646</u>	<u>58,555,117</u>	<u>13,958,244</u>	<u>118,469,007</u>	<u>4,985,612</u>
Total noncurrent assets	<u>3,160,228,259</u>	<u>1,049,867,920</u>	<u>190,157,457</u>	<u>4,400,253,636</u>	<u>199,569,034</u>
Total assets	<u>\$ 3,272,820,514</u>	<u>\$ 1,161,876,120</u>	<u>\$ 215,384,361</u>	<u>\$ 4,650,080,995</u>	<u>\$ 340,134,643</u>

Continued next page

City of Portland Oregon
Statement of Net Position, Continued
Proprietary Funds
June 30, 2014

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Other Funds</u>	<u>Total</u>	
LIABILITIES					
Current liabilities (payable from unrestricted assets):					
Accounts payable	\$ 7,017,199	\$ 4,509,532	\$ 1,025,734	\$ 12,552,465	\$ 6,848,671
Self insurance claims	-	-	-	-	12,037,136
Compensated absences	3,818,108	4,073,326	518,534	8,409,968	2,763,956
Bonds payable	91,577,298	26,818,549	7,226,864	125,622,711	11,475,298
Notes and loans payable	1,386,781	-	-	1,386,781	-
Accrued interest payable	16,237,858	5,388,639	496,549	22,123,046	245,701
Unearned revenue	722,820	264,952	228,360	1,216,132	73,167
Due to component unit	-	-	-	-	1,703,821
Pollution remediation	-	370,000	1,040,000	1,410,000	-
Other liabilities	127,557	-	-	127,557	-
Total current liabilities (unrestricted)	<u>120,887,621</u>	<u>41,424,998</u>	<u>10,536,041</u>	<u>172,848,660</u>	<u>35,147,750</u>
Current liabilities (payable from restricted assets):					
Accounts payable	9,901,365	7,844,566	-	17,745,931	406,438
Bonds payable	-	-	2,390,000	2,390,000	-
Total current liabilities (restricted)	<u>9,901,365</u>	<u>7,844,566</u>	<u>2,390,000</u>	<u>20,135,931</u>	<u>406,438</u>
Total current liabilities	<u>130,788,986</u>	<u>49,269,564</u>	<u>12,926,041</u>	<u>192,984,591</u>	<u>35,554,188</u>
Noncurrent liabilities:					
Self insurance claims	-	-	-	-	14,431,702
Compensated absences	116,383	124,141	16,656	257,180	-
Bonds payable	1,614,205,941	608,158,798	67,827,414	2,290,192,153	51,814,403
Notes and loans payable	16,423,970	-	-	16,423,970	-
Accrued interest payable	9,352,998	9,714,103	956,268	20,023,369	4,642,963
Other postemployment benefits	1,463,418	1,745,075	241,183	3,449,676	1,097,749
Pollution remediation	2,081,200	413,000	2,675,000	5,169,200	-
Other liabilities	63,581	-	385,546	449,127	-
Total noncurrent liabilities	<u>1,643,707,491</u>	<u>620,155,117</u>	<u>72,102,067</u>	<u>2,335,964,675</u>	<u>71,986,817</u>
Total liabilities	<u>1,774,496,477</u>	<u>669,424,681</u>	<u>85,028,108</u>	<u>2,528,949,266</u>	<u>107,541,005</u>
NET POSITION					
Net investment in capital assets	1,442,320,942	424,081,178	102,071,303	1,968,473,423	139,268,765
Restricted for:					
Community development	-	-	-	-	461,249
Debt service	180,000	-	2,265,609	2,445,609	-
Capital projects	-	-	11,692,635	11,692,635	-
Unrestricted	55,823,095	68,370,261	14,326,706	138,520,062	92,863,624
Total net position	<u>\$ 1,498,324,037</u>	<u>\$ 492,451,439</u>	<u>\$ 130,356,253</u>	2,121,131,729	<u>\$ 232,593,638</u>
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds				<u>2,382,674</u>	
Net position of business-type activities				<u>\$ 2,123,514,403</u>	

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, 2014

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities- Internal Service Funds
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Other Funds</u>	<u>Total</u>	
Operating revenues:					
Service charges and fees	\$ 300,025,977	\$ 141,419,746	\$ 14,250,458	\$ 455,696,181	\$ 15,697,242
Service charges and fees provided internally	1,959,225	3,449,785	1,294,357	6,703,367	169,689,138
Licenses and permits	1,739,676	-	2,811,795	4,551,471	251
Rents and reimbursements	71,446	-	9,084,865	9,156,311	959,068
Concessions	-	-	1,442,367	1,442,367	-
Parking fees	-	-	12,477,850	12,477,850	-
Power sales	-	-	3,963,281	3,963,281	-
Miscellaneous	3,226,654	891,265	1,418,217	5,536,136	3,365,025
Total operating revenues	<u>307,022,978</u>	<u>145,760,796</u>	<u>46,743,190</u>	<u>499,526,964</u>	<u>189,710,724</u>
Operating expenses:					
Salaries and wages	46,400,539	36,039,039	7,490,369	89,929,947	43,003,012
Operating supplies	4,168,128	3,221,308	893,177	8,282,613	12,520,170
Professional services	2,557,130	1,368,457	1,341,582	5,267,169	4,336,039
Materials and services provided internally	28,238,571	16,023,162	6,531,139	50,792,872	19,145,293
Utilities	5,779,768	1,788,967	332,000	7,900,735	3,266,064
Claims	2,812	-	-	2,812	51,197,626
Utility license fees	13,748,827	5,528,579	122,970	19,400,376	27,264
Miscellaneous	13,681,099	4,667,051	11,336,110	29,684,260	40,257,667
Depreciation and amortization	40,990,511	25,870,266	5,657,891	72,518,668	18,571,190
Total operating expenses	<u>155,567,385</u>	<u>94,506,829</u>	<u>33,705,238</u>	<u>283,779,452</u>	<u>192,324,325</u>
Operating income (loss)	<u>151,455,593</u>	<u>51,253,967</u>	<u>13,037,952</u>	<u>215,747,512</u>	<u>(2,613,601)</u>
Nonoperating revenues (expenses):					
Investment earnings (losses)	1,192,112	1,504,424	197,781	2,894,317	1,139,497
Interest expense	(66,654,535)	(15,802,984)	(3,739,725)	(86,197,244)	(2,350,415)
Debt issuance costs	(505,844)	-	(22,908)	(528,752)	-
Gains (losses) on sale of capital assets	(235,757)	(2,497,943)	(566,236)	(3,299,936)	314,049
Miscellaneous	-	714,716	-	714,716	-
Total nonoperating revenues (expenses)	<u>(66,204,024)</u>	<u>(16,081,787)</u>	<u>(4,131,088)</u>	<u>(86,416,899)</u>	<u>(896,869)</u>
Income before contributions and transfers	85,251,569	35,172,180	8,906,864	129,330,613	(3,510,470)
Transfers in	164,587	-	80,011	244,598	4,259,340
Transfers out	(620,312)	(634,050)	(5,705,716)	(6,960,078)	(10,703,939)
Capital contributions	2,266,450	197,470	330,422	2,794,342	137,745
Change in net position	87,062,294	34,735,600	3,611,581	125,409,475	(9,817,324)
Total net position - beginning	<u>1,411,261,743</u>	<u>457,715,839</u>	<u>126,744,672</u>		<u>242,410,962</u>
Total net position - ending	<u>\$ 1,498,324,037</u>	<u>\$ 492,451,439</u>	<u>\$ 130,356,253</u>		<u>\$ 232,593,638</u>
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds				(623,909)	
Change in net position of business-type activities				<u>\$ 124,785,566</u>	

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



City Hall and Winter Snow

City of Portland, Oregon
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds				Governmental
	Sewage Disposal	Water	Other Funds	Total	Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 304,291,589	\$ 142,811,553	\$ 44,869,625	\$ 491,972,767	\$ 20,890,331
Receipts from interfund services provided	1,959,226	3,449,784	1,771,927	7,180,937	169,689,138
Payments to suppliers	(16,396,500)	(19,380,529)	(11,479,842)	(47,256,871)	(112,041,779)
Payments to employees	(45,285,885)	(34,823,855)	(7,374,589)	(87,484,329)	(42,306,722)
Payments for interfund services used	(49,070,085)	(16,023,163)	(6,896,000)	(71,989,248)	(19,145,290)
Other receipts (payments)	1,400	728,732	-	730,132	-
Net cash provided by (used for) operating activities	<u>195,499,745</u>	<u>76,762,522</u>	<u>20,891,121</u>	<u>293,153,388</u>	<u>17,085,678</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	164,587	-	80,011	244,598	4,122,624
Transfers out	(483,595)	(634,050)	(5,705,716)	(6,823,361)	(10,703,939)
Proceeds from internal loans	-	-	5,445,000	5,445,000	136,491
Net cash provided by (used for) noncapital financing activities	<u>(319,008)</u>	<u>(634,050)</u>	<u>(180,705)</u>	<u>(1,133,763)</u>	<u>(6,444,824)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of bonds and notes	220,735,040	-	21,915,000	242,650,040	-
Premium on bonds and notes issued	13,924,179	-	-	13,924,179	-
Proceeds from sale of capital assets	361,753	875,747	2,107	1,239,607	1,295,878
Acquisition of capital assets	(115,149,241)	(132,709,964)	(3,142,273)	(251,001,478)	(13,082,774)
Principal paid on bonds and notes	(193,973,974)	(23,282,989)	(30,276,309)	(247,533,272)	(10,428,778)
Interest paid on bonds and notes	(70,302,162)	(17,511,810)	(3,950,255)	(91,764,227)	(2,600,679)
Payments for bond issuance costs	(505,844)	-	(22,908)	(528,752)	-
Net cash provided by (used for) capital related financing activities	<u>(144,910,249)</u>	<u>(172,629,016)</u>	<u>(15,474,638)</u>	<u>(333,013,903)</u>	<u>(24,816,353)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	1,115,024	1,555,816	129,576	2,800,416	1,217,498
Net increase (decrease) in cash and cash equivalents	<u>51,385,512</u>	<u>(94,944,728)</u>	<u>5,365,354</u>	<u>(38,193,862)</u>	<u>(12,958,001)</u>
CASH AND CASH EQUIVALENTS, July 1, 2013	<u>54,946,679</u>	<u>241,663,314</u>	<u>31,602,862</u>	<u>328,212,855</u>	<u>154,878,314</u>
CASH AND CASH EQUIVALENTS, June 30, 2014	<u>\$ 106,332,191</u>	<u>\$ 146,718,586</u>	<u>\$ 36,968,216</u>	<u>\$ 290,018,993</u>	<u>\$ 141,920,313</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Unrestricted cash and cash equivalents	\$ 50,475,180	\$ 80,318,903	\$ 20,619,972	\$ 151,414,055	\$ 136,067,014
Restricted cash and cash equivalents	55,857,011	66,399,683	16,348,244	138,604,938	5,853,299
Total cash and cash equivalents	<u>\$ 106,332,191</u>	<u>\$ 146,718,586</u>	<u>\$ 36,968,216</u>	<u>\$ 290,018,993</u>	<u>\$ 141,920,313</u>

Continued next page

City of Portland, Oregon
Statement of Cash Flows, Continued
Proprietary Funds
For the Year Ended June 30, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income	\$ 151,455,593	\$ 51,253,967	\$ 13,037,952	\$ 215,747,512	\$ (2,613,601)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation and amortization of capital assets	40,990,511	25,870,266	5,657,891	72,518,668	18,571,190
Provision for uncollectible accounts	1,046,349	884,247	-	1,930,596	-
Nonoperating revenue	-	714,716	-	714,716	-
Change in assets and liabilities:					
Accounts and advances receivable	(798,160)	797,894	(332,919)	(333,185)	1,259,621
Due from / to component unit	(25,000)	-	(18,648)	(43,648)	1,706,545
Inventories	(165,111)	(60,007)	-	(225,118)	558,980
Accounts payable	1,041,111	(3,168,454)	(332,265)	(2,459,608)	(3,003,468)
Self insurance claims	-	-	-	-	605,775
Compensated absences	(46,775)	7,392	(5,724)	(45,107)	(31,030)
Unearned revenue	105,228	31,293	23,265	159,786	4,019
Other postemployment benefits	37,248	40,208	6,569	84,025	27,647
Pollution remediation	1,897,200	391,000	2,855,000	5,143,200	-
Other liabilities	(38,449)	-	-	(38,449)	-
Net cash provided by (used for) operating activities	<u>\$ 195,499,745</u>	<u>\$ 76,762,522</u>	<u>\$ 20,891,121</u>	<u>\$ 293,153,388</u>	<u>\$ 17,085,678</u>
Noncash information					
Prepaid PERS amortization	\$ (1,124,181)	\$ (1,167,583)	\$ (114,937)	\$ (2,406,701)	\$ (558,060)
Capital contribution	2,266,450	197,470	330,422	2,794,342	137,745
Increase (decrease) in fair value of investments (classified as cash equivalents)	249,178	483,009	12,032	744,219	400,622

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, 2014

	<u>Pension Trust</u>	<u>Agency</u>
ASSETS		
Current assets:		
Cash and investments	\$ 21,771,034	\$ 42,409,614
Receivables:		
Accounts, net	700	2,140,636
Advances	-	448,168
Pension recovery	42,198	-
Accrued interest	81,716	16,599
Due from other funds	8,231,915	-
Prepaid expense	270,996	-
	<u>30,398,559</u>	<u>45,015,017</u>
Total current assets		
Capital assets:		
Construction in progress	5,035	-
Intangible assets:		
Software	536,704	-
Accumulated depreciation and amortization	<u>(53,670)</u>	<u>-</u>
Net capital assets	<u>488,069</u>	<u>-</u>
Total assets	<u>30,886,628</u>	<u>45,015,017</u>
LIABILITIES		
Accounts payable	8,925,962	3,520,646
Salaries and withholding taxes	-	18,320,047
Compensated absences	810,727	-
Due to other governments	-	10,746,502
Bonds payable	411,622	-
Accrued interest payable	146,940	-
Other postemployment benefits	38,428	-
Other liabilities	<u>-</u>	<u>12,427,822</u>
Total liabilities	<u>10,333,679</u>	<u>45,015,017</u>
NET POSITION		
Held in trust for pension benefits	<u>20,552,949</u>	<u>-</u>
Total net position	<u>\$ 20,552,949</u>	<u>\$ -</u>

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
June 30, 2014

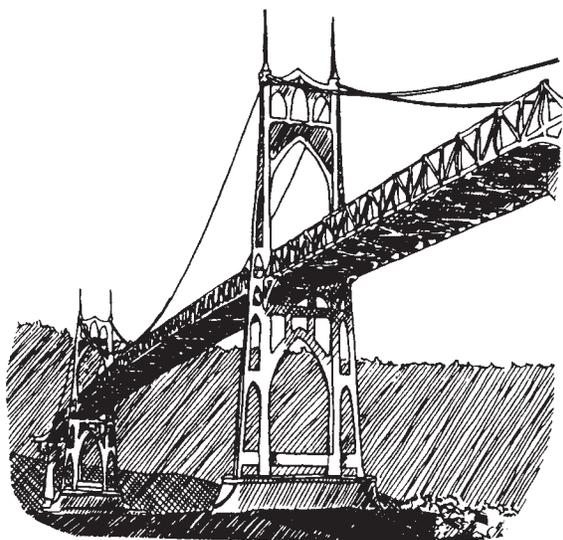
	Pension Trust
ADDITIONS	
Contributions:	
Employer	\$ 120,013,176
Other	662,326
Total contributions	120,675,502
Investment earnings	312,589
Total additions	120,988,091
DEDUCTIONS	
Benefits and refunds paid to plan members and beneficiaries	114,032,854
Administrative expenses	3,585,476
Total deductions	117,618,330
Change in net position	3,369,761
Net position - beginning	17,183,188
Net position - ending	\$ 20,552,949

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



City Hall in Fall

Notes to the Financial Statements



St. John's Bridge, 1931

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City of Portland, Oregon
Notes to the Financial Statements
For the Year Ended June 30, 2014

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 are 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/62529> or by telephone: (503) 823-6823.

Discretely presented component unit - Portland Development Commission

The Portland Development Commission (PDC) is organized under Chapter 15 of the Charter of 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 the PDC since May 16, 1958. PDC'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

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

A. Reporting entity continued:

PDC 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. PDC's governing board is substantially different than the City's board of commissioners, which prevents the City from imposing its will on PDC. PDC 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, PDC is reported as a discretely presented component unit.

As a discretely presented component unit, the assets, liabilities, revenues and expenses related to PDC are included in the component unit column of the City's government-wide financial statements. Excerpts of PDC'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 PDC through budgetary authority and fiscal management. PDC 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://www.pdc.us/resource-library.aspx> 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 its 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 Fund 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. 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.

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 *sixty days* of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

Significant revenues, measurable and available for the fiscal year ended June 30, 2014, 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 sixty 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

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. In total, over half of the resources available to this fund are restricted.

The *Grants Fund* accounts for the majority of the City's activities associated with federal and state financial assistance programs as well as private donations. All revenue streams flowing into 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.

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 committed or 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.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

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 transfers in, 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.

The *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.

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.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

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 nonoperating 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 versus 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 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 fiscal year ended June 30, 2014, there were nine funds established:

Special Revenue Fund:

Community Solar Fund - The purpose of the fund is to support the Solar Forward Program in the Bureau of Planning and Sustainability. The fund will receive grant money from the Oregon Community Foundation, a fifteen-year stream of utility incentive payments funded through Portland General Electric's Solar Payment Option program and community donations to fund the installation of solar electric systems on publically-owned facilities. The fund was created by Ordinance No. 186295 adopted by the City Council on October 23, 2013 and began operation immediately.

Debt Service Funds:

Seven debt service funds were added to comply with Oregon Revised Statutes (ORS) 457 requirement that a separate fund be created for each urban renewal area. The purpose of each fund is to achieve a proper matching of revenues and expenditures related to each of the newly created urban renewal areas as designated by the fund name. The funds were created by Ordinance No. 186109 adopted by the City Council on June 20, 2013 and began operation on July 1, 2013. The funds created were:

- Education Urban Renewal Area Debt Service Fund
- 42nd Avenue Neighborhood Prosperity Initiative Debt Service Fund
- Cully Boulevard Neighborhood Prosperity Initiative Debt Service Fund
- Parkrose Prosperity Initiative Debt Service Fund
- Rosewood Neighborhood Prosperity Initiative Debt Service Fund
- Division-Midway Neighborhood Prosperity Initiative Debt Service Fund
- 82nd Avenue/Division Neighborhood Prosperity Initiative Debt Service Fund

The funds are managed by the Office of Management and Finance. Debt service expenditures are supported by yearly property tax collections. The funds have no required reserve of contingency requirements. Payment of contractual obligations with the Portland Development Commission is supported by yearly property tax collections for these new urban renewal area funds, with the exception of the Education Urban Renewal Area Debt Service Fund.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

Agency Fund:

Mt. Hood Cable Regulatory Commission Fund – Due to a recent audit recommendation, the Cable Fund was eliminated as a budgeted Special Revenue Fund on July 1, 2013 and has been replaced by a non-budgeted Agency Fund. Any remaining cash balance upon the final closure of the Cable Fund was transferred to this Agency Fund. The fund was created by Ordinance No. 186109 adopted by the City Council on June 20, 2013 and began operation on July 1, 2013.

During the fiscal year ended June 30, 2014, two funds were closed:

Special Revenue Funds:

Cable Fund – Due to a recent audit recommendation, the Cable Fund was eliminated as a budgeted Special Revenue Fund on July 1, 2013 and has been replaced by the Mt Hood Cable Regulatory Commission Fund (MHCRC). Any remaining cash balance upon the final closure of the Cable Fund was transferred to the MHCRC.

Private for Hire Transportation Safety Fund – Due to a change in practice regarding the purchase of cameras for taxi cabs, it was deemed that the fund was no longer necessary and the fund was closed on July 1, 2013. Any remaining cash balance upon the final closing of the Private for hire Transportation Safety Fund transferred to the General Fund.

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 in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

All investment pool cash 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. 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.

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).

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

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 3 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 uncollectibles.

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 collectibility 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. Advances receivable are primarily monies paid to third parties prior to services performed. As services are rendered these advances are reduced from future payments.

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, 2012, the City maintained a valuation allowance for loans receivable that was comprised of an allowance for risk and an allowance for present value discount. During the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 62, to remove the effect of present value calculations on the loan portfolio.

3. 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.

4. 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

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

5. 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.

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). In the City's fiscal year ended June 30, 2000, the City contributed an amount in excess of the annual required contribution to finance the estimated Unfunded Accumulated Actuarial Liability (UAAL) of the City with PERS. The City's portion of the amounts contributed in excess of the annual required contributions are recorded as noncurrent prepaid items in both the government-wide and proprietary fund financial statements and are amortized on a straight-line basis over 30 year.

Payments made to small non-profits and businesses which need payments in advance due to their lack of working capital are classified as advances.

6. 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.

7. 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.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

Capital assets, including intangibles, are recorded at historical cost or estimated historical cost when actual cost is not available. Items acquired through donations are capitalized on the basis of fair value at the date of transfer plus ancillary costs necessary to place them in service. Donated items are capitalized if the fair value, and any ancillary charges necessary to place the asset into use, meets the capitalization threshold for that class of asset. 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 impaired 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
- 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.

8. Capitalized interest

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

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

9. Leases

In accordance with GASB No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, some leases are classified as capital lease obligations and 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.

10. 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 the 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.

11. 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.

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.

12. 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. This treatment is in conformity with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

13. 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.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

14. 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 apply 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 apply to a future period and so will not be recognized as an inflow of resources (revenue) until then.

15. 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.

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 are 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 are those whose use 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 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

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, comprises 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 be adopted by ordinance of the City Council. The City is in the process of adopting a policy that will follow the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, paragraphs 13 to 16. Fund balance amounts outside the General Fund, which are neither non-spendable, restricted, nor committed, are reported as **Assigned** fund balance in the governmental balance sheet. For the General Fund, the portion of ending fund balance that may be necessary to eliminate a projected budgetary deficit in the following year's budget may be designated as **Assigned** fund balance. The City Council, or its designee, will make such assignments of fund balance when necessary. The assignment of fund balance in the General Fund may not result in a deficit in unassigned fund balance.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is not otherwise reported as non-spendable, 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.

16. 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, for a total of ten percent.

The emergency reserve component is available to fund one-time, emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year. The emergency reserve will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would likely result in a negative ending fund balance for the General Fund. Emergency reserve resources must begin to be restored in the fiscal year following their use. Restoration will be consistent with Council's past practice of budgeting transfers totaling a minimum of \$1 million a year to the General Reserve Fund.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

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

The countercyclical reserve component is available to either maintain General Fund current service levels programs or to adjust expenditure growth to match slower revenue growth during the first 18 to 24 months of a recession. The countercyclical reserve may be used when basic revenue growth (where "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) falls to below 5.5 percent for two consecutive quarters or the Financial Forecast estimates basic revenue growth will be below 5.5 percent for the next fiscal year, and one or more of the following conditions occurs in conjunction with slower revenue growth:

- The Portland Metropolitan Area (PMA) unemployment rate is reported above 6.5 percent for two consecutive quarters, or the Financial Forecast estimates PMA unemployment will average in excess of 6.5 percent for the next fiscal year.
- The property tax delinquency rate exceeds 8 percent.
- Business license year-to-year revenue growth falls below 5.5 percent for two consecutive quarters, or the Financial Forecast estimates business license revenue growth at less than 5.5 percent 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 million as of June 30, 2014.

The Transportation Reserve Fund was established on 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 5 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 5 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 \$3 million as of June 30, 2014.

E. Adoption of new GASB pronouncements:

During the fiscal year ended June 30, 2014, the City implemented the following GASB Pronouncements:

GASB Statement No. 67, Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25. Issued June 2012, this statement makes changes to actuarial methods and financial reporting by pension plans by amending the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. The Fire and Police Disability and Retirement Funds of the City have implemented this Statement. Note IV. E. Employee retirement systems and pension plans, Fire and Police Disability and Retirement Plan has been updated to include the required disclosures. Though this statement does not have an impact on the City's finances this year, it will have an impact on the City's finances for fiscal year ending June 30, 2015 when GASB Statement No. 68 is implemented. See Note IV.E. Employee retirement systems and pension plans - Fire and Police Disability and Retirement Plan for additional disclosures.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

I. Summary of significant accounting policies continued:

E. Adoption of new GASB pronouncements continued:

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. Issued April 2013, this statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicates that it is more likely than not that the government will be required to make a payment on the guarantee. The requirements of this statement will enhance comparability of financial statements among governments, as well as enhancing the information disclosed about the obligations and risk exposure from extending nonexchange financial guarantees. See Note IV.C. Nonexchange financial guarantees.

F. Future adoption of GASB pronouncements:

The following GASB pronouncements have been issued, but are not effective as of June 30, 2014

GASB Statement No. 68, Accounting and Financial Reporting for Pension (Employers) - an amendment of GASB Statement No. 27. Issued June 2012, this statement amends the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. GASB Statement No. 68 will be effective for the City, fiscal year ending June 30, 2015.

GASB Statement No. 69, Government Combinations and Disposals of Government Operations. Issued January 2013, this statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. GASB Statement No. 69 will be effective for the City, fiscal year ending June 30, 2015.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. Issued November 2013, this statement amends GASB Statement No. 68 related to initial balances of deferred inflows and outflows. GASB Statement No. 71 is effective for the City, fiscal year ending June 30, 2015.

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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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.

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 four 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 four supplemental budgets during the fiscal year ended June 30, 2014.

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, 2014, eight funds had expenditures for other financing uses payments to refunded loan and bond escrow agent [exempt per ORS 294.338(4)(c)] or total debt service and related costs [exempt per ORS 294.338(3)(b)(iii)] over appropriations that were exempt from supplemental budgetary requirements per ORS 294.338. The eight were among debt service, capital projects and enterprise funds.

The debt service funds, exempt per 294.338(4)(c):

- Interstate Corridor Debt Service
- Gas Tax Bond Redemption
- Central Eastside Industrial District Debt Service
- Bancroft Bond Interest and Sinking - a special type of Debt Service Fund established by ORS 223.205; 223.260.
- North Macadam URA Debt Redemption

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

II. Stewardship, compliance, and accountability continued:

B. Expenditures in excess of appropriations continued:

- Gateway URA Debt Redemption

The capital projects fund, exempt per ORS 294.338(3)(b)(iii):

- Special Finance and Resource

The enterprise fund, exempt per 294.338(4)(c):

- Sewer System Debt Redemption

There were no funds that exceeded budget at the legal level of appropriation (see Note II.A.) other than those exempt as noted above.

C. Deficit fund equity:

Oregon state law requires fund disclosure of deficit fund balances/total net position. At June 30, 2014, though there were no deficit budgetary fund balances, one fund had a deficit fund balance, and two funds had a deficit net position in the GAAP basis financial statements:

<u>Major Special Revenue Fund:</u>	
Grants	\$ 632,801
 <u>Internal Service Fund:</u>	
Printing and Distribution Services	
Operating	98,573
Enterprise Business Solutions Services	8,304,788

The Grants Fund, a major special revenue fund, reported a deficit fund balance of \$0.6 million in the Grants columns of the *Balance Sheet – Governmental Funds*, and the *Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds*. The activity for this fund is reported in governmental activities on the government-wide *Statement of Activities*. The deficit was the result of the design of the financial system which tracks grant-related expenditures in a central grants fund. Since almost all grants are reimbursable, there is a delay between incurring expenditures and the processing of the related billings and receiving payments.

The Printing and Distribution Services Operating (P&D) Fund, an internal service fund, reported deficit net position of \$0.1 million 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 decrease in the prepaid pension obligation asset and net capital assets, and an increase in the accrued interest payable liability. This is only partially offset by a decrease in the PERS bonds payable and compensated absences liabilities. The significant PERS liability will continue to reduce P&D's net position.

The Enterprise Business Solutions Services (EBSS) Fund, an internal service fund, reported deficit net position of \$8.3 million 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 EBSS is a result of depreciation expense exceeding principal payments on related debt. The debt has various service periods ranging from 7 to 10 years. The deficit in net position will continue to grow in the earlier stage of the life of the debts and will reverse itself as the debt is paid off.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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, 2014 are:

	Primary Government	Fiduciary Activities	Total Government	Component Unit (PDC)	Total
Cash on hand	\$ 19,655	\$ -	\$ 19,655	\$ 500	\$ 20,155
Deposits with financial institutions	47,250,540	-	47,250,540	323,841 *	47,574,381
Investments	725,582,069	64,180,648	789,762,717	190,557,187	980,319,904
Total Cash and investments	<u>\$ 772,852,264</u>	<u>\$ 64,180,648</u>	<u>\$ 837,032,912</u>	<u>\$ 190,881,528</u>	<u>\$ 1,027,914,440</u>

*PDC cash and investments with the City include \$403,972 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 (PDC)	Total
Unrestricted	\$ 277,182,090	\$ 151,414,055	\$ 428,596,145	\$ 42,409,614	\$ 471,005,759	\$ 190,881,528	\$ 661,887,287
Restricted	205,651,181	138,604,938	344,256,119	21,771,034	366,027,153	-	366,027,153
Total	<u>\$ 482,833,271</u>	<u>\$ 290,018,993</u>	<u>\$ 772,852,264</u>	<u>\$ 64,180,648</u>	<u>\$ 837,032,912</u>	<u>\$ 190,881,528</u>	<u>\$ 1,027,914,440</u>

Cash and investments at June 30, 2014, 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	\$ 5,881,293
Transportation fund:	
Capital projects	31,794,588
Grants fund:	
Federal and state grants	14,578
Nonmajor governmental funds:	
Debt service	53,351,955
Federal and state grants	169,719
Voter approved special levies	5,034,657
Capital projects	69,256,926
Public safety	1,789,187
Parks, recreation and culture	689,315
Community development	37,487,295
Permanent endowment	<u>181,668</u>
Total governmental activities	<u>205,651,181</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

A. Cash and investments continued:

Restricted cash and investments continued

Cash and investments by funds

Business-type activities:

Sewage Disposal fund:	
Debt service for capital projects related debt	55,857,011
Water fund:	
Debt service for capital projects related debt	66,399,683
Nonmajor enterprise funds:	
Debt service	4,909,944
Renewal and replacement	10,423,355
Environmental remediation	<u>1,014,945</u>
Total business-type activities	<u>138,604,938</u>
Total primary governmental restricted cash	<u>344,256,119</u>
Total fiduciary activities	<u>21,771,034</u>
Total restricted cash and investments	<u>\$ 366,027,153</u>

Component unit - Portland Development Commission

Total cash reported by PDC for fiscal year ending June 30, 2014 was \$190.9 million, none of which was restricted.

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, 2014, the book value of all the City's deposits was \$56 million.

The OST's custodian, Federal Home Loan Bank of Seattle, 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 - Portland Development Commission

Total deposits for PDC were \$727,812 which is FDIC insured to \$250,000. The excess is collateralized with eligible securities.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

A. Cash and investments continued:

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. The City has recorded investments at fair value.

Public Finance & Treasury (PF&T) assesses a management fee that is deducted from investment income before distributions are made to all City funds. This fee is based on PF&T's net operating expenses and totaled \$724,097 for fiscal year ended June 30, 2014.

The City has recorded investments at fair value. The City applies fair market value updates to the securities on a daily basis. Security pricing is provided by the City's third-party custodian.

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 Administrative 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 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. 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 exchanges 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 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
- Commercial paper issued by U.S. corporations
- 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 debt obligations
- Corporate debt obligations issued by U.S. corporations

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

- Bankers Acceptances
- Municipal debt obligations issued by Oregon state or local governments

Interest rate risk. As of June 30, 2014, the weighted-average maturity of the City's investment portfolio was 1.57 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted-average maturity of eighteen months. In addition, no more than 50 percent 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 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.

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. As of June 30, 2014, the LGIP was not rated. The credit quality distribution for securities with credit exposure as a percentage of total investments as of June 30, 2014 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	11.33%
Federal Home Loan Mortgage Corporation	Aaa	AA+	AAA	9.68%
Federal National Mortgage Association	Aaa	AA+	AAA	13.58%
Federal Farm Credit Bank	Aaa	AA+	AAA	7.94%
Federal Agriculture Mortgages Corporation	N/R*	N/R*	N/R*	4.09%
Financing Corporation (FICO)	Aaa	N/R*	N/R*	0.46%
U.S. Treasury Debt Obligations	Aaa	AA+	AAA	13.17%
Total U.S. Agency Debt Obligations				60.25%
Corporate bonds	Aa3	AA-	AA-	24.88%
Commercial paper	P -1	A -1	F-1	7.74%
Time/Interest Bearing Deposits	N/R*	N/R*	N/R*	2.57%
Local Government Investment Pool	N/R*	N/R*	N/R*	4.56%
Total Investments				100.00%

*N/R =Not Rated

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

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, 2014, 60.25 percent were United States Agency debt obligations or short-term investments (see table on the previous page for individual distributions). All other investments not explicitly guaranteed by the United States Government were limited to 5 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: <http://www.portlandonline.com/bfs/60661>

Custodial credit risk. For an investment, this is the risk that, in the event of failure of the 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. The City's investment policy complies with ORS 294.035 and ORS 294.810 that list acceptable investments that are identified below. As of June 30, 2014, the City had no investments that were held by either counterparty or the counterparty's trust department agent. Therefore, the City has no outstanding investments that were exposed to custodial credit risk.

As of June 30, 2014, the City had the following investments and maturities (this table includes fiduciary activities):

<u>Investment Type</u>	<u>Book Value</u>	<u>Fair Market Value</u>	<u>Fair Value Investment Maturity (Years)</u>		<u>Weighted Average Maturity (Years)</u>
			<u>Less Than 1</u>	<u>1 - 5</u>	
U.S. Treasury Debt Obligations	\$ 128,860,817	\$ 129,066,310	\$ 43,054,110	\$ 86,012,200	0.23 %
U.S. Agencies	460,968,695	461,551,438	99,458,940	362,092,498	0.88
Corporate bonds	243,179,439	243,868,850	54,163,957	189,704,894	0.38
Commercial paper	75,927,638	75,934,801	75,934,801	-	0.01
Time/Interest bearing deposits	25,168,550	25,168,550	13,004,852	12,163,698	0.02
Local Government Investment Pool	44,729,955	44,729,955	-	44,729,955	0.05
Total investments	<u>\$ 978,835,094</u>	<u>\$ 980,319,904</u>	<u>\$ 285,616,660</u>	<u>\$ 694,703,245</u>	<u>1.57</u>
Portfolio weighted average maturity					54.29 %
Net portfolio yield		0.53 %			

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

B. Receivables:

Receivables as of June 30, 2014, are as follows:

	Governmental Activities					Total
	General	Transportation Operating	Grants	Nonmajor Funds	Internal Service	
Taxes	\$ 22,424,349	\$ -	\$ -	\$ 9,622,517	\$ -	\$ 32,046,866
Accounts	30,787,859	11,220,870	-	2,507,817	1,290,367	45,806,913
Assessments	19,876	1,082,038	-	78,464,359	-	79,566,273
Notes and loans	-	125,000	2,393,618	359,394,866	375,900	362,289,384
Advances	1,494,067	-	-	3,923	-	1,497,990
Grants	-	-	11,559,707	938,090	-	12,497,797
Interest	139,523	83,280	4,949	1,041,501	208,391	1,477,644
Total receivables	54,865,674	12,511,188	13,958,274	451,973,073	1,874,658	535,182,867
Allowance for doubtful accounts	<u>(341,017)</u>	<u>(46,629)</u>	<u>(1,551,316)</u>	<u>(306,073,755)</u>	<u>(8,134)</u>	<u>(308,020,851)</u>
Receivables, net	<u>\$ 54,524,657</u>	<u>\$ 12,464,559</u>	<u>\$ 12,406,958</u>	<u>\$ 145,899,318</u>	<u>\$ 1,866,524</u>	<u>\$ 227,162,016</u>
Not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 213,270</u>	<u>\$ 723,525</u>	<u>\$ 106,621,969</u>	<u>\$ -</u>	<u>\$ 107,558,764</u>
Delinquent special assessments	<u>\$ 19,876</u>	<u>\$ 180,300</u>	<u>\$ -</u>	<u>\$ 15,282,794</u>	<u>\$ -</u>	<u>\$ 15,482,970</u>

	Business-type Activities			Total
	Sewage Disposal	Water	Nonmajor Funds	
Accounts	\$ 53,908,887	\$ 24,411,587	\$ 1,933,438	\$ 80,253,912
Assessments	4,096,679	459,766	-	4,556,445
Notes and loans	83,232	-	-	83,232
Advances	-	245,568	60,000	305,568
Interest	230,548	242,925	140,152	613,625
Total receivables	58,319,346	25,359,846	2,133,590	85,812,782
Allowance for doubtful accounts	<u>(4,437,051)</u>	<u>(3,163,896)</u>	<u>(10,000)</u>	<u>(7,610,947)</u>
Receivables, net	<u>\$ 53,882,295</u>	<u>\$ 22,195,950</u>	<u>\$ 2,123,590</u>	<u>\$ 78,201,835</u>
Not scheduled for collection during the subsequent year	<u>\$ 3,193,985</u>	<u>\$ 219,858</u>	<u>\$ -</u>	<u>\$ 3,413,843</u>
Delinquent special assessments	<u>\$ 398,491</u>	<u>\$ 7,376</u>	<u>\$ -</u>	<u>\$ 405,867</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

B. Receivables continued:

Some special assessments in the Transportation Operating, other nonmajor governmental, Sewage Disposal, and Water Funds are not expected to be collected within one year. City 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 \$15.9 million.

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 Parks and Recreation loans to tax-exempt non-profit corporations; 3) CityFleet loan to Legacy Emanuel Hospital and Health Center; 4) Portland Bureau of Transportation loan; and 5) Portland Bureau of Environmental Services loan.

Portland Housing Bureau Loans

The Portland Housing Bureau (PHB) loans receivable balances as of June 30, 2014 are as follows:

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance
Major governmental fund:				
Grants Fund:				
Multi-family housing:				
Cash flow loans	30 yrs	0% - 3%	\$ 891,149	\$ (846,592)
Equity gap loans	Indefinite	0%	601,617	(366,990)
Amortized loans	30 yrs	0% - 3%	612,781	(306,391)
Single-family housing:				
Deferred payment loans	30 yrs	0% - 3%	<u>169,728</u>	<u>(31,343)</u>
Total Grants Fund			<u>2,275,275</u>	<u>(1,551,316)</u>
Total net Grants Fund (PHB portion of loan)				<u>723,959</u>
Other nonmajor special revenue funds:				
Community Development Block Grant (CDBG) Fund:				
Multi-family housing:				
Cash flow loans	30 yrs	0% - 3%	9,974,462	(9,475,739)
Equity gap loans	Indefinite	0%	22,549,895	(22,292,183)
Amortized loans	30 yrs	0% - 3%	6,960,416	(3,463,781)
Deferred payment loans	60 yrs	0% - 8%	3,938,930	(1,969,465)
Single-family housing:				
Amortized loans	26 yrs	0% - 5%	337,525	(17,694)
Deferred payment loans	Indefinite	0%	5,133,825	(515,088)
Shared appreciation mortgage	Indefinite	0%	<u>329,480</u>	<u>(82,370)</u>
Total gross CDGB Fund			<u>49,224,533</u>	<u>(37,816,320)</u>
Total net CDGB Fund				<u>11,408,213</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

B. Receivables continued:

<u>Fund and Program</u>	<u>Maximum Term</u>	<u>Interest Rate</u>	<u>Gross Loans Receivable</u>	<u>Allowance</u>
HOME Grant Fund:				
Multi-family housing:				
Cash flow loans	45 yrs	0% - 3%	22,789,091	(21,341,651)
Equity gap loans	Indefinite	0%	24,831,552	(25,266,514)
Amortized loans	30 yrs	1% - 3%	3,389,132	(1,596,876)
Deferred payment loans	20 yrs	0% - 3%	1,817,684	(908,842)
Single-family housing:				
Deferred payment loans	Indefinite	0%	30,500	(3,050)
Shared appreciation mortgage	Indefinite	0%	<u>449,097</u>	<u>(112,274)</u>
Total gross HOME Grant Fund			<u>53,307,056</u>	<u>(49,229,207)</u>
Total net HOME Grant Fund				<u>4,077,849</u>
Housing Investment Fund:				
Multi-family housing:				
Cash flow loans	40 yrs	0% - 5%	6,805,918	(6,465,622)
Equity gap loans	Indefinite	0%	13,891,222	(13,991,952)
Amortized loans	30 yrs	0% - 7%	8,304,052	(4,152,022)
Deferred payment loans	20 yrs	0% - 3%	2,352,151	(1,176,075)
Single-family housing:				
Amortized loans	20 yrs	0% - 3%	12,135	(607)
Deferred payment loans	30 yrs	0% - 3%	<u>279,939</u>	<u>(9,803)</u>
Total gross Housing Investment Fund			<u>31,645,417</u>	<u>(25,796,081)</u>
Total net - Housing Investment Fund				<u>5,849,336</u>
Tax Increment Financing Reimbursement (TIF) Fund:				
Multi-family housing:				
Cash flow loans	30 - 60 yrs	1% - 9%	152,003,473	(144,711,285)
Equity gap loans	Indefinite	0%	32,835,579	(32,905,503)
Amortized loans	30 yrs	0% - 7%	21,300,757	(10,652,522)
Deferred payment loans	20 - 50 yrs	0% - 9%	7,311,002	(3,655,501)
Single-family housing:				
Amortized loans	20 - 30 yrs	1% - 5%	252,561	(14,132)
Deferred payment loans	30 yrs	0% - 4%	9,053,534	(903,848)
Shared appreciation mortgage	Indefinite	0%	<u>1,556,558</u>	<u>(389,140)</u>
Total gross Tax Increment Reimbursement Fund			<u>224,313,464</u>	<u>(193,231,931)</u>
Total net Tax Increment Reimbursement Fund				<u>31,081,533</u>
Total gross all funds			<u>\$ 360,765,745</u>	<u>\$ (307,624,855)</u>
Total net all funds				<u>\$ 53,140,890</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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 contains 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.

As of June 30, 2014, the City had nine outstanding loans receivable under the HUD Section 108 Loan Guarantee program Contract B-08-MC-41-003 totaling \$7.1 million, for which the City is contingently liable. Each loan was executed with a promissory note ("Note") signed by the borrower. Loan details are presented in the table below.

<u>Borrower Name</u>	<u>Maximum Principal</u>	<u>Principal Disbursed As of 6/30/2014</u>	<u>Outstanding Balance As of 6/30/2014</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Cash Flow Begin Date</u>	<u>Allowance</u>	<u>Loan Type</u>
<u>Cash Flow (CF) Loans:</u>								
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	1,476,483	Cash Flow
Villa De Suenos, LP Loan # 2	750,000	750,000	741,919	0.00%	June, 2041	5/1/2012	704,823	Cash Flow
Uptown Tower Apartments, LP	700,000	700,000	700,000	4.50%	December, 2035	1/1/2026	665,000	Cash Flow
Total CF Loans	<u>3,921,000</u>	<u>3,921,000</u>	<u>3,826,111</u>				<u>3,634,806</u>	
<u>Multi-Family Housing Amortized (MFHA) Loans:</u>								
Halsey Center	650,000	650,000	560,862	3.00%	November, 2030	12/1/2010	280,431	MFHA
Upshur Renewal Housing, LP	415,000	415,000	377,466	5.00%	June, 2031	7/1/2011	188,733	MFHA
Villa De Suenos, LP Loan # 1	750,000	750,000	675,983	4.00%	June, 2031	7/1/2011	337,991	MFHA
Human Solutions Inc.	1,439,000	1,373,547	1,299,870	4.25%	October, 2031	10/1/2011	649,935	MFHA
Los Jardines, LP	400,000	396,019	372,408	2.72%	March, 2032	8/1/2012	186,204	MFHA
Total MFHA Loans	<u>3,654,000</u>	<u>3,584,566</u>	<u>3,286,589</u>				<u>1,643,294</u>	
Total	<u>\$ 7,575,000</u>	<u>\$ 7,505,566</u>	<u>\$ 7,112,700</u>				<u>\$ 5,278,100</u>	

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

B. Receivables continued:

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, 2013 and accordingly 2014 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 percent 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, 2032, 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.

Portland Parks and Recreation Loans:

The Portland Parks and Recreation loans receivable balances include loans to the Oregon Rail Heritage Foundation (ORHF) and Portland City United (PCU) as described below and are reported in the nonmajor capital projects funds totaling \$0.9 million for the fiscal year ended June 30, 2014.

Oregon Rail Heritage Foundation

Under Ordinance No. 183280, the City loaned the ORHF, an Oregon tax exempt non-profit corporation, \$978,598 to purchase property for permanent maintenance and operation of historic steam locomotives owned by the City. The outstanding loan balance was \$0.8 million at June 30, 2014. Ordinance No. 184775, on July 27, 2011, revised the loan and authorized a new loan agreement with ORHF to construct an engine house and rail interpretive center for the City-owned historic locomotives. The revised loan, at 3.41 percent per annum, shall terminate upon payment in full, but no later than September 30, 2016.

The revised loan calls for periodic payments of principal and interest as follows:

<u>Fiscal Year ending June 30,</u>	<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	09/01/14	\$ 210,000	\$ 12,943	\$ 222,943
2015	03/01/15	-	9,362	9,362
2016	09/01/15	220,000	9,362	229,362
2016	03/01/16	-	5,611	5,611
2017	09/01/16	<u>329,100</u>	<u>5,611</u>	<u>334,711</u>
Total		<u>\$ 759,100</u>	<u>\$ 42,889</u>	<u>\$ 801,989</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

B. Receivables continued:

Portland City United

On November 15, 2010, the City entered into an agreement with PCU, an Oregon tax-exempt non-profit corporation, to loan PCU \$350,000 to pay for field improvements at Buckman Field. The loan interest rate is 4.5 percent per annum. Funding for this loan came from the Portland Parks and Recreation, System Development Charge program, and all payments shall be reimbursed to this program. Effective October 28, 2011, the loan payment schedule was amended to move the maturity date from November 15, 2014 to May 15, 2015. The loan agreement, as amended, calls for periodic payments of principal and interest as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Payment</u> <u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	11/15/14	\$ 91,022	\$ 6,538	\$ 97,560
2015	05/15/15	<u>54,274</u>	<u>1,221</u>	<u>55,495</u>
Total		<u>\$ 145,296</u>	<u>\$ 7,759</u>	<u>\$ 153,055</u>

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, OMF will receive proceeds including a one-time payment of \$1,100,000 and ten annual payments of \$53,700. The first three of the ten annual payments were received on the closing date and the remaining seven payments totaling \$375,900 were accrued as a loan receivable in the CityFleet Operating Fund under OMF. This loan carries out governmental objectives and bears zero-interest. The payment schedule is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Payment</u> <u>Date</u>	<u>Payment</u>
2015	12/31/14	\$ 53,700
2016	12/31/15	53,700
2017	12/31/16	53,700
2018	12/31/17	53,700
2019	12/31/18	53,700
2020	12/31/19	53,700
2021	12/31/20	<u>53,700</u>
Total		<u>\$ 375,900</u>

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 1 percent per annum. The principal and interest are due on January 1, 2026.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

B. Receivables continued:

Portland Bureau of Environmental Services Loan:

City of Portland Bureau of Environmental Services has entered into a grant agreement with the US Environmental Protection Agency which enables the city to establish and manage a revolving loan fund to be used to clean up contaminated properties, called brownfields for productive re-use in the community. The first loan under this grant was entered into with 3300 N. Williams Ave, LLC on April 9, 2013 regarding property on N. William Avenue. The initial loan agreement was for an amount of \$135,000 with an increase to \$165,000 by amendment No. 1 on December 18, 2013. During FY 2014 disbursement began on this loan and totaled \$118,343 as reported in the Grants Fund for the fiscal year. The loan agreement with N. Williams Ave, LLC stipulates an interest rate of 3 percent per annum with repayment of the loan to begin in calendar year 2014. However, the project has been delayed and any repayment of the loan will not be required until the project is completed and the land is able to put into productive reuse. The project manager reports that the remainder of the \$165,000 loan will be distributed in FY 2015. The land on N. Williams is undergoing a Soil Vapor Extraction to bring soil pollution on the property to a safe level for re-use under the supervision of the Oregon DEQ. This process is estimated to be completed by 2017. At that time the repayment of the loan would start.

C. Payables:

Payables and other accrued liabilities at June 30, 2014, are as follows:

	Governmental Activities						Total
	General	Transportation Operating	Grants	Nonmajor Funds	Internal Service	Unallocated Governmental	
Accounts to vendors and contractors	\$ 13,610,890	\$ 6,361,082	\$ 3,128,155	\$ 5,519,715	\$ 7,255,109	\$ 8,231,915	\$ 44,106,866
Interest on bonds and notes	-	-	-	-	4,888,664	73,129,456	78,018,120
Total payables	<u>\$ 13,610,890</u>	<u>\$ 6,361,082</u>	<u>\$ 3,128,155</u>	<u>\$ 5,519,715</u>	<u>\$ 12,143,773</u>	<u>\$ 81,361,371</u>	<u>\$ 122,124,986</u>

	Business-type Activities			
	Sewage Disposal	Water	Nonmajor Funds	Total
Accounts to vendors and contractors	\$ 17,109,702	\$ 12,354,098	\$ 1,411,280	\$ 30,875,080
Interest on bonds and notes	<u>25,590,856</u>	<u>15,102,742</u>	<u>1,452,817</u>	<u>42,146,415</u>
Total payables	<u>\$ 42,700,558</u>	<u>\$ 27,456,840</u>	<u>\$ 2,864,097</u>	<u>\$ 73,021,495</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

D. Deferred 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 deferred inflows reported in the governmental funds at June 30, 2014 are as follows:

	Governmental Funds				
	General	Transportation Operating	Grants	Nonmajor Funds	Total
Receivables:					
Accounts	\$ 2,058,514	\$ 1,499,315	\$ 3,629,992	\$ 253,054	\$ 7,440,875
Liens	19,876	1,082,038	-	77,905,796	79,007,710
Taxes	11,410,408	-	-	7,728,219	19,138,627
Total unavailable revenue	<u>\$ 13,488,798</u>	<u>\$ 2,581,353</u>	<u>\$ 3,629,992</u>	<u>\$85,887,069</u>	<u>\$ 105,587,212</u>

The various components of unearned revenue reported at June 30, 2014 are as follows:

	Governmental Activities					
	General	Transportation Operating	Grants	Nonmajor Funds	Internal Service	Total
Grants	\$ -	\$ -	\$ 3,609,016	\$ -	\$ -	\$ 3,609,016
Misc. unearned	152,320	3,621,086	-	16,186	73,167	3,862,759
Total unearned revenue	<u>\$ 152,320</u>	<u>\$ 3,621,086</u>	<u>\$ 3,609,016</u>	<u>\$ 16,186</u>	<u>\$ 73,167</u>	<u>\$ 7,471,775</u>

	Business-type Activities			
	Sewage Disposal	Water	Nonmajor Funds	Total
Total misc. unearned revenue	<u>\$ 722,820</u>	<u>\$ 264,952</u>	<u>\$ 228,360</u>	<u>\$ 1,216,132</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

E. Fund balances, governmental funds:

On the Balance Sheet – Governmental Funds, the fund balances are 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 the year ended June 30, 2014 were as follows:

	General	Transportation Operating	Grants	Other Governmental Funds	Total
Nonspendable:					
Inventories	\$ 299,864	\$ 5,434,125	\$ -	\$ -	\$ 5,733,989
Prepaid items	245,429	291,013	-	-	536,442
Permanent fund principal	-	-	-	162,843	162,843
Restricted:					
Public safety					
Drug enforcement and education	-	-	-	1,773,615	1,773,615
Emergency facilities improvements	-	-	-	2,321,155	2,321,155
Emergency communications	-	-	-	23,746,522	23,746,522
Parks, recreation and culture					
Capital improvement activities	-	-	-	33,628,502	33,628,502
Improvements or services	-	-	-	721,740	721,740
Operations, maintenance and capital programs	-	-	-	1,183,364	1,183,364
Promotion of program activities	-	-	-	18,457	18,457
Community development					
Affordable housing	-	-	-	52,625,665	52,625,665
Childhood programs	-	-	-	2,281,636	2,281,636
Construction activities	-	-	-	26,110,378	26,110,378
Debt service	-	-	-	123,562	123,562
Federal housing and other programs	-	-	-	11,505,323	11,505,323
Financing and construction improvements	-	-	-	2,437,176	2,437,176
Solar power on publicly-owned facilities	-	-	-	15,848	15,848
Transportation					
Operations, maintenance & capital improvement	-	31,794,588	-	-	31,794,588
Street improvements	-	-	-	1,675,687	1,675,687
Legislative / admin / support services	-	-	-	6,480,305	6,480,305
Debt service	-	-	-	53,972,132	53,972,132
Committed:					
Public safety					
Emergency communications	-	-	-	2,620,750	2,620,750
Fire apparatus replacement	5,605,349	-	-	-	5,605,349
Parks, recreation and culture					
Capital projects	-	-	-	665,072	665,072
Improvements and services	-	-	-	2,303,053	2,303,053
Community development					
Affordable housing	-	-	-	7,692,973	7,692,973
Solar power on publicly-owned facilities	-	-	-	1,904	1,904
Legislative / admin / support services					
Activities of economic improvement districts	-	-	-	39,325	39,325
Promotion of convention business and tourism	-	-	-	148,572	148,572
Reserves for General Fund stabilization	54,472,059	-	-	-	54,472,059

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

E. Fund balances, governmental funds continued:

	General	Transportation Operating	Grants	Other Governmental Funds	Total
Assigned:					
Public safety					
Fire and police payroll	7,444,423	-	-	-	7,444,423
Parks, recreation and culture					
Capital projects	-	-	-	495,462	495,462
Improvements and services	-	-	-	2,284,094	2,284,094
Community development					
Affordable housing	-	-	-	2,469,727	2,469,727
Construction activities	-	-	-	9,177,398	9,177,398
Federal housing and other programs	-	-	-	20,716	20,716
Financing and construction of improvements	-	-	-	3,605,676	3,605,676
Housing projects	-	-	-	273,222	273,222
Transportation	-	33,854,289	-	-	33,854,289
Debt service	-	-	-	12,166,789	12,166,789
Unassigned	28,900,909	-	(632,801)	-	28,268,108
Total fund balances (deficit)	<u>\$ 96,968,033</u>	<u>\$ 71,374,015</u>	<u>\$ (632,801)</u>	<u>\$ 264,748,643</u>	<u>\$ 432,457,890</u>

F. Capital assets:

Primary Government

In the governmental activities column of the statement of activities, capital asset reclassifications 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 \$136,715 in capital asset transfers between governmental activities to business-type activities.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

F. Capital assets continued:

Capital assets activity for the primary government, which excludes fiduciary activities, for the year ended June 30, 2014, is as follows:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	\$ 206,363,531	\$ 6,103,705	\$ (9,526,809)	\$ 5,665,764	\$ 208,606,191
Construction in progress	143,779,661	95,238,446	-	(49,250,199)	189,767,908
Intangible assets:					
Land use rights	22,254,168	6,815,857	-	48,762	29,118,787
Owning rights	28,953	-	-	-	28,953
Total capital assets, not being depreciated or amortized	<u>372,426,313</u>	<u>108,158,008</u>	<u>(9,526,809)</u>	<u>(43,535,673)</u>	<u>427,521,839</u>
Capital assets, being depreciated or amortized:					
Infrastructure	4,651,333,912	9,063,022	-	12,573,088	4,672,970,022
Buildings	348,507,598	2,000,071	(245,278)	4,458,199	354,720,590
Improvements to land	136,347,184	-	(379,366)	1,421,684	137,389,502
Equipment	168,481,298	1,027,554	(6,702,804)	24,416,155	187,222,203
Intangible assets:					
Software	63,170,293	52,059	(55,379)	1,043,853	64,210,826
Total capital assets being depreciated or amortized	<u>5,367,840,285</u>	<u>12,142,706</u>	<u>(7,382,827)</u>	<u>43,912,979</u>	<u>5,416,513,143</u>
Less accumulated depreciation or amortization for:					
Infrastructure	(3,177,781,419)	(158,944,854)	-	18,715	(3,336,707,558)
Buildings	(128,192,786)	(7,950,021)	241,829	(380,516)	(136,281,494)
Improvements to land	(61,395,946)	(5,338,798)	352,385	-	(66,382,359)
Equipment	(82,133,660)	(10,273,499)	5,697,786	142,960	(86,566,413)
Intangible assets:					
Software	(43,542,177)	(9,569,884)	55,381	(21,750)	(53,078,430)
Total accumulated depreciation or amortization	<u>(3,493,045,988)</u>	<u>(192,077,056)</u>	<u>6,347,381</u>	<u>(240,591)</u>	<u>(3,679,016,254)</u>
Total capital assets, being depreciated or amortized, net	<u>1,874,794,297</u>	<u>(179,934,350)</u>	<u>(1,035,446)</u>	<u>43,672,388</u>	<u>1,737,496,889</u>
Governmental activities capital assets, net	<u>\$ 2,247,220,610</u>	<u>\$ (71,776,342)</u>	<u>\$ (10,562,255)</u>	<u>\$ 136,715</u>	<u>\$ 2,165,018,728</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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	\$ 102,732,612	\$ 445,000	\$ (659,949)	\$ (26,245)	\$ 102,491,418
Construction in progress	347,617,391	250,263,080	-	(209,656,283)	388,224,188
Intangible assets:					
Land use rights	16,332,592	164,377	-	265,874	16,762,843
Total capital assets, not being depreciated or amortized	<u>466,682,595</u>	<u>250,872,457</u>	<u>(659,949)</u>	<u>(209,416,654)</u>	<u>507,478,449</u>
Capital assets, being depreciated or amortized:					
Infrastructure	4,075,857,444	1,871,738	(2,493,649)	154,469,603	4,229,705,136
Buildings	246,063,574	3,873	(2,568,496)	45,119,554	288,618,505
Improvements to land	39,302,470	645,035	(1,709,682)	4,826,587	43,064,410
Equipment	63,351,394	402,716	(3,122,350)	4,548,422	65,180,182
Intangible assets:					
Land use rights	299,681	-	-	22,531	322,212
Owning rights	10,776	-	-	-	10,776
Software	11,660,616	-	(84,810)	52,651	11,628,457
Total capital assets being depreciated or amortized	<u>4,436,545,955</u>	<u>2,923,362</u>	<u>(9,978,987)</u>	<u>209,039,348</u>	<u>4,638,529,678</u>
Less accumulated depreciation or amortization for:					
Infrastructure	(692,313,640)	(58,567,531)	1,944,564	-	(748,936,607)
Buildings	(95,839,220)	(5,293,157)	1,334,241	-	(99,798,136)
Improvements to land	(12,941,989)	(3,609,860)	507,223	-	(16,044,626)
Equipment	(28,625,489)	(4,609,721)	2,228,557	240,591	(30,766,062)
Intangible assets:					
Land use rights	-	(6,512)	-	-	(6,512)
Owning rights	(1,539)	(770)	-	-	(2,309)
Software	(8,840,076)	(431,117)	84,810	-	(9,186,383)
Total accumulated depreciation or amortization	<u>(838,561,953)</u>	<u>(72,518,668)</u>	<u>6,099,395</u>	<u>240,591</u>	<u>(904,740,635)</u>
Total capital assets, being depreciated or amortized, net	<u>3,597,984,002</u>	<u>(69,595,306)</u>	<u>(3,879,592)</u>	<u>209,279,939</u>	<u>3,733,789,043</u>
Business-type activities	<u>\$ 4,064,666,597</u>	<u>\$ 181,277,151</u>	<u>\$ (4,539,541)</u>	<u>\$ (136,715)</u>	<u>\$ 4,241,267,492</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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	\$ 309,096,143	\$ 6,548,705	\$ (10,186,758)	\$ 5,639,519	\$ 311,097,609
Construction in progress	491,397,052	345,501,526	-	(258,906,482)	577,992,096
Intangible assets:					
Land use rights	38,586,760	6,980,234	-	314,636	45,881,630
Owning rights	28,953	-	-	-	28,953
Total capital assets, not being depreciated or amortized	<u>839,108,908</u>	<u>359,030,465</u>	<u>(10,186,758)</u>	<u>(252,952,327)</u>	<u>935,000,288</u>
Capital assets, being depreciated or amortized:					
Infrastructure	8,727,191,356	10,934,760	(2,493,649)	167,042,691	8,902,675,158
Buildings	594,571,172	2,003,944	(2,813,774)	49,577,753	643,339,095
Improvements to land	175,649,654	645,035	(2,089,048)	6,248,271	180,453,912
Equipment	231,832,692	1,430,270	(9,825,154)	28,964,577	252,402,385
Intangible assets:					
Land use rights	299,681	-	-	22,531	322,212
Owning rights	10,776	-	-	-	10,776
Software	74,830,909	52,059	(140,189)	1,096,504	75,839,283
Total capital assets being depreciated or amortized	<u>9,804,386,240</u>	<u>15,066,068</u>	<u>(17,361,814)</u>	<u>252,952,327</u>	<u>10,055,042,821</u>
Less accumulated depreciation or amortization for:					
Infrastructure	(3,870,095,059)	(217,512,385)	1,944,564	18,715	(4,085,644,165)
Buildings	(224,032,006)	(13,243,178)	1,576,070	(380,516)	(236,079,630)
Improvements to land	(74,337,935)	(8,948,658)	859,608	-	(82,426,985)
Equipment	(110,759,149)	(14,883,220)	7,926,343	383,551	(117,332,475)
Intangible assets:					
Land use rights	-	(6,512)	-	-	(6,512)
Owning rights	(1,539)	(770)	-	-	(2,309)
Software	(52,382,253)	(10,001,001)	140,191	(21,750)	(62,264,813)
Total accumulated depreciation or amortization	<u>(4,331,607,941)</u>	<u>(264,595,724)</u>	<u>12,446,776</u>	<u>-</u>	<u>(4,583,756,889)</u>
Total capital assets, being depreciated or amortized, net	<u>5,472,778,299</u>	<u>(249,529,656)</u>	<u>(4,915,038)</u>	<u>252,952,327</u>	<u>5,471,285,932</u>
Total capital assets, net	<u>\$ 6,311,887,207</u>	<u>\$ 109,500,809</u>	<u>\$ (15,101,796)</u>	<u>\$ -</u>	<u>\$ 6,406,286,220</u>

Capitalized interest

Total interest costs incurred in business-type activities in fiscal year ending June 30, 2014 were \$100 million of which \$13.8 million was capitalized for a net interest expense of \$86.2 million.

Depreciation and amortization

Fully depreciated capital assets at June 30, 2014 totaled \$231.4 million, of which \$141.9 million pertains to governmental activities and \$89.5 million to business-type activities. The total remaining salvage value is \$3.2 million, of which \$2.7 million pertains to governmental activities and \$0.5 million 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

F. Capital assets continued:

Depreciation and amortization continued

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

	Amount
Governmental activities:	
Public safety	\$ 4,768,734
Parks, recreation and culture	8,761,358
Community development	48,360
Environmental Services	39,357
Water	175,687
Transportation	159,587,697
Legislative/ admin/ support services	124,673
Total governmental funds	173,505,866
Internal service funds -	
Legislative/ admin/ support services	18,571,190
Total governmental activities	\$ 192,077,056
Business-type activities:	
Environmental services	\$ 41,067,433
Water	25,870,266
Hydroelectric power	607,392
Parking facilities	604,018
Golf	760,884
Motor sports	158,106
Spectator facilities	3,225,776
Housing	224,793
Total business-type activities	\$ 72,518,668

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

F. Capital assets continued:

Construction and technology project commitments

The City has active construction and technology projects as of June 30, 2014. These include building, remodeling and retrofitting fire facilities, park improvements, communication, sewer, transportation, and water infrastructure upgrades.

At fiscal year end, the City's contractual commitments to complete the various projects were as follows:

<u>Projects</u>	<u>Spent to date</u>	<u>Remaining Commitments</u>	<u>Financing Source</u>
Governmental activities:			
General Fund: special projects	\$ 17,145,973	\$ 12,688,076	General obligation bonds / General Fund
Transportation	146,096,588	7,263,205	Intergovernmental cost sharing / Grants / System development charges / Local improvement districts / Transportation revenues
Development Services	3,098,883	3,656,641	Bureau operating funds (Permit Revenues)
Public Safety	3,486,963	2,703,187	General obligation bonds / Intergovernmental cost sharing
Parks, recreation and culture	3,755,384	4,215,276	Local option levy / Tax increment / Grants / General Fund discretionary
Portland Housing Bureau	4,870,022	10,360,543	CDBG / Tax Increment / HOME / Section 108
Facilities	4,265,016	906,372	Limited tax revenue bonds
Technology services	<u>211,233</u>	<u>117,491</u>	General Fund discretionary
Total governmental activities	<u>182,930,062</u>	<u>41,910,791</u>	
Business-type activities:			
Environmental services	55,636,140	41,542,576	Revenue bonds / Sewer rate revenues
Water	200,978,893	75,276,670	Revenue bonds / Water rate revenues / Project reimbursements
Golf	<u>13,192</u>	<u>258</u>	Golf fund / fees
Total business-type activities	<u>256,628,225</u>	<u>116,819,504</u>	
Total project commitments	<u>\$ 439,558,287</u>	<u>\$ 158,730,295</u>	

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

F. Capital assets continued:

Component Unit - Portland Development Commission

Activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,802,391	\$ 2,700,000	\$ (6,508)	\$ 7,495,883
Capital assets, being depreciated or amortized:				
Buildings and improvements	2,707,441	3,152,814	-	5,860,255
Leasehold improvements	3,849,501	-	-	3,849,501
Vehicles and equipment	1,000,303	-	(84,444)	915,859
Intangible assets:				
Software	4,325,288	363,837	-	4,689,125
Total capital assets, being depreciated or amortized	<u>11,882,533</u>	<u>3,516,651</u>	<u>(84,444)</u>	<u>15,314,740</u>
Less accumulated depreciation or amortization for:				
Buildings and improvements	(1,353,714)	(54,148)	-	(1,407,862)
Leasehold improvements	(3,849,501)	-	-	(3,849,501)
Vehicles and equipment	(779,699)	(64,586)	72,527	(771,758)
Intangible assets:				
Software	(1,947,938)	(326,007)	-	(2,273,945)
Total accumulated depreciation	<u>(7,930,852)</u>	<u>(444,741)</u>	<u>72,527</u>	<u>(8,303,066)</u>
Total capital assets, being depreciated or amortized, net	<u>3,951,681</u>	<u>3,071,910</u>	<u>(11,917)</u>	<u>7,011,674</u>
Governmental activities capital assets, net	<u>\$ 8,754,072</u>	<u>\$ 5,771,910</u>	<u>\$ (18,425)</u>	<u>\$ 14,507,557</u>

G. Interfund receivables, payables, and transfers:

Due to/from other funds

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 funds represents employer contributions to pay pension benefits. The Grants Fund due to other funds represent federal, state, and private grants receivable not yet transferred to benefiting City bureaus. These interfund balances are expected to be repaid within one year.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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, 2014 was:

	Governmental Activities		Business-type Activities	Fiduciary Activities	Total Due To Other Funds
	Transportation Operating	Nonmajor Governmental	Water		
Governmental Activities:					
General	\$ -	\$ -	\$ -	\$ 8,231,915	\$ 8,231,915
Grants	37,958	929	8,175	-	47,062
Total due from other funds	<u>\$ 37,958</u>	<u>\$ 929</u>	<u>\$ 8,175</u>	<u>\$ 8,231,915</u>	<u>\$ 8,278,977</u>

Component Unit - Portland Development Commission

The amount due from PDC to the City is \$2.1 million in accounts receivable and \$0.2 million of amounts related to PDC property held for sale acquired via grant funds and amounts from the City. The amounts due from the City to PDC for various grant expenditures and other intergovernmental agreements total \$3.7 million.

	Governmental Activities					Business-type Activities	Portland Development Commission	Net Due (To) From Component Unit
	General	Transportation Operating	Grants	Nonmajor Governmental	Internal Services	Nonmajor Enterprise		
Governmental Activities:								
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,255,384)	\$ (1,255,384)
Grants	-	-	-	-	-	-	(121,659)	(121,659)
Nonmajor funds	-	-	-	-	-	-	(642,932)	(642,932)
Internal service funds	-	-	-	-	-	-	(1,703,821)	(1,703,821)
Total due (to) from component unit	-	-	-	-	-	-	<u>(3,723,796)</u>	<u>(3,723,796)</u>
Portland Development Commission:								
PDC - All funds	318,277	82	171,429	1,492,579	36,735	93,342	-	2,112,444
Net due from (to) component unit	<u>\$ 318,277</u>	<u>\$ 82</u>	<u>\$ 171,429</u>	<u>\$ 1,492,579</u>	<u>\$ 36,735</u>	<u>\$ 93,342</u>	<u>\$ (3,723,796)</u>	<u>\$ (1,611,352)</u>

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 for street lighting. General Fund's transfers to nonmajor governmental funds are for various programs including: emergency communications, development services support, debt service payments, and the General Fund's portion of the PERS debt. General Fund's transfers to the internal service funds are for financial commitments to fund operating improvements.

Transportation Operating Fund's transfers to nonmajor governmental funds are for debt service payments and the transportation fund's portion of the PERS debt. Nonmajor governmental funds' transfers to the Special Finance and Resource Fund are to provide PDC with cash for operations. Internal service funds' transfers to General Fund were for various programs which included the Public Safety Systems Revitalization Program. Nonmajor enterprise funds' transfers to the Transportation fund are for overhead charges.

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

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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, 2014 consist of the following:

	Governmental Activities				Business-type Activities			Total Transfers Out
	General	Transportation Operating	Grants	Nonmajor Funds	Internal Service	Sewage Disposal	Nonmajor Funds	
Governmental activities:								
General	\$ -	\$ 9,176,362	\$ -	\$ 23,171,164	\$ 3,262,005	\$ -	\$ -	\$ 35,609,531
Transportation	-	-	1,053,448	3,476,232	-	32,803	80,000	4,642,483
Nonmajor funds	782,669	5,401,965	-	59,887,337	58,680	-	-	66,130,651
Internal service	8,977,992	435,869	-	488,128	801,939	-	11	10,703,939
Business-type activities:								
Sewage disposal	-	-	-	483,596	136,716	-	-	620,312
Water	-	-	-	502,266	-	131,784	-	634,050
Nonmajor funds	587,774	5,068,500	-	49,442	-	-	-	5,705,716
Total transfers in	<u>\$ 10,348,435</u>	<u>\$ 20,082,696</u>	<u>\$ 1,053,448</u>	<u>\$ 88,058,165</u>	<u>\$ 4,259,340</u>	<u>\$ 164,587</u>	<u>\$ 80,011</u>	<u>124,046,682</u>

Reconciliation:

Total internal service funds	(10,703,939)
Total governmental funds	(106,382,665)
Total business-type activities	(131,784)
Internal service funds transfer to business-type activities	(11)
Governmental activities transfers to business-type activities	(112,803)
Total transfers per statement of activities	<u>\$ 6,715,480</u>

Interfund loans

As of June 30, 2014, the General Fund received capital loans of \$472,762 from Facilities Services Operating Fund, \$472,762 from CityFleet Operating Fund, and \$378,211 from Technology Services Fund, all of which are internal service funds. The interfund loans to the General Fund are authorized by Resolution No. 36976 for reimbursement to the Water Bureau of expenditures for acquisition, construction and renovation of certain assets, for potential expenses associated with the Portland Harbor Superfund site, and to transfer management responsibility for certain assets between the Parks Bureau and Water Bureau. These loans are expected to be repaid by June 1, 2022.

The Grants Fund received temporary operating loans of \$0.7 million from General Reserve Fund, \$2.0 million from Transportation Operating Fund. These loans are expected to be repaid during fiscal year 2014-15.

Interfund loan balances at June 30, 2014 were:

	Governmental Activities			Total Internal Loans Payable
	General	Transportation Operating	Internal Service Funds	
Governmental activities:				
General	\$ -	\$ -	\$ 1,323,735	\$ 1,323,735
Grants	695,000	2,000,000	-	2,695,000
Total Internal loans receivable	<u>\$ 695,000</u>	<u>\$ 2,000,000</u>	<u>\$ 1,323,735</u>	<u>\$ 4,018,735</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

H. 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.

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 negligible. Governmental activities generated \$2.6 million in rental income during fiscal year ending June 30, 2014 and \$2.3 million during fiscal year ending June 30, 2013. Business-type activities generated \$2.2 million during fiscal year ending June 30, 2014 and \$2.1 million during fiscal year ending June 30, 2013. Contingent rent was insignificant in both fiscal year ending June 30, 2014 and fiscal year ending June 30, 2013.

As of June 30, 2014, the City's investment in operating leases is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land and improvements	\$ 8,865,656	\$ 1,820,760	\$ 7,044,896
Buildings	<u>22,158,457</u>	<u>8,691,479</u>	<u>13,466,978</u>
Net Investments	<u>\$31,024,113</u>	<u>\$10,512,239</u>	<u>\$20,511,874</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

H. Leases continued:

Lessor Operating leases continued

As of June 30, 2014, 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
2015	\$ 2,077,216	\$ 2,096,738	\$ 4,173,954
2016	1,535,155	2,021,227	3,556,382
2017	1,148,040	1,992,068	3,140,108
2018	1,025,367	1,499,153	2,524,520
2019	619,699	1,133,971	1,753,670
2020-2024	2,593,701	5,445,094	8,038,795
2025-2029	2,272,483	3,122,653	5,395,136
2030-2034	1,409,932	2,336,053	3,745,985
2035-2039	882,317	2,561,619	3,443,936
2040-2044	822,291	1,655,469	2,477,760
2045-2049	861,080	-	861,080
2050-2054	912,410	-	912,410
2055-2059	481,708	-	481,708
2060-2064	387,561	-	387,561
2065-2069	425,387	-	425,387
2070-2074	459,260	-	459,260
2075-2079	472,043	-	472,043
2080-2084	174,450	-	174,450
Total	<u>\$ 18,560,100</u>	<u>\$ 23,864,045</u>	<u>\$ 42,424,145</u>

Lessee Operating Leases

The City has various non-cancelable 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 agreements; usually, rental increases are predetermined, affixed to a range from 3 percent 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 non-cancelable 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, 2014, operating expenses are summarized as follows:

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2013</u>
Minimum rents	\$ 4,691,194	\$ 4,061,388
Contingent rents	244,603	1,096,728
Sublease rental income	<u>(553,345)</u>	<u>(835,726)</u>
Total rental expense	<u>\$ 4,382,452</u>	<u>\$ 4,322,390</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

H. Leases continued:

Lessor Operating leases continued

As of June 30, 2014, future minimum payments for these operating leases are contractually due as follows:

Year Ending June 30,	Governmental Activities		Business-type	Fiduciary	Lease Commitments
	Minimum Lease Commitments	Sublease Income	Activities Minimum Lease Commitments	Activities Minimum Lease Commitments	
2015	\$ 1,870,219	\$ 16,421	\$ 499,122	\$ 184,182	\$ 2,553,523
2016	801,884	16,730	500,818	187,866	1,490,568
2017	416,737	5,635	206,505	191,623	814,865
2018	224,140	5,110	-	15,995	240,135
2019	217,742	-	-	-	217,742
2020-2024	355,147	-	-	-	355,147
2025-2029	343,535	-	-	-	343,535
2030-2034	359,496	-	-	-	359,496
2035-2039	255,001	-	-	-	255,001
2040-2044	180,000	-	-	-	180,000
2045-2049	180,000	-	-	-	180,000
2050-2054	180,000	-	-	-	180,000
2055-2059	180,000	-	-	-	180,000
2060-2064	180,000	-	-	-	180,000
2065-2069	180,000	-	-	-	180,000
2070-2074	180,000	-	-	-	180,000
2075-2079	180,000	-	-	-	180,000
2080-2084	180,000	-	-	-	180,000
2085-2089	180,000	-	-	-	180,000
2090-2094	180,000	-	-	-	180,000
2095-2099	180,000	-	-	-	180,000
2100-2104	6,000	-	-	-	6,000
	<u>\$ 7,009,901</u>	<u>\$ 43,896</u>	<u>\$ 1,206,445</u>	<u>\$ 579,666</u>	<u>\$ 8,796,012</u>

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, 2014.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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 \$105.5 million. Currently \$75.9 million of these bonds are outstanding. The bonds were originally issued for park system improvements, emergency facilities, and public safety improvements. The City is authorized to levy an unlimited ad valorem tax to pay for these bonds.

In March 2014 the City sold the \$29.8 million 2014 Series A General Obligation Bonds. \$8.3 million of the proceeds were used to refund 2004 Series A general obligation bonds. The balance of the proceeds will be used to purchase fire and emergency apparatus, pay for construction costs on Fire Station 21, and continue work on the public safety emergency radio system upgrade. The bonds will be paid off over 15 years with interest rates ranging from 2.5 to 5 percent.

Oregon state law limits general obligation debt to 3 percent of real market value. At June 30, 2014 the City's unused debt margin is \$2.4 billion.

General obligation bonds currently outstanding are as follows:

	Bond Series	Interest Rates(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
Governmental activities:						
Parks	2010A	4.00%	04/15/2010	2010-2015	\$ 19,960,000	\$ 4,310,000
Emergency Facilities	2008A	3.50-4.75	12/03/2008	2009-2028	15,360,000	12,555,000
Emergency Facilities	2009A	3.00-4.00	07/07/2009	2010-2019	14,560,000	7,635,000
Emergency Facilities	2011A	2.00-4.125	05/19/2011	2011-2026	25,835,000	21,555,000
Emergency Facilities	2014A	2.50-5.00	03/27/2014	2015-2029	<u>29,795,000</u>	<u>29,795,000</u>
Total General Obligation Bonds:						
Governmental activities					<u>\$ 105,510,000</u>	<u>\$ 75,850,000</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

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

Year Ending June 30,	Governmental Principal	Activities Interest
2015	\$ 9,370,000	\$ 3,204,133
2016	5,490,000	2,593,035
2017	5,680,000	2,390,960
2018	5,900,000	2,179,385
2019	6,170,000	1,924,185
2020-2024	25,465,000	6,419,438
2025-2029	<u>17,775,000</u>	<u>1,626,300</u>
Total	<u>\$ 75,850,000</u>	<u>\$ 20,337,436</u>

Limited tax improvement bonds

The City has \$48.6 million of outstanding limited tax improvement bonds. These bonds were issued for the purpose of financing local improvement 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 3 to 5 percent.

In June 2014 the 2014 Series A Limited Tax Improvement Bonds in the amount of \$7.4 million were issued. These bonds will be paid off over 20 years paying interest at 3 to 4 percent. The proceeds will be used to pay for local improvement projects which will be paid off from assessments paid by the property owners who benefit from the improvements.

Limited tax improvement bonds currently outstanding are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
Governmental activities:						
Limited Tax Improvement	2007A	5.00%	06/28/2007	2007-2027	\$ 41,745,000	\$ 23,930,000
Limited Tax Improvement	2010A	3.00-4.125	04/29/2010	2010-2030	22,305,000	14,970,000
Limited Tax Improvement	2011A	3.00-4.00	12/13/2011	2012-2032	3,400,000	2,340,000
Limited Tax Improvement	2014A	3.00-4.00	06/26/2014	2015-2034	<u>7,385,000</u>	<u>7,385,000</u>
Total Limited Tax Improvement Bonds:					<u>\$ 74,835,000</u>	<u>\$ 48,625,000</u>
Governmental activities					<u>\$ 74,835,000</u>	<u>\$ 48,625,000</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$ 1,735,000	\$ 2,109,903
2016	660,000	2,077,487
2017	4,700,000	2,057,688
2018	445,000	1,831,687
2019	430,000	1,813,888
2020-2024	6,905,000	8,455,637
2025-2029	19,680,000	5,828,188
2030-2034	<u>14,070,000</u>	<u>1,144,837</u>
Total	<u>\$ 48,625,000</u>	<u>\$ 25,319,315</u>

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 has urban renewal and redevelopment bonds outstanding that are secured solely by the tax increment revenues generated from the respective urban renewal areas. The City has issued 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. The \$490.7 million outstanding balances on these bonds are paid from tax increment revenues generated from the respective urban renewal areas. No additional City revenues are pledged to the repayment of these bonds. Interest rates on the outstanding bonds range from 1.912 to 6.294 percent.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
Governmental activities:						
Airport Way	2005A	4.00-5.00%	09/29/2005	2006-2020	\$ 45,370,000	\$ 28,640,000
Central Eastside	2011A	4.15-6.246	03/31/2011	2011-2021	10,205,000	7,535,000
Central Eastside	2011B	4.00-5.375	03/31/2011	2011-2031	19,485,000	19,485,000
Downtown Waterfront	2008A	5.11-6.30	04/23/2008	2008-2024	50,165,000	38,370,000
Downtown Waterfront	2011A	3.00-5.00	07/06/2011	2012-2020	30,370,000	26,270,000
Interstate Corridor	2004A	4.00-5.25	12/09/2004	2005-2025	32,310,000	21,045,000
Interstate Corridor	2011A	3.333-6.294	08/11/2011	2012-2026	28,890,000	23,970,000
Interstate Corridor	2011B	4.50-5.00	08/11/2011	2012-2031	17,245,000	17,245,000
Lents District	2010A	4.553-6.284	06/24/2010	2010-2024	21,240,000	16,485,000
Lents District	2010B	4.250-5.00	06/24/2010	2010-2030	15,650,000	15,650,000
North Macadam	2010A	3.960-5.574	09/23/2010	2011-2022	29,645,000	20,115,000
North Macadam	2010B	3.75-5.00	09/23/2010	2011-2030	35,280,000	35,280,000
Oregon Convention Center	2012A	3.623-4.323	05/17/2012	2012-2025	69,760,000	69,760,000
Oregon Convention Center	2011B	4.00-5.00	07/06/2011	2012-2020	29,685,000	25,515,000
River District	2003B	4.10	06/26/2003	2004-2015	28,760,000	655,000
River District	2012A	1.912-4.430	07/10/2012	2013-2026	24,250,000	21,310,000
River District	2012B	3.00-5.00	07/10/2012	2013-2032	34,140,000	34,140,000
River District	2012C	3.75-5.00	07/10/2012	2013-2031	15,275,000	15,275,000
South Park Blocks	2008A	6.031-6.081	07/16/2008	2009-2019	34,580,000	21,970,000
South Park Blocks	2008B	5.00	07/16/2008	2009-2024	32,020,000	32,020,000
Total Urban Renewal & Redevelopment Bonds: Governmental activities					<u>\$ 604,325,000</u>	<u>\$ 490,735,000</u>

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$ 30,640,000	\$ 23,708,840
2016	31,930,000	22,430,959
2017	33,455,000	20,899,747
2018	35,125,000	19,240,926
2019	40,240,000	17,430,293
2020-2024	209,625,000	57,435,920
2025-2029	81,765,000	17,775,871
2030-2034	<u>27,955,000</u>	<u>2,077,113</u>
Total	<u>\$ 490,735,000</u>	<u>\$ 180,999,669</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

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 obligations

Limited tax revenue bonds. As of June 30, 2014, the City had \$55.6 million of outstanding limited tax revenue bonds and \$16.7 million in limited tax housing revenue bonds outstanding, which are backed primarily from General Fund resources.

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

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
<u>Governmental activities:</u>						
EBS Project	2007A	4.25%	04/24/2007	2007-2016	\$ 22,480,000	\$ 3,970,000
Archives Space Project	2007C	4.00-4.50	10/11/2007	2008-2028	11,925,000	9,280,000
Capital Financing - Facilities	2008A	3.75-5.00	06/24/2008	2008-2018	17,725,000	7,860,000
EBS Project	2009B	3.00-4.00	12/17/2009	2010-2017	9,400,000	7,010,000
CAD project	2009B	3.00-4.00	12/17/2009	2010-2017	8,210,000	3,270,000
Capital Improvement & Renovation	2010A	3.00-3.125	04/22/2010	2010-2020	4,840,000	3,345,000
Emergency Coordination Center	2011B	2.00-3.00	12/15/2011	2012-2026	5,445,000	4,780,000
Police Training Facility	2012B	3.00-4.00	05/24/2012	2012-2022	13,305,000	10,970,000
800MHz	2012B	3.00-4.00	05/24/2012	2012-2016	8,473,650	4,360,000
Total Non Self-Supporting Limited Tax Revenue Bonds:						
Governmental activities					101,803,650	54,845,000
<u>Business-type activities:</u>						
Portland International Raceway	LOC	6.14	10/25/2007	2008-2017	2,010,000	740,000
Total Non Self-Supporting Limited Tax Revenue Bonds					\$ 103,813,650	\$ 55,585,000

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
<u>Governmental activities:</u>						
Housing Projects	2005D	4.00-4.25%	06/21/2005	2005-2025	\$ 6,975,000	\$ 6,555,000
Total Non-self-supporting Ltd Tax Housing Bonds:						
Governmental activities					<u>6,975,000</u>	<u>6,555,000</u>
<u>Business-type activities</u>						
Headwaters Apartment Project	2005A	4.03-4.71%	04/18/2005	2005-2035	10,480,000	9,025,000
Headwaters Apartment Project	2005B	4.70	04/18/2005	2005-2035	<u>1,260,000</u>	<u>1,090,000</u>
Total Non-self-supporting Ltd Tax Housing Revenue Bonds:						
Business-Type activities					<u>11,740,000</u>	<u>10,115,000</u>
Total Non-self-supporting Ltd Tax Housing Revenue Bonds					<u>\$ 18,715,000</u>	<u>\$ 16,670,000</u>

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, 2014, interest rates of the outstanding bonds, \$50.5 million of 1999 Series D variable rate bonds and \$50.5 million of 1999 Series E variable rate bonds, were 0.08 percent and 0.11 percent respectively. Interest rates on the fixed rate \$134.5 million of 1999 Series C bonds ranges from 7.701 to 7.93 percent.

The \$300.8 million liability has been distributed as follows:

	Original Distribution	Liability June 30, 2014
<u>Governmental activities:</u>		
Governmental Funds	\$ 211,379,554	\$ 165,414,693
Internal Service Funds	<u>16,741,773</u>	<u>13,101,247</u>
Total governmental activities	<u>228,121,327</u>	<u>178,515,940</u>
Business-type activities	72,201,017	56,500,784
Fiduciary activities	<u>526,002</u>	<u>411,622</u>
Total	<u>\$ 300,848,346</u>	<u>\$ 235,428,346</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

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

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
<u>Governmental activities:</u>						
Allocation of Limited Tax Pension Obligation	1999C	7.701%	11/01/1999	2000-2022	\$ 84,292,006	\$ 71,898,226
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2000-2029	30,090,299	30,090,310
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2000-2019	56,869,511	38,273,181
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2000-2019	<u>56,869,511</u>	<u>38,254,223</u>
Total Governmental activities					<u>228,121,327</u>	<u>178,515,940</u>
<u>Business-type activities:</u>						
Allocation of Limited Tax Pension Obligation	1999C	7.701	11/01/1999	2000-2022	26,678,633	22,755,991
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2000-2029	9,523,664	9,523,654
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2000-2019	17,999,360	12,113,569
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2000-2019	<u>17,999,360</u>	<u>12,107,570</u>
Total Business-type activities					<u>72,201,017</u>	<u>56,500,784</u>
<u>Fiduciary activities:</u>						
Allocation of Limited Tax Pension Obligation	1999C	7.701	11/01/1999	2000-2022	194,360	165,783
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2000-2029	69,382	69,381
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2000-2019	131,130	88,251
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2000-2019	<u>131,130</u>	<u>88,207</u>
Total Fiduciary activities					<u>526,002</u>	<u>411,622</u>
Total Limited Tax Pension Bonds					<u>\$ 300,848,346</u>	<u>\$ 235,428,346</u>

Approximately 40 percent of the debt service on these bonds is expected to be paid from General Fund resources. The remaining 60 percent is expected to be paid by non-General Fund bureaus of the City (see "Self-supporting General Fund obligations" below). As of June 30, 2014, \$87.4 million of outstanding principal remained on the portion of the bonds is projected to be repaid with General Fund resources.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

Self-supporting obligations

In June 2014 the City sold \$44.2 million of 2014 Series A limited tax revenue bonds to pay for its portion of the construction costs of the Sellwood Bridge Project. These bonds will be paid off over 20 years and interest rates range from 4 to 5 percent.

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	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
<u>Governmental activities:</u>						
Oregon Convention Center	2011A	5.00%	10/06/2011	2012-2030	\$ 67,015,000	\$ 65,920,000
Deferred Interest	2001B	5.00-5.36	02/13/2001	2001-2022	18,058,888	11,342,572
Portland Center for Performing Arts	2011A	2.36	12/15/2011	2012-2021	1,315,000	920,000
Portland Mall Revitalization	2007B	4.00-4.50	08/02/2007	2008-2017	16,860,000	5,780,000
North Macadam Investors, LLC	LOC	5.75	11/20/2006	2007-2016	2,500,000	1,874,679
Portland-Milwaukie Light Rail	2012C	3.00-5.00	09/11/2012	2013-2032	36,160,000	35,445,000
Sellwood Bridge	2014A	4.00-5.00	06/17/2014	2015-2034	<u>44,215,000</u>	<u>44,215,000</u>
Total Self-Supporting Limited Tax Revenue Bonds: Governmental activities					<u>186,123,888</u>	<u>165,497,251</u>
<u>Business-type activities</u>						
Central City Streetcar	2009A	2.50-4.00	05/21/2009	2009-2024	21,450,000	15,300,000
Arena	2005B	5.00	03/03/2005	2005-2017	17,810,000	8,715,000
Civic Stadium	2013A	3.27	12/11/2013	2014-2023	21,915,000	20,566,000
Jeld-Wen Field	2012A	3.25-3.50	04/24/2012	2012-2027	<u>12,000,000</u>	<u>12,000,000</u>
Total Self-Supporting Limited Tax Revenue Bonds: Business-type activities					<u>73,175,000</u>	<u>56,581,000</u>
Total Self-Supporting Limited Tax Revenue Bonds					<u>\$ 259,298,888</u>	<u>\$ 222,078,251</u>

Annual debt service requirements to maturity for all of the above types of limited tax revenue bonds at June 30, 2014, are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities		Fiduciary Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 30,298,331	\$ 17,187,489	\$ 10,644,866	\$ 4,686,496	\$ 27,362	\$ 14,973
2016	32,673,271	17,800,241	11,558,848	4,665,431	31,034	16,867
2017	33,105,640	17,592,575	10,501,830	4,407,756	34,968	17,194
2018	27,548,660	16,666,644	9,095,808	4,043,033	39,252	16,299
2019	27,722,852	15,766,019	10,468,787	3,706,709	43,841	14,849
2020-2024	135,309,919	98,471,941	49,561,028	25,868,344	187,552	146,154
2025-2029	85,429,518	170,984,933	18,215,617	51,190,346	47,612	358,401
2030-2034	33,325,000	2,877,925	3,200,000	662,370	-	-
2035-2039	-	-	690,000	34,260	-	-
Total	<u>\$ 405,413,191</u>	<u>\$ 357,347,767</u>	<u>\$ 123,936,784</u>	<u>\$ 99,264,745</u>	<u>\$ 411,621</u>	<u>\$ 584,737</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

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, environmental remediation activities, road improvements, and hydroelectric generation facilities. Fees and charges are collected for the individual services provided, generally on the basis of usage.

In July 2013, the City issued \$1.1 million of revenue bonds backed by Gas Tax receipts. The revenue bonds were issued to refund the 1998A Gas Tax Revenue Bonds. The final maturity of the 2013 Series A Bonds will occur in 2018 with an interest rate of 1.94 percent.

In September 2013, the City issued \$211 million of revenue bonds backed by Sewer receipts. The revenue bonds were issued to fund capital improvements to the Sewer System and to refund the 2003 Series A bonds. The final maturity of the 2013 Series A Bonds will occur in 2038 with interest rates ranging from 1 to 5 percent.

Ordinances for revenue bonds generally require 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 bond ordinances for particular enterprise funds also 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. Revenue bonds may be redeemed at dates earlier than the stated maturity at call rates varying from 100 to 103 percent of face value dependent upon the call date. The City is in compliance with its bond covenants as of and for the fiscal year ended June 30, 2014.

Revenue bonds outstanding at June 30, 2014 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Principal Outstanding</u>
Gas Tax Revenue Bonds:		
Public street improvements	1.94-5.00%	\$ 14,974,000
Sewage System Revenue Bonds:		
Sewer improvements and maintenance	1.00-5.00	1,603,265,000
Water System Revenue Bonds:		
Water lines improvement and maintenance	2.00-5.00	566,410,000
Hydroelectric Power Revenue Bonds:		
Electrical power generating plant	5.523	<u>6,635,000</u>
Total		<u>\$ 2,191,284,000</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

Revenue bonds currently outstanding are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2014
<u>Governmental activities</u>						
Gas Tax	2005A	3.60-3.75	03/17/2005	2005-2016	\$ 4,400,000	\$ 975,000
Gas Tax	2011A	3.00-5.00	11/22/2011	2012-2023	15,400,000	13,135,000
Gas Tax	2013A	1.94	08/06/2013	2014-2018	1,073,000	864,000
Total Revenue Bonds:						
Governmental activities					20,873,000	14,974,000
<u>Business-type activities:</u>						
Sewage Disposal	2004A	4.00-5.00	11/30/2004	2005-2024	163,500,000	108,980,000
Sewage Disposal	2004B	5.00	11/30/2004	2005-2017	93,080,000	79,180,000
Sewage Disposal	2005A	5.00	06/16/2005	2005-2020	144,850,000	144,850,000
Sewage Disposal	2006A	4.50-5.00	05/25/2006	2007-2031	177,845,000	142,040,000
Sewage Disposal	2006B	4.50-5.00	05/25/2006	2007-2031	87,135,000	69,865,000
Sewage Disposal	2007A	5.00	03/08/2007	2007-2015	193,510,000	31,530,000
Sewage Disposal	2008A	4.25-5.00	04/17/2008	2008-2033	333,015,000	266,340,000
Sewage Disposal	2008B	5.00	04/17/2008	2008-2033	195,700,000	187,505,000
Sewage Disposal	2010A	4.00-5.00	08/19/2010	2010-2035	407,850,000	362,010,000
Sewage Disposal	2013A	1.00-5.00	09/17/2013	2014-2039	210,965,000	210,965,000
Water	2006B	4.00-5.00	09/21/2006	2007-2021	44,000,000	36,000,000
Water	2008A	4.00-5.00	08/07/2008	2008-2034	79,680,000	70,160,000
Water	2010A	4.00-5.00	02/11/2010	2010-2035	73,440,000	66,790,000
Water	2011A	4.00-5.00	03/22/2011	2011-2036	82,835,000	77,340,000
Water	2012A	3.00-5.00	08/02/2012	2013-2037	76,510,000	71,880,000
Water	2013A	2.00-5.00	05/02/2013	2014-2037	253,635,000	244,240,000
Hydroelectric Power	2006	5.523	04/05/2006	2006-2016	21,370,000	6,635,000
Total Revenue Bonds:						
Business-type activities					2,638,920,000	2,176,310,000
Total Revenue Bonds					<u>\$ 2,659,793,000</u>	<u>\$ 2,191,284,000</u>

Remaining future payments to maturity are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 1,925,000	\$ 558,405	\$ 105,305,000	\$ 101,812,145
2016	1,984,000	487,650	112,540,000	96,778,043
2017	1,553,000	413,730	117,475,000	91,279,419
2018	1,622,000	356,100	122,350,000	85,479,869
2019	1,445,000	296,000	126,565,000	78,343,056
2020-2024	6,445,000	522,100	644,250,000	299,532,527
2025-2029	-	-	401,405,000	179,338,662
2030-2034	-	-	399,990,000	83,710,425
2035-2039	-	-	146,430,000	13,363,413
Total	<u>\$ 14,974,000</u>	<u>\$ 2,633,985</u>	<u>\$ 2,176,310,000</u>	<u>\$ 1,029,637,559</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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, 2014, 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, 2014	Debt Payments For the Year Ended June 30, 2014
Gas Tax Revenue Bonds:						
Public street improvements	State gas tax	2023	\$ 17,607,985	2.99%	\$ 59,014,088 *	\$ 3,543,502
Transportation Line of Credit:						
Public street improvements	State gas tax	2015	2,604,603	2.15	*	1,958,185
Transportation Loan:						
Public street improvements	State gas tax	2019	455,774	0.25	*	88,817
Urban Renewal & Redevelopment:						
Fund improvements in the urban renewal and redevelopment area	Tax increment property tax	2032	714,791,755	23.55	117,003,630	54,172,353
Sewer State Revolving Fund Loans:						
Financing energy, sewer system improvements	Sewer fees	2031	18,788,968	0.25	190,023,836 **	1,508,229
Sewage System Revenue Bonds:						
Sewer improvement and maintenance	Sewer fees	2035	2,352,216,144	20.82	**	238,301,012
Sewage System Revenue Note:						
Sewer improvement & maintenance	Sewer fees	2018	224,445	0.02	**	54,620
Water System Revenue Bonds						
Water lines improvement and maintenance	Water fees	2038	846,582,638	13.17	82,462,405	45,728,311
Hydroelectric Power Revenue Bonds:						
Electrical power generating plant	Power sales	2016	9,418,777	84.92	2,806,915	2,574,137
Total			<u>\$ 3,962,691,089</u>		<u>\$ 451,310,874</u>	<u>\$ 347,929,166</u>
Governmental activities			\$ 735,460,117		\$ 176,017,718	\$ 59,762,857
Business-type activities			3,227,230,972		275,293,156	288,166,309
Total			<u>\$ 3,962,691,089</u>		<u>\$ 451,310,874</u>	<u>\$ 347,929,166</u>

* same revenue source pledged for three purposes

** same revenue source pledged for three purposes

Refundings

On March 27, 2014 the City issued the \$29.8 million General Obligation Bonds, 2014 Series A (Public Safety Projects and Emergency Facilities Refunding) to fund new public safety projects, as authorized by voters, and to refund the 2015 to 2024 maturities of the General Obligation Emergency Facilities Bonds, 2004 Series A. Proceeds, including premium, of approximately \$8.3 million were used to pay the principal and interest on \$8.3 million of the refunded bonds. As a result, the refunded bonds have been fully redeemed in the current fiscal year and the liability has been removed from the governmental activities column in the statement of net position. This refunding was undertaken to reduce total debt service payments by \$1.1 million over ten years and resulted in an economic gain of \$0.9 million.

On December 11, 2013, after a competitive bidding process, the City entered into an agreement with a bank to provide \$21.9 million to refund the outstanding balance of the Limited Tax Revenue Bonds, 2001 Series D (Civic Stadium Project). Proceeds from the bank placement were used to pay the principal and interest on \$21.7 million of the refunded bonds. As a result, the refunded bonds have been fully redeemed in the current fiscal year and the liability has been removed from the governmental activities column in the statement of net position. This refunding was undertaken to reduce total debt service payments by \$4 million over ten years and resulted in an economic gain of \$3.7 million.

On September 17, 2013 the City issued \$211 million of 2nd Lien Sewer System Revenue and Refunding Bonds,
Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

2013 Series A. Approximately \$88.4 million of proceeds, including premium, was used to convert the balance outstanding on a line of credit to long-term debt and \$30.1 million of proceeds was used to refund the outstanding balance of the Sewer System Revenue and Refunding Bonds, 2003 Series A (the "2003 Bonds"). The par amount of the bonds plus premium was sufficient to pay the principal and interest on \$30.9 million of the 2003 Bonds, convert \$80.4 million outstanding on the line of credit, provide funding for about \$86.6 million new capital construction, pay costs of issuance, and fund the required cash reserve. As a result, the 2003 Bonds and the line of credit have been fully redeemed in the current fiscal year and the liability has been removed from the business type activities column in the statement of net position. The refunding was undertaken to reduce total debt service payments by \$2.98 million over nineteen years and resulted in an economic gain of \$2.94 million.

Conduit debt

The City has issued conduit Economic Development Revenue Bonds, which have not been recorded as a liability for GAAP presentation purposes. Private developers use the proceeds of these bond sales 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 shall not be payable from a charge upon any of the City's resources or assets, nor shall the City be subject to any liability from these bonds. No holder or holders of these bonds shall ever have the right to compel an exercise of the taxing power of the City to pay the bonds or the interest thereon, nor to enforce payment against any property of the City. 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, 2014 is \$83.8 million.

Notes, lines of credit and loans payable

Notes payable. The City issues Notes to finance equipment acquisitions and improvements, improving streets and sidewalks, and to provide interim financing of urban renewal plans. Sewage Disposal Fund's \$0.2 million note payable to the State of Oregon is for flood storage, water quality, and habitat improvements to the Johnson Creek flood plain. The interest rate on the note payable on June 30, 2014 is five percent.

Lines of credit. As of June 30, 2014, the City has \$50.4 million outstanding on various lines of credit. The use of proceeds and remaining balances are as follows:

Provide interim financing for urban renewal district projects	\$42.7 million
Finance various City backed projects, including:	
Various transportation improvements	2.6 million
Local improvement district projects	5.1 million

The City expects to retire \$8 million of the lines of credit with working capital. The rest will be replaced with long-term bonds. Interest rates on the outstanding line of credit balances are variable rates tied to either prime or the London Interbank Offered Rate (LIBOR). As of June 30, 2014 those rates ranged from 0.52 to 1.4 percent.

Loans payable. The City has entered into various loan arrangements for the purpose of financing sewer system improvements, transportation projects and housing programs. The principal balance of these loans on June 30, 2014 is \$24.8 million. Interest rates vary from 1.00 to 4.41 percent with maturities to fiscal year 2032. 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:

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015 *	\$ 17,297,162	\$ 465,921	\$ 1,386,781	\$ 184,125
2016	33,821,348	365,345	1,400,676	168,230
2017	393,766	209,423	1,414,725	152,180
2018	405,735	200,837	1,433,944	135,920
2019	422,752	191,098	1,393,792	119,242
2020-2024	1,912,000	787,166	7,182,764	382,406
2025-2029	2,387,000	416,975	3,479,551	59,073
2030-2034	887,000	37,954	118,518	1,486
Total	<u>\$ 57,526,763</u>	<u>\$ 2,674,719</u>	<u>\$ 17,810,751</u>	<u>\$ 1,202,662</u>

*Most of the amounts being paid in 2015 will be paid by selling bonds, so the amount being paid in 2015 is not equal to the 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.

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 \$12.7 and \$0.3 million respectively at June 30, 2014. The total amount outstanding at June 30, 2014 was \$52.1 million for governmental activities and \$8.7 million for business-type activities.

Other postemployment benefits are described in Note IV.D. The total amount outstanding at June 30, 2014 was \$35.6 million for governmental activities and \$3.4 million for business-type activities.

The Fire and Police Disability and Retirement liability is described in Note IV.E. \$1,397.7 million was outstanding at June 30, 2014 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 postemployment benefits are liquidated by the General Fund, Transportation Operating Fund, Grants Fund, Emergency Communication Fund, Development Services Fund, Housing Investment Fund, Parks Local 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, 2014, internal service funds had \$61.3 million of bonds outstanding. For fiscal year 2014, there were no governmental fund resources committed to liquidate other long-term liabilities. Governmental funds and internal service funds, which have a long-

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

term liability, paid the debt service obligations from current resources, except for lines of credit paid off by selling long-term debt. Long-term liability activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
Bonds payable:					
General obligation bonds	\$ 62,675,000	\$ 29,795,000	\$ 16,620,000	\$ 75,850,000	\$ 9,370,000
Limited tax improvement bonds payable from assessment payments	50,700,000	7,385,000	9,460,000	48,625,000	1,735,000
Urban renewal and redevelopment bonds	519,785,000	-	29,050,000	490,735,000	30,640,000
Limited tax and limited tax revenue bonds	387,503,609	44,215,000	26,305,418	405,413,191	30,298,331
Revenue bonds	16,820,000	1,073,000	2,919,000	14,974,000	1,925,000
Unamortized premium and discounts	31,860,103	9,846,162	4,801,276	36,904,989	5,387,079
Total bonds payable	<u>1,069,343,712</u>	<u>92,314,162</u>	<u>89,155,694</u>	<u>1,072,502,180</u>	<u>79,355,410</u>
Notes, loans and line of credit payable	71,688,389	45,497,977	59,659,603	57,526,763	9,280,162
Self insurance claims	25,863,063	51,197,626	50,591,851	26,468,838	12,037,136
Net pension obligation	1,297,534,276	100,209,992	-	1,397,744,268	-
Other postemployment benefits	32,996,129	2,600,454	-	35,596,583	-
Compensated absences	53,213,084	41,506,374	42,603,527	52,115,931	39,411,372
Total other long-term liabilities	<u>1,481,294,941</u>	<u>241,012,423</u>	<u>152,854,981</u>	<u>1,569,452,383</u>	<u>60,728,670</u>
Governmental activities long-term liabilities	<u>\$ 2,550,638,653</u>	<u>\$ 333,326,585</u>	<u>\$ 242,010,675</u>	<u>\$ 2,641,954,563</u>	<u>\$ 140,084,080</u>
<u>Business-type activities:</u>					
Bonds payable:					
Limited tax and limited tax revenue bonds	\$ 133,164,667	\$ 21,915,000	\$ 31,142,883	\$ 123,936,784	\$ 10,644,866
Revenue bonds	2,091,980,000	210,965,000	126,634,998	2,176,310,002	105,305,004
Unamortized premium and discounts	115,881,875	13,924,179	11,847,976	117,958,078	12,062,841
Total bonds payable	<u>2,341,026,542</u>	<u>246,804,179</u>	<u>169,625,857</u>	<u>2,418,204,864</u>	<u>128,012,711</u>
Notes, loans and line of credit payable	97,796,100	9,770,039	89,755,388	17,810,751	1,386,781
Compensated absences	8,712,255	8,895,634	8,940,741	8,667,148	8,409,968
Other postemployment benefits	3,365,651	84,025	-	3,449,676	-
Total other long-term liabilities	<u>109,874,006</u>	<u>18,749,698</u>	<u>98,696,129</u>	<u>29,927,575</u>	<u>9,796,749</u>
Business-type activities long-term liabilities	<u>\$ 2,450,900,548</u>	<u>\$ 265,553,877</u>	<u>\$ 268,321,986</u>	<u>\$ 2,448,132,439</u>	<u>\$ 137,809,460</u>

Auction rate securities

As of June 30, 2014, the City had \$100.9 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 Aa1 by Moody's Investors Service and are not backed by municipal bond insurance or other credit enhancement.

All \$100.9 million of these securities remain outstanding. 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

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

I. Long-term debt: continued

securities remains at Aa3 or higher), the interest rate for the next interest period is set at 150 percent 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 average interest rate since July 1, 2014 has been 0.110 percent, plus a 0.25 percent broker/dealer fee, for an average all-in cost of 0.360 percent. For the week of October 20, 2014, the all in rate was 0.385 percent for Series D and 0.355 percent for Series E bonds. 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 rates securities will likely continue to be tied directly to the seven-day, AA-rated financial commercial paper index. The City continues to evaluate options related to its pension auction rate securities, including the possibility of refunding the auction rate securities into fixed-rate debt if market conditions warrant.

Bond insurer ratings

As of June 30, 2014, the City has approximately \$124.3 million face amount of debt service reserve fund surety policies ("credit facilities") relating to outstanding sewer, water and gas tax revenue bonds, as well as urban renewal and redevelopment bonds issued for the Airport Way and Interstate Corridor urban renewal areas. The City has historically purchased debt service reserve surety bonds from municipal bond insurance companies in lieu of cash funding debt service reserve requirements for certain revenue bonds and urban renewal bonds. The legal provisions for these revenue bonds and urban renewal bonds provide that the minimum credit rating of the credit facility provider must exceed specified rating levels. In most cases, the legal provisions state that the credit facility rating "test" is made only at the time of issuance of the bonds. However, in other documents it is unclear or ambiguous whether the test is made only at the time of issuance or whether the rating test is ongoing. Where the rating test is unclear as to its timing (at time of issuance only vs. ongoing), the City has taken the position that if the rating of the credit facility provider falls below the minimum standard subsequent to the issuance of the bonds, the City is not required to replace the credit facility with an alternative credit facility or with cash. As of October 23, 2014, the City had the following face amount of debt service reserve (DSR) surety policies with the various bond insurers.

	Insurer Ratings (Moody's / S&P)	Face Amount of DSR Surety Bonds
Ambac Assurance Corporation (Ambac)	Not Rated	\$ 5,591,500
Assured Guaranty Municipal Corporation (formerly FSA)	A2 / AA	71,183,586
National Public Finance Guarantee Corporation (formerly MBIA)	A3 / AA-	<u>46,422,150</u>
Total		<u>\$ 123,197,236</u>

J. Short-term debt:

The City issues overnight bonds to permit the City's component unit, PDC, 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. Tax increment collections are expected to be sufficient to meet debt service requirements for outstanding long-term debt. The City issues overnight debt to release excess collections to PDC for capital projects. The City issued \$59.5 million in overnight bonds in fiscal year 2014 and redeemed those bonds within five days. At June 30, 2014, there were no outstanding overnight bonds.

At the beginning of the fiscal year, the City issued \$26.7 million of tax anticipation notes in advance of property tax collections, depositing the proceeds in the Fire and Police Disability and Retirement (fiduciary) Fund. 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

III. Detailed notes continued:

J. Short-term debt continued:

Short-term debt activity of the fiscal year ended June 30, 2014 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Overnight bonds	\$ -	\$ 59,525,000	\$ 59,525,000	\$ -
Tax anticipation notes	-	26,685,000	26,685,000	-
Totals	<u>\$ -</u>	<u>\$ 86,210,000</u>	<u>\$ 86,210,000</u>	<u>\$ -</u>

K. Termination benefits:

The City offers a targeted severance program which provides qualified employees a minimum of two months' salary and six months of paid health insurance upon termination of employment. Individual severance agreements are generated by various bureaus in specific instances offering health care continuation and are generally offered for up to six months of coverage. There were ten (10) employees affected, and the net cost of these termination benefits for fiscal year ended June 30, 2014 was \$53,675.

The Voluntary Retirement Incentive Program was implemented in accordance with Ordinance No. 185968 to provide an incentive for employees to voluntarily retire from the City during the period of May 1, 2013 through June 30, 2013. To qualify, bureaus needed to demonstrate savings to programs or positions to offset the cost of up to a \$20,000 contribution to a Health Reimbursement Account (HRA) account for the retiring participant. Seventy-three participants were approved for the program, while there are currently seventy-one participants remaining in the program. BenefitHelp Solutions administers the HRA account, and bills the City as claims are made against the accounts. The original expected cost to the City was \$1.5 million, while participants have used \$543,046 and there is a remaining potential liability of \$896,954.

Due to the short duration of the termination plans, payments have not been discounted. This plan has no effect on the actuarial accrued liability related to other postemployment benefits.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information:

A. Risk management:

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, 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, 2013 and before July 1, 2014 may not exceed \$633,300 for single claimant and \$1,266,700 for multiple claimants. For causes of action arising on or after July 1, 2014 and before July 1, 2015, limitations increase to \$666,700 for single claimant and \$1,333,300 for multiple claimants.

Per ORS 30.273 limitations on liability of public bodies for property damage arising on or after July 1, 2013 and before July 1, 2014 may not exceed \$106,700 for single claimant and \$533,400 for multiple claimants. For causes of action arising on or after July 1, 2014 and before July 1, 2015, limitations increase to \$109,400 for single claimant and \$546,800 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, 2014, the expected rate of return used was 0.50 percent. For fiscal year ending June 30, 2015, and subsequent years, the expected rate of return used was 0.50 percent and 0.60 percent 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. Furthermore, current levels of accrued claims and retained earnings are viewed as reasonable provisions for expected future losses. An excess liability coverage insurance policy covers individual claims in excess of \$1,000,000 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 \$2,500,000 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

A. Risk management continued:

The estimate of the 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:

	<u>Year ended June 30, 2014</u>	<u>Year ended June 30, 2013</u>
Balance, beginning of fiscal year	\$ 25,863,063	\$ 23,143,803
Incurred claims and adjustments	51,197,626	55,088,171
Claim cash payments	<u>(50,591,851)</u>	<u>(52,368,911)</u>
Unpaid claims, end of fiscal year	<u>\$ 26,468,838</u>	<u>\$ 25,863,063</u>

B. Landfill closure and postclosure care:

The Killingsworth Fast Disposal (KFD) Landfill was permitted as a Municipal Solid Waste Landfill that primarily accepted construction and demolition waste for disposal. In the early 1980's, the KFD Landfill was permitted by the Oregon Department of Environmental Quality ("DEQ") and franchised by the Metro Regional Government to Riedel Waste Systems, Inc. ("RWS"), owners of the property. In 1990, the KFD Landfill was permanently closed. After closure of the landfill, per DEQ requirements, RWS installed a geomembrane cap and a gas extraction system. In 1995, RWS, finding it financially unable to perform the DEQ required maintenance and monitoring of the system, abandoned the property. Following abandonment, DEQ, in 1995, began conducting monitoring and maintenance activities at the KFD Property, and in 1999 DEQ began installation of a new gas extraction system, repair of damaged areas of the geomembrane cap, drainage system improvements and associated improvements to mitigate threats to human health posed by the site. On March 7, 2002, DEQ issued a Solid Waste Disposal Site Closure Permit (No. 1204) to the City of Portland in order to assure that, through the City, post-closure care of the closed KFD Landfill would take place. This post-closure care included the proper operation, maintenance and monitoring of the post-closure equipment and systems installed on the KFD Property.

Federal and State laws and regulations require the City of Portland, as the permittee, to perform postclosure care of the site including operation, maintenance, and monitoring of the methane gas extraction and leachate collection systems; site membrane cap and final cover maintenance; site drainage systems maintenance; and, groundwater monitoring wells maintenance for a period of 30 years from the March 7, 2002 execution date of the Solid Waste Disposal Site Closure Permit (from 2002 to 2032).

The KFD Landfill property and responsibility for post-closure care was transferred to the City only after 100 percent of the fill capacity of the site was reached, operations ceased and the landfill was permanently closed. Prior to transfer of the property to the City, DEQ installed, monitored, operated, and maintained site closure systems. On February 25, 2002, the City of Portland and Oregon DEQ entered into Intergovernmental Agreement (DEQ. No. R001-02) wherein the City agreed to manage and pay for the overall post-closure care and maintenance of the site until no longer required; to partially reimburse DEQ (\$500,000) for its cost of installing a new gas extraction/flare and leachate collection system at the site; and, wherein, DEQ agreed, that upon satisfactory performance by the City of Portland, of its obligations under the Agreement, the City would be released from a significant part of the environmental liabilities at the site. The City has completed payment of the \$500,000 to DEQ for partial reimbursement of the capital investments made to install the postclosure systems.

The City has established future annual post-closure care cost projections (2014–2032) based on the average actual annual costs of the first 13 years of the City's operation, maintenance, and monitoring of the site closure systems (2002–2014). Based on these actual costs and projections, the thirty-year post closure care cost, as of June 30,

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

B. Landfill closure and postclosure care continued:

2014, is estimated to be \$1.53 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, changes in regulations, or the need for repair or replacement of site equipment.

As of June 30, 2014, the City of Portland and Metro (through Intergovernmental Agreement (IGA) No. 51802) have paid a total of \$513,854 in post-closure care costs. This reduces the remaining estimated liability to \$1.01 million for the remaining 17 years of post-closure care, of which \$942,748 is the City's responsibility.

Metro, through IGA No. 51802, will provide \$256,595 in site maintenance and monitoring services from fiscal years 2002 through 2022. In addition, Parks has established a committed account in its Parks Memorial fund, a special revenue fund, for the purpose of future payment of post-closure liabilities with a fund balance of \$123,674, and a cash and investments balance of \$144,428 as of June 30, 2014. The City's initial annual on-going general fund contributions into the committed account within the Parks Memorial Fund were \$25,000 from fiscal years 2002 through 2010. In fiscal year 2011, the annual contributions were increased to \$36,200 thereafter through June 30, 2012. For fiscal years 2013 through 2018, the City increased the annual contribution to \$61,200. For fiscal year 2019, the annual contribution will be lowered to \$48,231 and then in FY 2020 it will be \$36,200 thru June 30, 2032. The increases in funding for these years balance increases in costs in prior years.

Additional resources will be infused by the City, if needed, to meet the on-going costs of post-closure care. The closure plan for the closed KFD Landfill is in compliance with the plan filed with the Oregon Department of Environmental Quality.

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 nine labor agreements between the City and its employees, one of which expired on June 30, 2014. A successor agreement for the Seasonal Maintenance Workers contract was ratified October 1, 2014.

	<u>Effective Dates</u>
Seasonal Maintenance Workers - Laborers' Local 483	7/1/2014 - 6/30/2018
Portland Police Association (PPA)	7/1/2013 - 6/30/2017
The City of Portland Professional Employees Association (COPPEA)	7/1/2013 - 6/30/2017
The District Council of Trade Unions (DCTU)	7/1/2013 - 6/30/2017
Recreation Employees - Laborers' Local 483	7/1/2013 - 6/30/2017
The Portland Fire Fighters' Association (PFFA) - Local 43	7/1/2012 - 6/30/2016
Bureau of Emergency Communications (BOEC) - AFSCME Local 189-2	7/1/2013 - 6/30/2016
Portland Housing Bureau (PHB) - AFSCME Local 189-3	7/1/2011 - 6/30/2015
The Portland Police Commanding Officers Association (PPCOA)	7/1/2013 - 6/30/2015

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

C. Commitments and contingent liabilities continued:

Bonds

The City's general credit is obligated on limited tax improvement bonds totaling \$48.6 million at June 30, 2014, 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

Contractual commitments

Non-construction contractual commitments at June 30, 2014 amounted to:

Governmental activities	\$ 31,030,394
Business-type activities	<u>6,306,896</u>
Total	<u>\$ 37,337,290</u>

Included in these amounts are uncompleted balances of professional service contracts, goods and services contracts, and intergovernmental agreements. Construction commitments of \$158.7 million are presented in Note III. F. Capital Assets, Construction and technology project commitments.

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, administered by the Portland Development Commission (PDC). The HUD contract, signed in December 1999, was for \$8 million. There are eight outstanding loans totaling \$4 million in original principal, with remaining balances of \$2.4 million at June 30, 2014. The table below presents a list of borrowers and their respective loan principal balances:

Borrower Name	Original Principal Amount	Principal Balance June 30,	
		2014	2013
HUD Offering Rate Variance	\$ 31,000	\$ 20,000	\$ 25,000
Killingsworth / McCuller Crossing	143,000	-	90,000
MRK - Alberta Street Market	850,000	608,000	648,000
OUV2	800,000	612,000	639,000
PCRI / Alberta Simmons	375,000	200,000	220,000
PCRI / Maggie Gibson	670,000	380,000	425,000
PUB Group	875,000	405,000	460,000
Rachel Elizabeth / Rexall	290,000	147,000	165,000
Total	<u>\$ 4,034,000</u>	<u>\$ 2,372,000</u>	<u>\$ 2,672,000</u>

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 PDC 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 \$2.4 million. For further information on the HUD Section 108 Loan Guarantee Program, refer to the Loans Receivable section of Note III.B., Receivables.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

C. Commitments and contingent liabilities continued:

Hydroelectric Power Fund

The Hydroelectric Power Fund's (Hydro) agreement with a private utility (the utility) requires that the cost to the utility for the power generated by Hydro's plant be measured against the cost of power generated by the utility at one of its generating plants. The agreement specifies that, to the extent the cost of power generated by Hydro's plant is less than the cost of power generated by the utility, 50 percent of the cost savings is to be paid by the utility to Hydro. To date, there have been no such payments, as the cost of power generated by Hydro's plant has been greater than that of the utility's designated plants on a cumulative contract basis.

The agreement states that, upon expiration of the term of the agreement, if the accumulated cost of power generated at Hydro's plant exceeds that of the accumulated cost of a like amount of power generated by the utility, then the carrying value of the renewal and replacement assets shall be paid to the utility to offset up to 50 percent of the "excess cost" incurred by the utility to generate power at Hydro's plant. The balance of the assets, if any, shall be divided equally between Hydro and the utility. In the event the accumulated cost of power generated at Hydro's plant exceeds that of the accumulated cost of a like amount of power generated by the utility, and the carrying value of the renewal and replacement assets is less than 50 percent of the excess cost, no further amounts would be required to be paid to the utility. At August 31, 2014, the total accumulated excess cost was \$21,647,145, 50 percent of this total was \$10,823,573, and the carrying value of the renewal and replacement assets was \$10,521,760.

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. 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).

Signatories to the AOC have agreed upon a cost allocation plan to fund the Remedial Investigation/Feasibility Study (RI/FS). Under this arrangement, the City's share is 25 percent. The City's share of the RI/FS costs does not define the City's final liability for the assessment costs and bears no relationship to the City's potential liability for cleanup costs at the site. The City's costs for this phase of the work are being financed primarily from user fees generated by the City's sanitary sewer and stormwater utility, which is managed by the City's Bureau of Environmental Services (BES) and funds the City's Environmental Remediation Fund. The City's estimated liability associated with the RI/FS activities through 2015 is expected to range between \$0.7 million and \$1.1 million; which was accrued at fiscal year ended June 30, 2014 using the expected cash flow technique as required by GASB Statement No. 49. Since 2001, the City has contributed over \$25 million to the Lower Willamette Group for the RI/FS. 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.

Total costs of cleaning up the site and restoration of natural resources will be estimated at the completion of the RI/FS but will not include estimates of any individual party's share of those costs. Additional parties that contributed to the contamination may be discovered during the investigation. It is anticipated that allocation of liability for cleanup will be determined after a remedial action is selected. 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

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

C. Commitments and contingent liabilities continued:

full share of liability for cleanup and restoration activity, including imposition of fines and other financially punitive measures. The draft RI and FS has been submitted to EPA and the final RI and FS are being prepared. EPA is not expected to select the remedial action that will define the area and scope of environmental cleanup required in the river for a few years. The City's ultimate liability is undeterminable at this time. However, it is expected to be a material amount.

The City will seek recovery of some or all of its RI/FS costs from other parties that have liability at the Superfund site. To date, EPA has notified more than 140 entities and property owners along the Willamette River, including the City, that they were potentially responsible for further investigation and cleanup of contaminated sediments in Portland Harbor. 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 administrative costs are shared among the participating parties. The City's share of administrative process costs for fiscal year ended June 30, 2014 have not been determined, but are expected to be approximately \$30,000 to \$60,000.

The City is also one of ten 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.

The City may also have liabilities to Natural Resource Trustees of the Willamette River (including federal, state and tribal resource agencies) for damages to natural resources in Portland Harbor. The City is participating in negotiations with the federal resource trustees regarding these potential natural resource damages and is voluntarily contributing funding for the trustees to develop a damage assessment. The amount or duration of additional Trustee funding cannot be determined. Potential resource damages have not been quantified by the trustees and cannot be estimated at this time until the conclusion of Trustee activities. It is anticipated that costs for restoration of natural resources will be estimated at the completion of the RI/FS. The City's ultimate liability is undeterminable at this time. However, it is expected to be a material amount in the period it is recorded.

Portland Housing Bureau Properties

Portland Development Commission (PDC) Housing Department merged with the City's Bureau of Housing and Community Development into a new bureau, the Portland Housing Bureau (PHB). The final transition took place on July 1, 2010. Seventeen properties were contributed by PDC to PHB, of which four properties have potential environmental remediation issues.

Through an intergovernmental agreement, PHB continues to rely upon the knowledge and expertise from PDC and PDC's consultants to continue estimating the remediation costs. The potential obligations are estimates by PDC 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 PDC properties, and therefore PDC has programs, rules, and regulations that routinely deal with remediation-related issues. Much of PDC's mission is to deal with blighted properties, which sometimes include pollution conditions. PDC 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

C. Commitments and contingent liabilities continued:

For the properties that are part of Block U, there is contaminated soil removal to address. The Fairfield Hotel property has potential UST remediation, and it is anticipated that remediation (if required) would occur as part of the redevelopment of this property. During the fiscal year, the City recognized estimated expense which changed the liability to \$594,825 for these properties.

Other Remediation Obligations

There are other sites where the City expects to conduct remediation activities in FY2014-15. 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.

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 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 6/30/2014	Maximum Annual Liability
Lovejoy Station	174844	10/01/2000	07/01/2033	\$13,000,000	\$10,640,000	\$ 930,000
Pearl Court	180528	12/19/2006	01/01/2027	6,170,000	4,575,000	477,000
Yards at Union Station	180792	04/30/2007	05/01/2029	6,335,000	4,940,000	561,000
Hamilton West Apartments	186515	05/01/2014	01/01/2034	3,470,000	3,470,000	205,000
Gretchen Kafoury Commons*	186514	05/01/2014	01/01/2034	4,030,000	4,030,000	238,000
Total Contingent Loan Agreements				<u>\$33,005,000</u>	<u>\$27,655,000</u>	<u>\$ 2,411,000</u>

*Maximum annual liability does not reflect a \$2,101,200 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 City has pledged parking meter revenues to guarantee payment of up to \$5 million in principal (plus accrued interest) on an ODOE loan with a total amount outstanding of \$10,046,225 as of June 30, 2014. The ODOE loan is scheduled to mature on September 1, 2022. The City's maximum annually required payment would be \$1,428,000. ODOE has never requested City payment on the loan guarantee; the City does not anticipate a request for payment to be forthcoming.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

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 premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined benefit plan.

Health Insurance Continuation

Plan Description: The City has a Health Insurance Continuation 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 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.

Funding Policy: The City collects insurance premiums from participating retirees each month. The premiums are either deposited in the City's self insurance fund or paid directly to a third-party health insurance provider, depending upon the plan. At the date of the latest actuarial report, 866 retirees and 296 spouses were participating in the plan.

The City has elected not to pre-fund the fiscal year 2014 employer's annual required contribution (ARC) to the plan.

The Health Insurance Continuation "blended" premium rates, according to the most recent actuarial valuation, dated September 16, 2014, are:

<u>All Employee Groups Except Portland Police Association (PPA)</u>			
	Medical Only	Dental	Vision
City Health Care Plan			
Participants	\$ 587.67	\$ 57.97	\$ 5.05
Participants and Spouses	1,150.36	100.11	9.19
Kaiser			
Participants	\$ 564.81	\$ 60.74	\$ 4.07
Participants and Spouses	1,103.15	121.48	8.25
<u>Portland Police Association (PPA)</u>			
	Medical Only	Dental	Vision
City Health Care Plan			
Participants	\$ 638.32	\$ 59.86	\$ 4.22
Participant and Spouses	1,260.85	103.41	7.68
Kaiser			
Participants	\$ 553.48	\$ 49.11	\$ 4.45
Participant and Spouses	1,080.59	98.22	9.04

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

D. Other postemployment benefits continued:

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit cost is calculated based on the (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the plan.

	Health Insurance Continuation
Annual Required Contribution (ARC)	\$ 9,126,496
Interest on net OPEB obligation	1,273,967
Adjustment to annual required contribution	(1,979,065)
Annual OPEB Cost	8,421,398
Less expected contribution	(5,735,764)
Increase in Net OPEB obligation	2,685,634
Net OPEB obligation - beginning of year	36,399,053
Net OPEB obligation - end of year	\$ 39,084,687
Governmental activities	\$ 35,596,583
Business-type activities	3,449,676
Fiduciary activities	38,428
Net OPEB obligation - end of year	\$ 39,084,687

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2014, were as follows:

Fiscal Year Ended	Health Insurance Continuation		Percent of Annual OPEB Cost Contributions	Net OPEB Obligation
	Annual OPEB Cost	Contribution		
6/30/2012	\$ 9,395,189	\$ 5,701,106	60.68%	\$32,415,855
6/30/2013 *	9,566,141	5,582,943	58.36	36,399,053
6/30/2014	8,421,398	5,735,764	68.11	39,084,687

*OPEB cost includes prior year adjustment for HCR Excise Tax

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

D. Other postemployment benefits continued:

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2013 (the date of the most recent actuarial valuation):

	Health Insurance Continuation
Actuarial accrued liability (AAL)	\$ 103,990,506
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 103,990,506
Actuarial valuation method	Entry age normal
Amortization of unfunded AAL	30 years open
Funded ratio	0%
Investment return assumption	3.5%
Inflation rate assumption	2.2%
Merit increase	0.33-2.55%
Healthcare cost trend rate	2.0-8.5%
Covered payroll (active plan members)	\$343,450,043
UAAL as a percentage of covered payroll	30%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return and an annual healthcare cost trend rate of 2 to 8.5 percent for health insurance, -10 to 5 percent for dental insurance and 3 percent for vision. The UAAL is amortized over an open period of 30 years using the level percentage of projected pay.

PERS 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. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. PERS issues a publicly available financial report that includes financial statements and required supplementary information.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

D. Other postemployment benefits continued:

That report may 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://Oregon.gov/PERS/section/financial_reports/financials.shtml.

Funding Policy: Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.59 percent of annual covered payroll for Tier One and Two employees, and 0.49 percent for OPSRP employees. The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years. The City's contributions to RHIA equaled the required contributions each year and were:

Fiscal Year Ended	RHIA Contributions
6/30/2011	\$ 702,335
6/30/2012	1,637,795
6/30/2013	1,651,130
6/30/2014	1,651,401

E. Employee retirement systems and pension plans:

State of Oregon Public Employees Retirement System

Plan description: All civilian City employees, all sworn fire and police personnel hired after December 31, 2006, and 4 sworn fire and police personnel hired before January 1, 2007 are participants under one or more plans currently available through Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system administered under ORS 238 and 238A.

There are currently two programs with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are PERS Program members. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. PERS is a defined benefit pension program. 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 PERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

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

Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained:

- by writing to: Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, telephone (503) 598-7377.
- by URL: http://Oregon.gov/PERS/section/financial_reports/financials.shtml.

PERS benefits vest after five years of continuous service or at normal retirement age. For Tiers One and Two, vesting also occurs upon attaining age 50 regardless of time worked. Tier One general service employees may retire with unreduced benefits after reaching age 55 with 30 years of service (age 50 for fire and police personnel with 25 years of service), or they can retire at age 58 with less than 30 years service (age 55 for fire and police personnel with less than 25 years service). Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with less than 30 years of service. Fire and police personnel benefits are reduced if retirement occurs prior to age 55 with less than 25 years of service. Tier Two members are eligible for full benefits at age 60 or at age 55 with 30 years of service. Police and fire personnel are eligible for retirement with full benefits at age 55 or at age 50 with 25 years of service. Similar to Tier One, Tier Two general service employee benefits are reduced when retirement occurs before age 60 with less than 30 years of service and benefits are reduced for fire and police retirements at age 55 or earlier with less than 25 years service. OPSRP general service members are eligible for full benefits at age 58 with 30 years of service or age 65 with less than 30 years. OPSRP fire and police members are eligible for full benefits at age 53 with 25 years of service or at age 60 with less than 25 years.

Tier One retirement benefits are based on final average salary and length of service and are calculated by either money match or full formula methods, whichever produces the greatest benefit. For members hired before August 21, 1981 there is a third calculation method available, formula plus annuity. Tier Two uses the money match and full formula methods. OPSRP only uses full formula. Tier One and Two fire and police personnel may purchase increased benefits that are payable between the date of retirement and age 65. This benefit is not available in OPSRP. These benefit provisions and other requirements are established by state statutes.

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 the state retirement system 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.

Funding policy: The rate of employer contributions to PERS is determined periodically by PERS based on biannual actuarial valuations. Beginning in fiscal year 1999-2000, PERS began passing additional costs on to employers. The additional costs arose when the Oregon State Legislature increased retiree benefits to fully or partially offset income taxes on state PERS benefits (which became taxable following a 1991 court decision), as well as the interpretation of PERS statutes by the PERS Board that further increased benefits.

The impact on the City to recover the higher PERS costs would have raised its employer contribution rate from 10.48 to 17.4 percent of covered members’ compensation. The City elected to finance its December 31, 1997, UAAL of \$257.9 million to receive a lower employer contribution rate of 8.56 percent of covered employees’ salaries. Proceeds of the 1999 Series C, D & E Bonds (the “Bonds”) were used to finance all of the estimated UAAL of the City with PERS as of December 31, 1997. This resulted in the City having an overfunded actuarial accrued liability (AAL) of \$60.8 million at December 31, 1999. It is the City’s policy to recognize pension expenditures or expenses

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

E. Employee retirement systems and pension plans continued:
as currently funded.

In addition to paying PERS, the City's estimated UAAL proceeds of the bond were also used to pay costs related to financing of the UAAL, including capitalized interest and costs of issuance. The full faith and credit of the City secures the bonds. Total bonds issued for fiscal year 1999-2000 equaled \$300.8 million. The City is not authorized to levy additional taxes to pay these obligations. Bond payments are financed by various city-wide bureaus based upon those bureaus' contributions to PERS for participating employees. 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 obligation of the general government.

Risk pooling and revised PERS contribution rates: Effective January 1, 2000, the City elected to participate in the Local Government Rate Pool (LGRP). The LGRP was created by legislative act of the State of Oregon and provided local governments the option to pool their PERS-related assets and liabilities with others that elected to participate in the pool, whereby contribution rates are determined based on the overall experience of the pool versus the potentially more volatile experience of individual employers. The LGRP was expanded and replaced by the State and Local Government Rate Pool (the SLGRP). The City made the election to join the SLGRP as of January 1, 2002.

The most recent actuarial valuation used to set employer contribution rates was prepared for the period ending December 31, 2013 and was issued September 2014. Based on that valuation, the City's contribution rates will increase for fiscal year 2016 and 2017.

Annual pension cost: PERS sets the rate for the SLGRP based on the independent actuarial study that is performed every year. The actuarial study is done on the projected unit credit actuarial cost method and the UAAL is amortized as a level percentage of payroll over 20 years.

Significant economic assumptions used in the most recent actuarial valuation include: (a) rate of return on the investment of present and future assets of 7.75 percent per annum compounded annually, (b) projected salary increases (inflation plus real wage growth) at 3.75 percent per year compounded annually, (c) increases due to promotions and longevity that vary by age and service, (d) pre- and post-retirement life expectancies of employees, based upon several mortality tables, (e) rates of withdrawal from active service before retirement for reasons other than death, rates of disabilities, and expected retirement ages developed on the basis of actual plan experience, (f) consumer price inflation at 2.75 percent per year, and (g) a factor for unused sick leave that is used to calculate retirement benefits under the full formula and formula plus annuity benefit calculations

Contribution rates for the last three fiscal years at June 30, expressed as a percentage of covered payroll, were as follows:

	General Service					
	2012		2013		2014	
	PERS	OPSRP	PERS	OPSRP	PERS	OPSRP
PERS Defined Benefit Plan	9.30 %	7.69 %	9.30 %	7.69 %	9.34 %	7.52 %
Employee IAP*	6.00 %	6.00 %	6.00 %	6.00 %	6.00 %	6.00 %
Total contribution rate	<u>15.30 %</u>	<u>13.69 %</u>	<u>15.30 %</u>	<u>13.69 %</u>	<u>15.34 %</u>	<u>13.52 %</u>

*The City has chosen to pay the employee contribution to the IAP as an additional benefit.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

	Firefighters & Police Officers					
	2012		2013		2014	
	PERS	OPSRP	PERS	OPSRP	PERS	OPSRP
PERS Defined Benefit Plan	9.30%	10.40%	9.30%	10.40%	9.34%	10.25%
Employee IAP*	6.00/9.00**	9.00	6.00/9.00**	9.00	6.00/9.00**	9.00
Total contribution rate	15.30/18.30%	19.40%	15.30/18.30%	19.40%	15.34/18.34%	19.25%

* The City has chosen to pay the employee contribution to the IAP as an additional benefit.

** The City pays 6% for firefighters and police officers in this tier who were hired before 1/1/07. 9 percent is paid for those who were hired since then.

The City sold bonds in 1999 and deposited the proceeds in an account with PERS. The state sets rates for members of the SLGRP. The City opted to amortize the original deposit ratably over the life of the bonds. The unamortized balance of the funds deposited with PERS at June 30 was:

	2012	2013	2014
Governmental funds	\$ 97,793,849	\$ 92,178,891	\$ 86,563,933
Internal Service funds	9,719,518	9,161,458	8,603,398
Governmental activities	107,513,367	101,340,349	95,167,331
Business-type activities	41,916,695	39,509,994	37,103,293
Fiduciary funds	305,378	287,845	270,312
Total prepaid	<u>\$ 149,735,440</u>	<u>\$ 141,138,188</u>	<u>\$ 132,540,936</u>

The amounts contributed to PERS during the years ended June 30, 2012, 2013, and 2014 were equal to the required contribution for each year. The amounts contributed by the City were as follows:

	2012	2013	2014
Cash contribution during year	\$ 45,229,731	\$ 45,278,556	\$ 45,868,558
Amortization of deposit with PERS	8,597,252	8,597,252	8,597,252
Total	<u>\$ 53,826,983</u>	<u>\$ 53,875,808</u>	<u>\$ 54,465,810</u>

Fire and Police Disability and Retirement Plan

Description of plan: The Fire and Police Disability and Retirement Plan (the Plan) consists of three tiers, two of which are now closed to new employees. The Plan's authority for vesting and benefit provisions is provided by the City Charter. 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 services. The actuarial information including the ARC, NPO and assumptions following are all based on GASB 27/50.

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, 2014, there were 573 members and beneficiaries subject to the Plan as constituted prior to July 1, 1990, now called FPDR One; 2,502 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

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 PERS contributions for FPDR Three members. FPDR Three members are covered by FPDR Plan for disability and pre-retirement death benefits. As of June 30, 2014, the number of FPDR Three members was 388.

The Plan provides for service-connected and occupational disability benefits for FPDR Two and Three members at 75 percent of the member's base pay, reduced by 50 percent 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 percent of the member's base pay, and then reduced by 25 percent of any wages earned in other employment. The minimum benefit is 25 percent 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 percent 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 percent 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 percent). 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. FPDR One Fire benefits increased by 1.8 percent on July 1, 2013 and 2.7 percent on July 1, 2014. FPDR One Police benefits increased by 4.6 percent on July 1, 2014. There was no FPDR One police benefit increase on July 1, 2013. High-ranking FPDR One participants also receive a supplemental retirement benefit; such benefits are paid from the FPDR Fund but are not part of the Plan. The supplemental benefit payments totaled \$317,297 to 11 participants for the fiscal year ending June 30, 2014.

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 percent vested after five years of service. Benefits are paid to members at retirement using the following formula: 2.2 percent to 2.8 percent 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 percent 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. Since the FPDR Two tier was created the maximum PERS percentage increase has been 2.0 percent, but was reduced to 1.5 percent for July 1, 2013, and to 1.25 percent for adjustments in 2014 and beyond. The Board granted FPDR Two members a 1.5 percent increase on July 1, 2013 and a 1.25 percent increase on July 1, 2014.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

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 percent times the member's percentage of creditable service prior to October 1991 or 0 to 4 percent based on the member's years of service. The 2013 Oregon State Legislature amended the statutes so that members not subject to Oregon income tax are no longer eligible for the additional benefit, effective January 1, 2014.

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, 2014, 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.

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. The change was effective for retirees from active service after January 1, 2007.

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, 2014, membership data related to the Plan was as follows:

	FPDR One	FPDR Two	FPDR Three	Total
Retirees, beneficiaries and participants with disabilities currently receiving pension and long-term disability benefits	573	1,256	-	1,829
Terminated employees that are vested, but not yet receiving benefits	-	73	-	73
Current members on short-term disability	-	22	6	28
Vested	-	1,173	-	1,173
Non-vested	-	-	-	-
Not in FPDR pension plan	-	-	388	388
Total current members	\$ -	\$ 1,173	\$ 388	\$ 1,561

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 recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Cash and investments held by the City Treasurer in the City of Portland investment pool are stated at fair value. As the FFPDR 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, 2014.

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 to levy a tax sufficient to provide amounts necessary to meet estimates provided by the Board of Trustees.

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, then other City funds would be required to make up the difference from the Reserve Fund. For the fiscal year ended June 30, 2014, the actual imposed levy rate per \$1,000 of real market value under the special property tax levy was \$1.47.

Employees do not contribute to the FPDR Plan. Prior to July 1, 1990, members were required to contribute 7 percent of a member's base salary into the Plan. Effective July 1, 1990, members are 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.

Total actual contributions to the Plan for fiscal year ended June 30, 2014, totaled \$114.7 million, which is 84.5 percent of the annual covered payroll of \$135.7 million. The City has recognized a net pension obligation (NPO) of \$1,397.7 million. The NPO was determined in accordance with GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. No expenditure or liability is reported for the NPO in the governmental fund financial statements, because such amounts normally are not expected to be liquidated with available financial resources. Instead, expenditures are reported in the governmental funds only when the amounts in question are, in fact, funded. In the interim, the liability for the NPO is reported in the government-wide statement of net position.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

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.ogv/fpdr/62529> or by telephone: (503) 823-6823. Fire and Police Disability and Retirement statements have implemented GASB 67.

The Plan's schedule of funding progress, annual pension cost and net pension obligation are as follows:

SCHEDULE OF FUNDING PROGRESS
Fire and Police Disability and Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2014 ₁	\$20,532,924	\$2,752,435,845 ₂	\$2,731,902,921	0.75%	\$ 135,726,350	2,012.80 %

1. The AAL shown in this year is a rollforward of the AAL from the 6/30/2012 actual valuation, assuming no gains or losses. The valuation as of 6/30/2014 will not be available before these financial statements are published.
2. Beginning 6/30/2014, the AAL shown reflects benefit reductions resulting from changes made to Oregon Revised Statutes by the 2013 Oregon Legislature.

SCHEDULE OF ANNUAL PENSION COST
Fire and Police Disability and Retirement Pension Plan

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
2014 ₁	\$ 214,864,328	\$ 114,654,336	53.36%	\$ 1,397,744,268

1. Beginning 6/30/2014, results shown reflect benefit reductions resulting from changes made to Oregon Revised Statutes by the 2013 Oregon Legislature.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

NET PENSION OBLIGATION

Fire and Police Disability and Retirement Pension Plan

	<u>Fiscal Year Ended June 30, 2014</u>
Net pension asset (obligation), beginning of year	\$ (1,297,534,276)
Annual Required Contribution	\$ (254,499,723)
Interest on pension asset (obligation)	(45,413,700)
Adjustment to Annual Required Contribution	<u>85,049,095</u>
Annual Pension Cost	(214,864,328)
Contributions made	<u>114,654,336</u>
Change in pension asset (obligation)	<u>(100,209,992)</u>
 Net pension asset (obligation), end of year	 <u><u>\$ (1,397,744,268)</u></u>

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Pension and Disability Plan

Valuation date	June 30, 2012
Actuarial cost method	Entry Age Normal
Amortization method	15-year level percent of payroll
Remaining amortization period	15 years closed
Asset valuation method	Market value of the portion of FPDR Fund that is not invested in capital assets and the Reserve Fund

Actuarial assumption methods:

Investment rate of return	3.50%
Projected salary increases - Police *	3.75%
Projected salary increases - Fire*	4.25%
Includes inflation at cost of living adjustments	2.75%

Post-retirement benefit increases:

Per FPDR One	3.75%
Per FPDR Two	1.25%

Note: Disability-related retiree medical expense reimbursement liabilities are valued as a 0.5 percent load on pension liabilities.

* Annual salary increase rates are for officers with more than seven years of service. Those with less than seven years have rate increases ranging up to 14 percent, as detailed in the actuarial valuation report.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

F. Related Parties:

The City of Portland (City), through the Portland Housing Bureau (PHB) and Portland Development Commission (PDC), has a working relationship with Portland New Markets Fund I, LLC (PNMF), a subsidiary owned by the Portland Family of Funds Holdings, Inc. (PFF). PFF is an Oregon mutual-benefit corporation, for purposes of obtaining New Market Tax Credit (NMTC) allocations from the U.S. Treasury.

PNMF was certified as a Community Development Entity in August 2002, by the Community Development Financial Institutions Fund of the U.S. Department of the Treasury in order to become eligible for tax credits through the NMTC program. PNMF was awarded \$100 million in NMTC allocation authority as part of the NMTC program established by Congress. All of the tax credits awarded have been committed to City projects.

It is intended that through the NMTC program and PNMF, PDC will be able to advance beneficial development projects in the City. The "NMTC Collaboration Agreement" between PDC, PFF, and PNMF dated May 11th, 2005, outlines the respective roles and responsibilities of the working relationship between the entities. This agreement will continue in force for any future awards of NMTC allocation authority given to PFF or any of its subsidiaries.

PDC's role consists of project identification and sourcing, as well as veto and joint approval rights of proposed projects. The functions of PNMF include ongoing day-to-day management control, fundraising activities, and the recording of all tax-credit related financial transactions. PNMF is charged with activities for raising private equity capital, lending their own credit, and owning private equity. Such activities are constitutionally prohibited to PDC by Article XI, Section 9 of the Oregon Constitution.

Portland Small Business Investment Fund, LLC (PSB) is another subsidiary of PFF. PDC has an unsecured non-recourse loan with PSB, for a maximum amount of \$4 million. The purpose of this program is to finance subordinated loans to qualified small businesses to enable the use of New Market Tax Credits. PDC underwrites loans to these borrowers. At present, six fund-level loans between PDC and PSB have a total balance of \$4 million at June 30, 2014. Each advance to PSB was exactly matched by a corresponding note and deed of trust from a small business borrower in favor of PSB. PSB passes on payments received to PDC.

All such loans are interest-only and are unsecured during the seven-year holding period required to obtain the maximum benefit from New Market Tax Credits. Borrowers may not prepay loans during this period, interest rates during the first seven years range from 1 to 3 percent. The loans then convert to fully amortizing loans at interest rates ranging from 3 to 6 percent for the next 13 years, at that time PDC receives a security interest in the loans. Interstate Corridor Urban Renewal Area (URA), Lents URA, and Oregon Convention Center URA all reserve these loans at a 10 percent rate.

Unrelated to the tax credit program are two deferred payment loans for the historic Armory restoration project totaling \$4.6 million from PDC to the Portland New Markets Investment Fund, another PFF subsidiary. One loan for \$2.6 million carries an interest rate of 3 percent, and the other loan for \$2 million has no stated interest rate. Both loans matured in June 2014 and March 2014, respectively. They are reserved at 50 percent in the River District Urban Renewal Fund at PDC.

PHB made a grant of \$4 million using urban renewal monies, to assist with the Blanchet House development project to build a community facility for the provision of meals for needy individuals, and to provide transitional housing for homeless men earning at or below 30 percent of median gross household income in the City. PFF, through one of its subsidiaries, United Fund Advisors, was involved with structuring the financial transactions that made the project possible using NMTC among other strategies.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

F. Related Parties continued:

The Portland Family of Funds has four individuals who had prior relationship with PDC. They are:

- Former PDC Commissioner serves as the chief executive officer and president, and chair of the board of directors.
- Former PDC Executive Director serves on the PFF Board.
- Former PDC Commission Chair also serves on the PFF Board.
- Former PDC Project Specialist is a PFF staff member.

Other

In the course of carrying out the City's housing, economic development, transportation, and other policies involving the City's urban renewal districts, the City engaged in numerous transactions with PDC, including but not limited to the provision of materials and services, as well as real property acquisition, development, transfers, and sales. PDC also participates in the City's cash investment pool.

G. Subsequent events:

Fire and Police Disability and Retirement

The contract claim *John Miller, et al. v. City of Portland* includes six claimants seeking \$800,000 each, for a total claim of \$4.8 million, related to the City's return to work program for sworn Police and Fire employees on long-term disability. The City prevailed at the Multnomah County Circuit Court and Oregon Court of Appeals; plaintiffs appealed to the Oregon Supreme Court, Case No. S061421. In October 2014, the Oregon Supreme Court reversed the judgment of the Circuit Court and remanded the case to the Circuit Court for further proceedings.

Parks levy

Portland voters approved a \$68 million 20 year bond measure to repair and improve parks and city facilities on November 4, 2014.

Debt activity

Subsequent to fiscal year-end, the City redeemed the following debt instruments:

Debt Redeemed:	<u>Event Date</u>	<u>Principal</u>
First Lien Sewer System Revenue Bonds, Series 2004A	08/14/2014	\$ 101,280,000
Limited Tax Improvement Bonds, Series 2007A	11/28/2014	55,000
Limited Tax Improvement Bonds, Series 2010A	11/28/2014	1,080,000
Limited Tax Improvement Bonds, Series 2011A	11/28/2014	130,000
Limited Tax Improvement Bonds, Series 2014A	11/28/2014	345,000

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Year Ended June 30, 2014

IV. Other information continued:

G. Subsequent events continued:

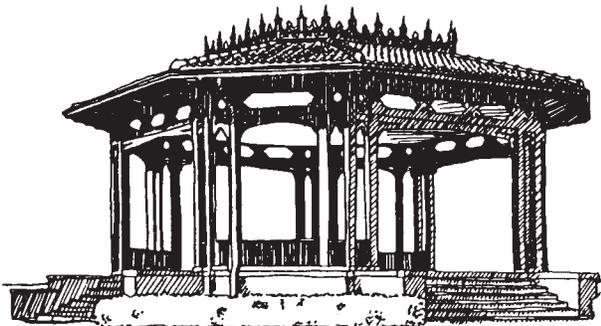
Subsequent to fiscal year-end, the City increased the following existing debt instruments:

Notes and Loans:	Issue Date	Principal	Length in Years	Interest Rates
Tax Anticipation Notes, Series 2012 FPDR	08/21/2014	\$ 26,465,000	0.95	1.75%
Hacienda Section 108 Loan CDBG	09/04/2014	2,400,000	20.00	1.00-5.00
Vista de Rosa Section 108 Loan CDBG	09/17/2014	1,115,000	20.00	1.00-5.00
Brookside Note BES Debt Service Fund	11/19/2014	(150,930)	19.00	5.00
Levy Loan #1 Special Finance and Resource	10/15/2014	167,775	6 years after project completion	5.00

Subsequent to fiscal year-end, the City issued the following debt:

Bonds and Terms:	Origination Date	Principal	Length in Years	Interest Rates
First Lien Sewer System Revenue Refunding Bonds 2014 Series A Interest payable semi-annually on April 1 and October 1 Refinance Sewer System Revenue Bonds	08/14/2014	\$ 86,165,000	10.00	5.00
Second Lien Sewer System Revenue Bonds 2014 Series B Interest payable semi-annually on April 1 and October 1 Fund construction projects and debt service reserve account	08/14/2014	\$ 204,220,000	2.5	3.00-5.00
First Lien Water System Revenue Bonds 2014 Series A Interest payable semi-annually on May 1 and November 1 Fund new construction	12/17/2014	84,975,000	25	2.00-5.00

Required Supplementary Information



Peninsula Park Bandstand, 1913

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City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 188,608,652	\$ 188,608,652	\$ 192,669,972	\$ 4,061,320
Prior year property	4,204,859	4,204,859	3,971,945	(232,914)
Lodging	19,052,588	19,052,588	22,317,995	3,265,407
Total taxes	<u>211,866,099</u>	<u>211,866,099</u>	<u>218,959,912</u>	<u>7,093,813</u>
Licenses and permits:				
Business licenses, net	79,063,630	79,063,630	81,020,111	1,956,481
Public utility licenses	77,396,471	77,396,471	80,934,161	3,537,690
Construction permits	1,384,000	1,384,000	1,794,195	410,195
Other permits	4,183,785	4,183,785	4,131,882	(51,903)
Total licenses and permits	<u>162,027,886</u>	<u>162,027,886</u>	<u>167,880,349</u>	<u>5,852,463</u>
Intergovernmental:				
Federal cost sharing	170,000	170,000	412,646	242,646
State revenue sharing	13,819,575	13,819,575	15,139,774	1,320,199
State cost sharing	40,000	165,651	18,339	(147,312)
Multnomah County cost sharing	1,861,098	1,958,326	2,233,646	275,320
Local revenue sharing	3,895,216	3,895,216	3,013,319	(881,897)
Local cost sharing	6,015,761	6,204,817	6,227,020	22,203
Grant revenue	-	32,543	12,394	(20,149)
Overhead charges	143,280	143,280	143,280	-
Total intergovernmental	<u>25,944,930</u>	<u>26,389,408</u>	<u>27,200,418</u>	<u>811,010</u>
Service charges and fees:				
Public works and utility charges	-	-	1,165	1,165
Inspection fees	1,265,000	1,265,000	1,171,571	(93,429)
Rents and reimbursements	4,667,069	4,667,250	4,738,380	71,130
Parking fees	315,306	315,306	363,147	47,841
Concessions	22,900	22,900	44,666	21,766
Parks and recreation facilities fees	11,591,512	11,496,512	11,222,573	(273,939)
Other service charges	1,700,768	1,639,241	2,494,754	855,513
Total service charges and fees	<u>19,562,555</u>	<u>19,406,209</u>	<u>20,036,256</u>	<u>630,047</u>
Billings to other funds for services	<u>23,409,113</u>	<u>23,931,421</u>	<u>22,652,985</u>	<u>(1,278,436)</u>
Billings to other funds for overhead	<u>26,820,138</u>	<u>26,820,138</u>	<u>26,820,138</u>	<u>-</u>
Other:				
Assessments	-	-	2,257	2,257
Sales - other	1,789,584	1,824,334	1,231,729	(592,605)
Refunds	165,000	165,525	163,280	(2,245)
Donations	260,000	349,780	224,053	(125,727)
Investment earnings	952,977	955,238	794,590	(160,648)
Payment in lieu of taxes	912,641	912,641	924,647	12,006
Fines	157,150	157,150	199,297	42,147
Miscellaneous	515,600	614,527	1,015,413	400,886
Total other	<u>4,752,952</u>	<u>4,979,195</u>	<u>4,555,266</u>	<u>(423,929)</u>
Total revenues	<u>474,383,673</u>	<u>475,420,356</u>	<u>488,105,324</u>	<u>12,684,968</u>

Continued next page

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Personal services	319,015,413	321,430,959	316,667,460	4,763,499
Materials and services	124,202,201	130,755,249	118,812,637	11,942,612
General operating contingencies	8,282,547	7,134,550	-	7,134,550
Debt service and related costs:				
Principal	4,428,158	4,428,158	4,428,158	-
Interest	2,747,550	2,757,550	2,396,432	361,118
Capital outlay	185,000	1,062,598	684,239	378,359
	<u>458,860,869</u>	<u>467,569,064</u>	<u>442,988,926</u>	<u>24,580,138</u>
Total expenditures				
	<u>15,522,804</u>	<u>7,851,292</u>	<u>45,116,398</u>	<u>37,265,106</u>
Revenues over (under) expenditures				
	<u>15,522,804</u>	<u>7,851,292</u>	<u>45,116,398</u>	<u>37,265,106</u>
Other Financing Sources (Uses)				
Transfers from other funds:				
Emergency Communication	-	555,813	555,813	-
Development Services	-	56,742	56,742	-
General Reserve	587,874	587,874	587,874	-
Parks Local Option Levy	1,009,362	-	-	-
Pension Debt Redemption	170,114	170,114	170,114	-
Hydroelectric Power Operating	300,000	300,000	300,000	-
Parking Facilities	270,730	270,730	270,730	-
Spectator Facilities Operating	17,044	17,044	17,044	-
Insurance and Claims Operating	2,463,000	2,463,000	2,463,000	-
Technology Services	6,478,170	6,734,992	6,514,992	(220,000)
	<u>11,296,294</u>	<u>11,156,309</u>	<u>10,936,309</u>	<u>(220,000)</u>
Total transfers from other funds				

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES), Continued				
Transfers to other funds:				
Transportation Operating	(8,696,362)	(9,176,362)	(9,176,362)	-
Assessment Collection	(28)	(28)	(28)	-
Emergency Communication	(13,256,197)	(13,671,736)	(13,671,736)	-
Development Services	(1,939,470)	(1,994,874)	(1,994,874)	-
General Reserve	(1,903,236)	(9,998,236)	(9,998,236)	-
Housing Investment	-	(48,000)	(48,000)	-
Portland Parks Memorial	(36,200)	(67,200)	(67,200)	-
Pension Debt Redemption	(1,391,823)	(1,391,823)	(1,391,823)	-
Governmental Bond Redemption	(1,435,044)	(1,435,044)	(1,435,044)	-
Parks Capital Improvement Program	(1,194,459)	(4,562,459)	(4,562,459)	-
Sewer System Operating	(900,552)	(900,552)	(900,552)	-
Facilities Services Operating	(4,336,643)	(4,795,473)	(4,795,473)	-
Technology Services	(176,193)	(176,193)	(176,193)	-
Total transfers to other funds	<u>(35,266,207)</u>	<u>(48,217,980)</u>	<u>(48,217,980)</u>	<u>-</u>
Internal loan remittances	<u>(150,000)</u>	<u>(150,000)</u>	<u>(136,491)</u>	<u>13,509</u>
Total other financing sources (uses)	<u>(24,119,913)</u>	<u>(37,211,671)</u>	<u>(37,418,162)</u>	<u>(206,491)</u>
Net change in fund balance	(8,597,109)	(29,360,379)	7,698,236	37,058,615
Fund balance - beginning	<u>8,597,109</u>	<u>29,360,379</u>	<u>29,369,078</u>	<u>8,699</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>37,067,314</u>	<u>\$ 37,067,314</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			60,077,408	
Unrealized gain (loss) on investments			152,182	
Internal loans			695,000	
Inventories			299,864	
Internal loans payable			<u>(1,323,735)</u>	
Fund balance - GAAP basis			<u>\$ 96,968,033</u>	

City of Portland, Oregon
Transportation Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Construction permits	\$ 1,974,800	\$ 1,974,800	\$ 3,277,736	\$ 1,302,936
Other permits	112,000	112,000	448,599	336,599
Total licenses and permits	<u>2,086,800</u>	<u>2,086,800</u>	<u>3,726,335</u>	<u>1,639,535</u>
Intergovernmental:				
Federal cost sharing	-	-	7,040	7,040
State revenue sharing	31,930,220	31,930,220	33,728,454	1,798,234
State cost sharing	-	1,000,000	293,680	(706,320)
Multnomah County cost sharing	100,000	100,000	345,344	245,344
Local revenue sharing	25,174,489	25,174,489	29,910,672	4,736,183
Local cost sharing	6,009,258	6,009,258	80,625	(5,928,633)
Total intergovernmental	<u>63,213,967</u>	<u>64,213,967</u>	<u>64,365,815</u>	<u>151,848</u>
Service charges and fees:				
Public works and utility charges	6,645,376	8,743,847	11,405,191	2,661,344
Inspection fees	400,500	400,500	492,710	92,210
Rents and reimbursements	305,000	305,000	508,800	203,800
Parking fees	31,960,500	31,960,500	33,356,912	1,396,412
Other service charges	1,848,962	1,848,962	2,505,841	656,879
Total service charges and fees	<u>41,160,338</u>	<u>43,258,809</u>	<u>48,269,454</u>	<u>5,010,645</u>
Billings to other funds for services	<u>27,637,615</u>	<u>32,408,445</u>	<u>30,296,599</u>	<u>(2,111,846)</u>
Other:				
Assessments	1,150,000	1,150,000	266,649	(883,351)
Sales - other	341,430	341,430	515,076	173,646
Refunds	-	-	33,633	33,633
Donations	534,217	534,217	2,654,727	2,120,510
Investment earnings	225,000	225,000	299,060	74,060
Miscellaneous	971,901	1,036,901	1,123,786	86,885
Total other	<u>3,222,548</u>	<u>3,287,548</u>	<u>4,892,931</u>	<u>1,605,383</u>
Total revenues	<u>137,321,268</u>	<u>145,255,569</u>	<u>151,551,134</u>	<u>6,295,565</u>
EXPENDITURES				
Current:				
Personal services	67,164,986	68,714,223	63,003,243	5,710,980
Materials and services	54,570,647	113,048,307	109,236,342	3,811,965
General operating contingencies	32,740,971	34,366,357	-	34,366,357
Overhead charges - General Fund	6,804,210	6,804,210	6,804,210	-
Debt service and related costs:				
Principal	6,079,932	6,323,059	6,323,059	-
Interest	3,665,234	3,684,924	3,319,140	365,784
Debt issuance costs	-	425,000	134,130	290,870
Capital outlay	<u>18,914,247</u>	<u>16,011,350</u>	<u>11,277,151</u>	<u>4,734,199</u>
Total expenditures	<u>189,940,227</u>	<u>249,377,430</u>	<u>200,097,275</u>	<u>49,280,155</u>
Revenues over (under) expenditures	<u>(52,618,959)</u>	<u>(104,121,861)</u>	<u>(48,546,141)</u>	<u>55,575,720</u>

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, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	8,696,362	9,176,362	9,176,362	-
Local Improvement District	1,220,912	5,410,912	5,401,965	(8,947)
Parking Facilities	4,978,500	4,978,500	4,978,500	-
Spectator Facilities Operating	90,000	90,000	90,000	-
Facilities Services Operating	-	25,869	25,869	-
Insurance and Claims Operating	410,000	410,000	410,000	-
	<u>15,395,774</u>	<u>20,091,643</u>	<u>20,082,696</u>	<u>(8,947)</u>
Total transfers from other funds				
Transfers to other funds:				
Grants	-	(1,100,300)	(1,053,448)	46,852
Transportation Reserve	(500,000)	(500,000)	(500,000)	-
Pension Debt Redemption	(680,465)	(680,465)	(680,465)	-
Gas Tax Bond Redemption	(2,824,145)	(2,824,145)	(2,795,767)	28,378
Sewer System Operating	(50,000)	(32,803)	(32,803)	-
Environmental Remediation	(80,000)	(80,000)	(80,000)	-
	<u>(4,134,610)</u>	<u>(5,217,713)</u>	<u>(5,142,483)</u>	<u>75,230</u>
Total transfers to other funds				
Bonds and notes issued	9,362,520	54,776,009	45,404,379	(9,371,630)
Bonds and notes premium	-	-	5,938,312	5,938,312
Internal loan remittances	-	(2,410,000)	(2,000,000)	410,000
	<u>20,623,684</u>	<u>67,239,939</u>	<u>64,282,904</u>	<u>(2,957,035)</u>
Total other financing sources (uses)				
Net change in fund balance	(31,995,275)	(36,881,922)	15,736,763	52,618,685
Fund balance - beginning	31,995,275	36,881,922	45,047,100	8,165,178
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	60,783,863	<u>\$ 60,783,863</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			3,030,541	
Unrealized gain (loss) on investments			125,486	
Internal loans receivable			2,000,000	
Inventories			5,434,125	
Fund balance - GAAP basis			<u>\$ 71,374,015</u>	

City of Portland, Oregon
Grants Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	
REVENUES				
Intergovernmental:				
Grant revenue	\$ 40,548,454	\$ 47,628,315	\$ 38,077,439	\$ (9,550,876)
Service charges and fees:				
Other service charges	-	-	42	42
Other:				
Refunds	-	-	137	137
Investment earnings	-	-	23,058	23,058
	<u>40,548,454</u>	<u>47,628,315</u>	<u>38,100,676</u>	<u>(9,527,639)</u>
Total revenues				
EXPENDITURES				
Current:				
Personal services	9,024,489	11,230,118	7,469,646	3,760,472
Materials and services	15,337,922	22,253,099	15,657,308	6,595,791
General operating contingencies	1,884	1,102,184	-	1,102,184
Capital outlay	16,184,159	14,143,214	9,118,360	5,024,854
	<u>40,548,454</u>	<u>48,728,615</u>	<u>32,245,314</u>	<u>16,483,301</u>
Total expenditures				
Revenues over (under) expenditures	<u>-</u>	<u>(1,100,300)</u>	<u>5,855,362</u>	<u>6,955,662</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Transportation Operating	-	1,100,300	1,053,448	(46,852)
Internal loan proceeds	-	7,918,650	2,695,000	(5,223,650)
Internal loan remittances	-	(16,502,000)	(8,945,000)	7,557,000
	<u>-</u>	<u>(7,483,050)</u>	<u>(5,196,552)</u>	<u>2,286,498</u>
Total other financing sources (uses)				
Net change in fund balance	-	(8,583,350)	658,810	9,242,160
Fund balance - beginning	-	16,502,000	561,087	(15,940,913)
Fund balance - ending	<u>\$ -</u>	<u>\$ 7,918,650</u>	1,219,897	<u>\$ (6,698,753)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Loans receivable, net			842,302	
Internal loans			<u>(2,695,000)</u>	
Fund balance - GAAP basis			<u>\$ (632,801)</u>	

City of Portland, Oregon
Notes to the Required Supplementary Information
For the Year Ended June 30, 2014

A. Adjustments from the budgetary basis of accounting to GAAP:

General, Transportation Operating, and Grants Funds are the City's major governmental funds. Both general and transportation funds have their own reserve funds that account for counter-cyclical 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 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.

The Grants Fund reports \$0.8 million of loans receivable, net of allowance for uncollectible. The receivable is divided into two parts: the first part is comprised of \$0.7 million in net carrying value of Portland Housing Bureau loans to qualified borrowers for the rehabilitation and restoration of single and multi-family residences which are collateralized by real property and the second part, \$0.1 million, is from a Bureau of Environmental Services loan to clean up contaminated property. See Note III.B. for more information about this loan.

Internal loans receivable reported in General Reserve Fund as \$0.7 million, and in Transportation Reserve Fund as \$2.0 million, are temporary operating loans to the Grants Fund. These internal loans provide interim funding to cover lags in federal, state and other grant reimbursements per Council Resolution #37082. The corresponding internal loans payable is reported in the Grants Fund as \$2.7 million.

A separate budgetary report, General Fund by Function, is included as part of the Governmental Funds' Budget and Actual section of the CAFR.

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, 2014.

Continued next page

City of Portland, Oregon
Notes to the Required Supplementary Information, Continued
For the Year Ended June 30, 2014

C. Other postemployment benefits:

The City provides an implicit rate subsidy for retiree Health Insurance continuation premiums. Details regarding employer contributions are located in the Notes to the Financial Statements section, Note IV. D.

SCHEDULE OF FUNDING PROGRESS

City Employees Health Continuation Plan Other Postemployment Retirement Benefits Plan

Actuarial Valuation Date		Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2009	*	\$ -	\$ 113,446,149	\$ 113,446,149	0 %	N/A	N/A
7/1/2011	**	-	104,946,292	104,946,292	0	326,480,413	32.14 %
7/1/2013		-	103,990,506	103,990,506	0	343,450,043	30.28

N/A = not available
* restated to reflect impact of HRC Excise Tax
** restated to reflect impact of change in discount rate

Continued next page

City of Portland, Oregon
Notes to the Required Supplementary Information, Continued
For the Year Ended June 30, 2014

D. Employee retirement pension benefits:

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.

SCHEDULE OF FUNDING PROGRESS

Fire and Police Disability and Retirement Benefits Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) **** (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2009 *	\$11,571,074	\$ 2,279,923,000	\$ 2,268,351,926	0.51 %	\$ 147,723,042	1,535.54 %
6/30/2010 **	16,542,896	2,549,479,088	2,532,936,192	0.65	121,080,178	2,091.95
6/30/2011 */**	25,648,253	2,610,360,794	2,584,712,541	0.98	126,440,943	2,044.21
6/30/2012	20,287,803	2,674,072,175	2,653,784,372	0.76	132,069,810	2,009.38
6/30/2013 *	17,155,015	2,979,161,360	2,962,006,345	0.58	135,372,631	2,188.04
6/30/2014 ***	20,532,924	2,752,435,845	2,731,902,921	0.75	135,726,350	2,012.80

* Actuarial valuations are not performed in odd-numbered years. The AALs shown in odd-numbered years are roll forwards of AAL from the prior actuarial valuation assuming no gains or losses, with adjustments in certain years to reflect a different discount rate
** Revised actuarial value of assets.
*** The AAL shown in this year is a rollforward of the AAL from the 6/30/2012 actual valuation, assuming no gains or losses. Covered Payroll has been estimated.
**** Beginning 6/30/2013, the AAL shown includes a load for the post-retirement medical expenses. Separate exhibits will no longer be maintained.

Fire and Police Disability and Retirement Direct Subsidy Other Postemployment Retirement Benefits Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ¹ (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2010	\$ -	\$ 5,118,095	\$ 5,118,095	0 %	\$ 121,080,178	4.23 %
7/1/2012	-	5,405,084	5,405,084	0	132,069,810	4.09

Note: For 6/30/2013 onwards, the value of disability-related medical expenses after retirement will be included with the pension plan figures in the table above. Separate exhibits will no longer be maintained.
¹AAL was calculated under Entry Age cost method beginning in 2010.



Old and New Architecture

Combining and Individual Fund Statements and Schedules



Fried/Durkheimer Residence, 1800-81

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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, 2014**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Permanent Fund</u>	<u>Total</u>
ASSETS					
Unrestricted:					
Cash and investments	\$ 18,206,953	\$ 11,982,530	\$ 5,910,961	\$ -	\$ 36,100,444
Receivables:					
Accounts, net	1,581,754	-	621,785	-	2,203,539
Assessments	-	7,997,632	-	-	7,997,632
Notes and loans, net	5,849,336	-	-	-	5,849,336
Accrued interest	389,927	26,766	21,167	-	437,860
Due from other funds	-	-	929	-	929
Restricted:					
Cash and investments	45,170,173	53,351,955	63,403,627	181,668	162,107,423
Receivables:					
Taxes	774,401	8,848,116	-	-	9,622,517
Accounts, net	304,062	-	-	-	304,062
Assessments	14,415,499	51,724,836	4,326,392	-	70,466,727
Notes and loans, net	46,567,595	-	904,396	-	47,471,991
Advances	3,923	-	-	-	3,923
Grants	938,090	-	-	-	938,090
Accrued interest	363,663	143,999	95,710	269	603,641
Due from component unit	1,033,480	-	459,099	-	1,492,579
Property held for sale	11,213,852	-	-	-	11,213,852
Total assets	<u>\$ 146,812,708</u>	<u>\$ 134,075,834</u>	<u>\$ 75,744,066</u>	<u>\$ 181,937</u>	<u>\$ 356,814,545</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 767,082	\$ -	\$ -	\$ -	\$ 767,082
Unearned revenue	16,186	-	-	-	16,186
Liabilities payable from restricted assets:					
Accounts payable	2,276,962	-	2,475,034	637	4,752,633
Due to component unit	432,841	-	210,091	-	642,932
Total liabilities	<u>3,493,071</u>	<u>-</u>	<u>2,685,125</u>	<u>637</u>	<u>6,178,833</u>
Deferred inflows of resources:					
Unavailable revenue - unrestricted	1,598	7,840,139	-	-	7,841,737
Unavailable revenue - restricted	15,297,853	58,421,087	4,326,392	-	78,045,332
Total deferred inflows of resources	<u>15,299,451</u>	<u>66,261,226</u>	<u>4,326,392</u>	<u>-</u>	<u>85,887,069</u>
Fund balances:					
Nonspendable	-	-	-	162,843	162,843
Restricted	102,777,084	55,647,819	62,177,707	18,457	220,621,067
Committed	12,806,577	-	665,072	-	13,471,649
Assigned	12,436,525	12,166,789	5,889,770	-	30,493,084
Total fund balances	<u>128,020,186</u>	<u>67,814,608</u>	<u>68,732,549</u>	<u>181,300</u>	<u>264,748,643</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 146,812,708</u>	<u>\$ 134,075,834</u>	<u>\$ 75,744,066</u>	<u>\$ 181,937</u>	<u>\$ 356,814,545</u>

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014**

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Development Services</u>	<u>Property Management License</u>	<u>Convention and Tourism</u>
ASSETS					
Unrestricted:					
Cash and investments	\$ -	\$ 1,784,164	\$ 8,910,807	\$ 266,162	\$ 146,618
Receivables:					
Accounts, net	-	882,428	687,431	-	-
Notes and loans, net	-	-	-	-	-
Accrued interest	-	3,598	47,293	955	1,954
Restricted:					
Cash and investments	79,092	-	26,110,378	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts, net	-	-	-	-	-
Assessments	2,949	-	14,390,572	-	-
Notes and loans, net	-	-	-	-	-
Advances	-	-	-	-	-
Grants	-	-	-	-	-
Accrued interest	118	-	-	-	-
Due from component unit	-	-	-	-	-
Property held for sale	-	-	-	-	-
Total assets	<u>\$ 82,159</u>	<u>\$ 2,670,190</u>	<u>\$ 50,146,481</u>	<u>\$ 267,117</u>	<u>\$ 148,572</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ 49,440	\$ 457,486	\$ 227,792	\$ -
Unearned revenue	-	-	9,049	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	-	-	-	-
Due to component unit	-	-	-	-	-
Total liabilities	<u>-</u>	<u>49,440</u>	<u>466,535</u>	<u>227,792</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue - unrestricted	-	-	1,598	-	-
Unavailable revenue - restricted	2,949	-	14,390,572	-	-
Total deferred inflows of resources	<u>2,949</u>	<u>-</u>	<u>14,392,170</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	79,210	-	26,110,378	-	-
Committed	-	2,620,750	-	39,325	148,572
Assigned	-	-	9,177,398	-	-
Total fund balances	<u>79,210</u>	<u>2,620,750</u>	<u>35,287,776</u>	<u>39,325</u>	<u>148,572</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 82,159</u>	<u>\$ 2,670,190</u>	<u>\$ 50,146,481</u>	<u>\$ 267,117</u>	<u>\$ 148,572</u>

<u>Housing Investment</u>	<u>Parks Local Option Levy</u>	<u>Children's Investment</u>	<u>Community Development Block Grant</u>	<u>HOME Grant</u>	<u>Portland Parks Memorial</u>	<u>Tax Increment Reimbursement</u>
\$ 1,801,851	\$ -	\$ -	\$ 20,716	\$ -	\$ 2,805,003	\$ 2,469,728
11,895	-	-	-	-	-	-
5,849,336	-	-	-	-	-	-
330,217	-	-	-	-	5,910	-
-	1,180,060	3,854,597	30,822	138,897	689,315	5,075,298
-	12,029	762,372	-	-	-	-
-	-	-	-	-	36,000	1,612
-	-	-	21,978	-	-	-
-	-	-	11,408,213	4,077,849	-	31,081,533
-	-	3,923	-	-	-	-
-	-	-	785,531	152,559	-	-
-	2,848	6,353	16,522	88,729	1,429	237,870
-	-	-	251,456	-	-	782,024
-	-	-	-	-	-	11,213,852
<u>\$ 7,993,299</u>	<u>\$ 1,194,937</u>	<u>\$ 4,627,245</u>	<u>\$ 12,535,238</u>	<u>\$ 4,458,034</u>	<u>\$ 3,537,657</u>	<u>\$ 50,861,917</u>
\$ 27,104	\$ -	\$ -	\$ -	\$ -	\$ 5,260	\$ -
-	-	-	-	-	7,137	-
-	-	1,726,284	308,544	152,423	5,005	66,516
-	-	-	427,221	-	-	5,620
<u>27,104</u>	<u>-</u>	<u>1,726,284</u>	<u>735,765</u>	<u>152,423</u>	<u>17,402</u>	<u>72,136</u>
-	-	-	-	-	-	-
-	11,573	619,325	273,434	-	-	-
-	11,573	619,325	273,434	-	-	-
-	1,183,364	2,281,636	11,505,323	4,305,611	721,740	48,320,054
7,692,973	-	-	-	-	2,303,053	-
273,222	-	-	20,716	-	495,462	2,469,727
<u>7,966,195</u>	<u>1,183,364</u>	<u>2,281,636</u>	<u>11,526,039</u>	<u>4,305,611</u>	<u>3,520,255</u>	<u>50,789,781</u>
<u>\$ 7,993,299</u>	<u>\$ 1,194,937</u>	<u>\$ 4,627,245</u>	<u>\$ 12,535,238</u>	<u>\$ 4,458,034</u>	<u>\$ 3,537,657</u>	<u>\$ 50,861,917</u>

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City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2014

	Police Special Revenue	Arts Education and Access	Community Solar	Total
ASSETS				
Unrestricted:				
Cash and investments	\$ -	\$ -	\$ 1,904	\$ 18,206,953
Receivables:				
Accounts, net	-	-	-	1,581,754
Notes and loans, net	-	-	-	5,849,336
Accrued interest	-	-	-	389,927
Restricted:				
Cash and investments	1,789,187	6,206,704	15,823	45,170,173
Receivables:				
Taxes	-	-	-	774,401
Accounts, net	-	266,450	-	304,062
Assessments	-	-	-	14,415,499
Notes and loans, net	-	-	-	46,567,595
Advances	-	-	-	3,923
Grants	-	-	-	938,090
Accrued interest	2,618	7,151	25	363,663
Due from component unit	-	-	-	1,033,480
Property held for sale	-	-	-	11,213,852
Total assets	\$ 1,791,805	\$ 6,480,305	\$ 17,752	\$ 146,812,708
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ -	\$ -	\$ 767,082
Unearned revenue	-	-	-	16,186
Liabilities payable from restricted assets:				
Accounts payable	18,190	-	-	2,276,962
Due to component unit	-	-	-	432,841
Total liabilities	18,190	-	-	3,493,071
Deferred inflows of resources:				
Unavailable revenue - unrestricted	-	-	-	1,598
Unavailable revenue - restricted	-	-	-	15,297,853
Total deferred inflows of resources	-	-	-	15,299,451
Fund balances:				
Restricted	1,773,615	6,480,305	15,848	102,777,084
Committed	-	-	1,904	12,806,577
Assigned	-	-	-	12,436,525
Total fund balances	1,773,615	6,480,305	17,752	128,020,186
Total liabilities, deferred inflows of resources and fund balances	\$ 1,791,805	\$ 6,480,305	\$ 17,752	\$ 146,812,708



Police Horse

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2014**

	<u>River District Urban Renewal Area Debt Redemption</u>	<u>Bonded Debt Interest and Sinking</u>	<u>Downtown Waterfront Renewal Bond Sinking</u>	<u>Interstate Corridor Debt Service</u>
ASSETS				
Unrestricted:				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Assessments	-	-	-	-
Accrued interest	-	-	-	-
Restricted:				
Cash and investments	7,690,065	184,182	7,386,390	7,263,016
Receivables:				
Taxes	2,155,058	762,908	761,416	1,138,619
Assessments	-	-	-	-
Accrued interest	20,618	10,991	19,521	16,182
	<u>9,865,741</u>	<u>958,081</u>	<u>8,167,327</u>	<u>8,417,817</u>
Total assets	<u>\$ 9,865,741</u>	<u>\$ 958,081</u>	<u>\$ 8,167,327</u>	<u>\$ 8,417,817</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Deferred inflows of resources:				
Unavailable revenue - unrestricted	\$ -	\$ -	\$ -	\$ -
Unavailable revenue - restricted	1,717,928	619,249	622,053	902,642
	<u>1,717,928</u>	<u>619,249</u>	<u>622,053</u>	<u>902,642</u>
Total deferred inflows of resources	<u>1,717,928</u>	<u>619,249</u>	<u>622,053</u>	<u>902,642</u>
Fund balances:				
Restricted	8,147,813	338,832	7,545,274	7,515,175
Assigned	-	-	-	-
	<u>8,147,813</u>	<u>338,832</u>	<u>7,545,274</u>	<u>7,515,175</u>
Total fund balances	<u>8,147,813</u>	<u>338,832</u>	<u>7,545,274</u>	<u>7,515,175</u>
Total deferred inflows of resources and fund balances	<u>\$ 9,865,741</u>	<u>\$ 958,081</u>	<u>\$ 8,167,327</u>	<u>\$ 8,417,817</u>

<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt Service</u>	<u>Gas Tax Bond Redemption</u>	<u>Lents Town Center Urban Renewal Area Debt Redemption</u>
\$ 1,416,935	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
4,250	-	-	-	-
-	8,639,827	1,388,689	1,673,522	3,064,859
-	534,904	438,435	-	736,888
-	-	-	-	-
-	19,088	7,454	2,165	7,853
<u>\$ 1,421,185</u>	<u>\$ 9,193,819</u>	<u>\$ 1,834,578</u>	<u>\$ 1,675,687</u>	<u>\$ 3,809,600</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	432,644	359,428	-	583,274
-	432,644	359,428	-	583,274
-	8,761,175	1,475,150	1,675,687	3,226,326
<u>1,421,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,421,185</u>	<u>8,761,175</u>	<u>1,475,150</u>	<u>1,675,687</u>	<u>3,226,326</u>
<u>\$ 1,421,185</u>	<u>\$ 9,193,819</u>	<u>\$ 1,834,578</u>	<u>\$ 1,675,687</u>	<u>\$ 3,809,600</u>

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**City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Debt Service Funds
June 30, 2014**

	<u>Central Eastside Industrial District Debt Service</u>	<u>Bancroft Bond Interest and Sinking</u>	<u>Convention Center Area Debt Service</u>	<u>North Macadam Urban Renewal Area Debt Redemption</u>
ASSETS				
Unrestricted:				
Cash and investments	\$ -	\$ 10,535,457	\$ -	\$ -
Receivables:				
Assessments	-	7,997,632	-	-
Accrued interest	-	22,289	-	-
Restricted:				
Cash and investments	3,051,437	786,080	5,236,618	6,235,021
Receivables:				
Taxes	394,262	-	765,769	823,193
Assessments	-	49,841,576	-	-
Accrued interest	6,324	2,456	13,674	14,219
	<u>3,452,023</u>	<u>69,185,490</u>	<u>6,016,061</u>	<u>7,072,433</u>
Total assets	<u>\$ 3,452,023</u>	<u>\$ 69,185,490</u>	<u>\$ 6,016,061</u>	<u>\$ 7,072,433</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Deferred inflows of resources:				
Unavailable revenue - unrestricted	\$ -	\$ 7,840,139	\$ -	\$ -
Unavailable revenue - restricted	312,811	49,440,507	631,061	653,131
	<u>312,811</u>	<u>57,280,646</u>	<u>631,061</u>	<u>653,131</u>
Total deferred inflows of resources	<u>312,811</u>	<u>57,280,646</u>	<u>631,061</u>	<u>653,131</u>
Fund balances:				
Restricted	3,139,212	1,189,605	5,385,000	6,419,302
Assigned	-	10,715,239	-	-
	<u>3,139,212</u>	<u>11,904,844</u>	<u>5,385,000</u>	<u>6,419,302</u>
Total fund balances	<u>3,139,212</u>	<u>11,904,844</u>	<u>5,385,000</u>	<u>6,419,302</u>
Total deferred inflows of resources and fund balances	<u>\$ 3,452,023</u>	<u>\$ 69,185,490</u>	<u>\$ 6,016,061</u>	<u>\$ 7,072,433</u>

Special Projects Debt Service	Gateway Urban Renewal Area Debt Redemption	Willamette Industrial Urban Renewal Area Debt Service	Governmental Bond Redemption	Education Urban Renewal Area Debt Service	42nd Avenue Neighborhood Prosperity Initiative Debt Service
\$ -	\$ -	\$ -	\$ 30,138	\$ -	\$ -
-	-	-	-	-	-
-	-	-	227	-	-
50,718	466,808	233,392	-	428	84
-	230,237	68,430	-	32,387	1,204
1,883,260	-	-	-	-	-
1,714	601	590	-	332	48
<u>\$ 1,935,692</u>	<u>\$ 697,646</u>	<u>\$ 302,412</u>	<u>\$ 30,365</u>	<u>\$ 33,147</u>	<u>\$ 1,336</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>1,883,260</u>	<u>181,085</u>	<u>53,408</u>	<u>-</u>	<u>24,397</u>	<u>894</u>
<u>1,883,260</u>	<u>181,085</u>	<u>53,408</u>	<u>-</u>	<u>24,397</u>	<u>894</u>
52,432	516,561	249,004	-	8,750	442
-	-	-	30,365	-	-
<u>52,432</u>	<u>516,561</u>	<u>249,004</u>	<u>30,365</u>	<u>8,750</u>	<u>442</u>
<u>\$ 1,935,692</u>	<u>\$ 697,646</u>	<u>\$ 302,412</u>	<u>\$ 30,365</u>	<u>\$ 33,147</u>	<u>\$ 1,336</u>

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City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Debt Service Funds
June 30, 2014

	Cully Boulevard Neighborhood Prosperity Initiative Debt Service	Rosewood Neighborhood Prosperity Initiative Debt Service	Division-Midway Neighborhood Prosperity Initiative Debt Service	Total
ASSETS				
Unrestricted:				
Cash and investments	\$ -	\$ -	\$ -	\$ 11,982,530
Receivables:				
Assessments	-	-	-	7,997,632
Accrued interest	-	-	-	26,766
Restricted:				
Cash and investments	393	29	397	53,351,955
Receivables:				
Taxes	2,059	1,238	1,109	8,848,116
Assessments	-	-	-	51,724,836
Accrued interest	81	46	42	143,999
Total assets	<u>\$ 2,533</u>	<u>\$ 1,313</u>	<u>\$ 1,548</u>	<u>\$ 134,075,834</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Deferred inflows of resources:				
Unavailable revenue - unrestricted	\$ -	\$ -	\$ -	\$ 7,840,139
Unavailable revenue - restricted	1,543	936	836	58,421,087
Total deferred inflows of resources	<u>1,543</u>	<u>936</u>	<u>836</u>	<u>66,261,226</u>
Fund balances:				
Restricted	990	377	712	55,647,819
Assigned	-	-	-	12,166,789
Total fund balances	<u>990</u>	<u>377</u>	<u>712</u>	<u>67,814,608</u>
Total deferred inflows of resources and fund balances	<u>\$ 2,533</u>	<u>\$ 1,313</u>	<u>\$ 1,548</u>	<u>\$ 134,075,834</u>

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2014**

	Special Finance and Resource	BFRES Facilities GO Bond Construction	Local Improvement District	Parks Capital Improvement Program	Public Safety GO Bond Construction	Total
ASSETS						
Unrestricted:						
Cash and investments	\$ -	\$ -	\$ 3,553,006	\$ 2,357,955	\$ -	\$ 5,910,961
Receivables:						
Accounts, net	-	-	38,535	583,250	-	621,785
Accrued interest	-	-	14,135	7,032	-	21,167
Due from other funds	-	-	-	929	-	929
Restricted:						
Cash and investments	44,286	2,374,648	2,461,063	33,714,950	24,808,680	63,403,627
Receivables:						
Assessments	-	-	2,648,908	1,677,484	-	4,326,392
Notes and loans, net	-	-	-	904,396	-	904,396
Accrued interest	66	3,543	-	39,556	52,545	95,710
Due from component unit	-	-	-	459,099	-	459,099
Total assets	<u>\$ 44,352</u>	<u>\$ 2,378,191</u>	<u>\$ 8,715,647</u>	<u>\$ 39,744,651</u>	<u>\$ 24,861,225</u>	<u>\$ 75,744,066</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities payable from restricted assets:						
Accounts payable	-	57,036	23,887	1,281,508	1,112,603	2,475,034
Due to component unit	-	-	-	207,991	2,100	210,091
Total liabilities	<u>-</u>	<u>57,036</u>	<u>23,887</u>	<u>1,489,499</u>	<u>1,114,703</u>	<u>2,685,125</u>
Deferred inflows of resources:						
Unavailable revenue - restricted	-	-	2,648,908	1,677,484	-	4,326,392
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,648,908</u>	<u>1,677,484</u>	<u>-</u>	<u>4,326,392</u>
Fund balances:						
Restricted	44,352	2,321,155	2,437,176	33,628,502	23,746,522	62,177,707
Committed	-	-	-	665,072	-	665,072
Assigned	-	-	3,605,676	2,284,094	-	5,889,770
Total fund balances	<u>44,352</u>	<u>2,321,155</u>	<u>6,042,852</u>	<u>36,577,668</u>	<u>23,746,522</u>	<u>68,732,549</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,352</u>	<u>\$ 2,378,191</u>	<u>\$ 8,715,647</u>	<u>\$ 39,744,651</u>	<u>\$ 24,861,225</u>	<u>\$ 75,744,066</u>



Portland Historic Area

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Permanent Fund</u>	<u>Total</u>
REVENUES					
Taxes:					
Property	\$ 9,554,231	\$ 127,453,246	\$ -	\$ -	\$ 137,007,477
Lodging	12,745,071	-	-	-	12,745,071
Miscellaneous	7,062,234	-	-	-	7,062,234
Licenses and fees	36,553,628	-	75,000	-	36,628,628
Intergovernmental	27,820,280	6,268,557	1,324,491	-	35,413,328
Charges for services	2,240,623	-	20,082,119	-	22,322,742
Interagency	921,290	-	49,227	-	970,517
Parking fees	854,443	-	67,078	-	921,521
Rents and reimbursements	34,930	-	-	-	34,930
Miscellaneous service charges	11,043,863	-	859,563	-	11,903,426
Assessments	1,778,793	5,804,772	12,966,653	-	20,550,218
Investment earnings	1,954,382	3,419,137	662,897	1,414	6,037,830
Sale of inventory	2,107,577	-	-	-	2,107,577
Miscellaneous	1,253,992	590,536	423,430	-	2,267,958
	<u>115,925,337</u>	<u>143,536,248</u>	<u>36,510,458</u>	<u>1,414</u>	<u>295,973,457</u>
Total revenues					
EXPENDITURES					
Current:					
Public safety	19,266,065	-	4,750,361	-	24,016,426
Parks, recreation and culture	2,569,012	-	1,457,875	2,101	4,028,988
Community development	64,680,972	178,000	62,022,980	-	126,881,952
Legislative / admin / support services	25,614,653	-	-	-	25,614,653
Debt service and related costs:					
Principal	1,961,106	106,048,164	14,824,756	-	122,834,026
Interest	736,970	36,732,962	338,174	-	37,808,106
Debt issuance costs	-	337,801	321,425	-	659,226
Capital outlay	3,443,141	-	34,293,914	-	37,737,055
	<u>118,271,919</u>	<u>143,296,927</u>	<u>118,009,485</u>	<u>2,101</u>	<u>379,580,432</u>
Total expenditures					
Revenues over (under) expenditures	<u>(2,346,582)</u>	<u>239,321</u>	<u>(81,499,027)</u>	<u>(687)</u>	<u>(83,606,975)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	16,025,463	7,825,014	64,207,688	-	88,058,165
Transfers out	(998,903)	(59,695,114)	(5,436,634)	-	(66,130,651)
Bonds and notes issued	-	1,079,569	31,673,326	-	32,752,895
Refunding bonds issued	-	49,808,705	-	-	49,808,705
Bonds and notes premium	-	1,140,000	2,767,850	-	3,907,850
Sale of capital asset	-	-	701,755	-	701,755
	<u>15,026,560</u>	<u>158,174</u>	<u>93,913,985</u>	<u>-</u>	<u>109,098,719</u>
Total other financing sources (uses)					
Net change in fund balances	12,679,978	397,495	12,414,958	(687)	25,491,744
Fund balances - beginning	<u>115,340,208</u>	<u>67,417,113</u>	<u>56,317,591</u>	<u>181,987</u>	<u>239,256,899</u>
Fund balances - ending	<u>\$ 128,020,186</u>	<u>\$ 67,814,608</u>	<u>\$ 68,732,549</u>	<u>\$ 181,300</u>	<u>\$ 264,748,643</u>

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, 2014

	Assessment Collection	Emergency Communication	Development Services	Property Management License	Convention and Tourism
REVENUES					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Lodging	-	-	-	-	12,745,071
Miscellaneous	-	-	-	-	-
Licenses and fees	-	-	31,412,317	4,943,561	-
Intergovernmental	-	6,779,731	-	-	-
Charges for services	-	-	2,073,084	-	-
Interagency	-	-	921,290	-	-
Parking fees	-	-	4,870	-	-
Rents and reimbursements	-	-	-	-	-
Miscellaneous service charges	-	327,690	10,365,878	-	-
Assessments	137	-	1,774,659	-	-
Investment earnings	1,395	15,146	485,551	3,150	7,395
Sale of inventory	-	-	-	-	-
Miscellaneous	-	393	6,634	-	-
	<u>1,532</u>	<u>7,122,960</u>	<u>47,044,283</u>	<u>4,946,711</u>	<u>12,752,466</u>
Total revenues					
EXPENDITURES					
Current:					
Public safety	-	18,789,703	-	-	-
Parks, recreation and culture	-	-	-	-	-
Community development	1,531	-	33,615,525	-	-
Legislative / admin / support services	-	-	-	4,946,155	12,787,054
Debt service and related costs:					
Principal	-	1,127,002	562,104	-	-
Interest	-	221,673	303,244	-	-
Capital outlay	-	-	3,208,713	-	-
	<u>1,531</u>	<u>20,138,378</u>	<u>37,689,586</u>	<u>4,946,155</u>	<u>12,787,054</u>
Total expenditures					
Revenues over (under) expenditures	<u>1</u>	<u>(13,015,418)</u>	<u>9,354,697</u>	<u>556</u>	<u>(34,588)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	28	13,744,216	2,159,003	-	-
Transfers out	-	(649,697)	(233,419)	-	-
	<u>28</u>	<u>13,094,519</u>	<u>1,925,584</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)					
Net change in fund balances	<u>29</u>	<u>79,101</u>	<u>11,280,281</u>	<u>556</u>	<u>(34,588)</u>
Fund balances - beginning	<u>79,181</u>	<u>2,541,649</u>	<u>24,007,495</u>	<u>38,769</u>	<u>183,160</u>
Fund balances - ending	<u>\$ 79,210</u>	<u>\$ 2,620,750</u>	<u>\$ 35,287,776</u>	<u>\$ 39,325</u>	<u>\$ 148,572</u>

Housing Investment	Parks Local Option Levy	Children's Investment	Community Development Block Grant	HOME Grant	Portland Parks Memorial	Tax Increment Reimbursement
\$ -	\$ 1,758	\$ 9,552,473	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
186,023	-	-	6,180,095	2,621,042	197,750	11,534,273
-	-	-	-	-	167,539	-
-	-	-	-	-	849,573	-
-	-	-	-	-	34,930	-
313,040	-	-	10,826	797	-	25,632
-	-	-	3,997	-	-	-
273,634	14,448	30,446	274,778	88,192	25,595	675,154
-	-	-	-	-	-	2,107,577
87	-	-	6,648	189	855,735	124,772
<u>772,784</u>	<u>16,206</u>	<u>9,582,919</u>	<u>6,476,344</u>	<u>2,710,220</u>	<u>2,131,122</u>	<u>14,467,408</u>
-	-	-	-	-	-	-
-	1,008,867	-	-	-	1,560,145	-
1,221,993	-	8,833,284	6,411,923	2,712,315	-	11,883,696
-	-	-	-	-	-	-
-	-	-	272,000	-	-	-
-	-	-	212,053	-	-	-
42,572	-	-	62,118	20,162	-	100,076
<u>1,264,565</u>	<u>1,008,867</u>	<u>8,833,284</u>	<u>6,958,094</u>	<u>2,732,477</u>	<u>1,560,145</u>	<u>11,983,772</u>
<u>(491,781)</u>	<u>(992,661)</u>	<u>749,635</u>	<u>(481,750)</u>	<u>(22,257)</u>	<u>570,977</u>	<u>2,483,636</u>
48,000	4	-	-	-	67,200	7,012
-	(65,787)	-	-	-	(50,000)	-
<u>48,000</u>	<u>(65,783)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,200</u>	<u>7,012</u>
<u>(443,781)</u>	<u>(1,058,444)</u>	<u>749,635</u>	<u>(481,750)</u>	<u>(22,257)</u>	<u>588,177</u>	<u>2,490,648</u>
<u>8,409,976</u>	<u>2,241,808</u>	<u>1,532,001</u>	<u>12,007,789</u>	<u>4,327,868</u>	<u>2,932,078</u>	<u>48,299,133</u>
<u>\$ 7,966,195</u>	<u>\$ 1,183,364</u>	<u>\$ 2,281,636</u>	<u>\$ 11,526,039</u>	<u>\$ 4,305,611</u>	<u>\$ 3,520,255</u>	<u>\$ 50,789,781</u>

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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, 2014

	Police Special Revenue	Arts Education and Access	Community Solar	Total
REVENUES				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 9,554,231
Lodging	-	-	-	12,745,071
Miscellaneous	-	7,062,234	-	7,062,234
Licenses and fees	-	-	-	36,553,628
Intergovernmental	519,116	-	-	27,820,280
Charges for services	-	-	-	2,240,623
Interagency	-	-	-	921,290
Parking fees	-	-	-	854,443
Rents and reimbursements	-	-	-	34,930
Miscellaneous service charges	-	-	-	11,043,863
Assessments	-	-	-	1,778,793
Investment earnings	13,230	46,191	77	1,954,382
Sale of inventory	-	-	-	2,107,577
Miscellaneous	241,154	-	18,380	1,253,992
	<u>773,500</u>	<u>7,108,425</u>	<u>18,457</u>	<u>115,925,337</u>
Total revenues				
	<u>773,500</u>	<u>7,108,425</u>	<u>18,457</u>	<u>115,925,337</u>
EXPENDITURES				
Current:				
Public safety	476,362	-	-	19,266,065
Parks, recreation and culture	-	-	-	2,569,012
Community development	-	-	705	64,680,972
Legislative / admin / support services	-	7,881,444	-	25,614,653
Debt service and related costs:				
Principal	-	-	-	1,961,106
Interest	-	-	-	736,970
Capital outlay	9,500	-	-	3,443,141
	<u>485,862</u>	<u>7,881,444</u>	<u>705</u>	<u>118,271,919</u>
Total expenditures				
	<u>485,862</u>	<u>7,881,444</u>	<u>705</u>	<u>118,271,919</u>
Revenues over (under) expenditures	<u>287,638</u>	<u>(773,019)</u>	<u>17,752</u>	<u>(2,346,582)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	16,025,463
Transfers out	-	-	-	(998,903)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,026,560</u>
Total other financing sources (uses)				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,026,560</u>
Net change in fund balances	<u>287,638</u>	<u>(773,019)</u>	<u>17,752</u>	<u>12,679,978</u>
Fund balances - beginning	<u>1,485,977</u>	<u>7,253,324</u>	<u>-</u>	<u>115,340,208</u>
Fund balances - ending	<u>\$ 1,773,615</u>	<u>\$ 6,480,305</u>	<u>\$ 17,752</u>	<u>\$ 128,020,186</u>



Downtown Portland

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2014

	<u>River District Urban Renewal Area Debt Redemption</u>	<u>Bonded Debt Interest and Sinking</u>	<u>Downtown Waterfront Renewal Bond Sinking</u>	<u>Interstate Corridor Debt Service</u>
REVENUES				
Taxes:				
Property	\$ 31,595,733	\$ 10,449,610	\$ 9,628,472	\$ 18,518,514
Intergovernmental	-	-	-	-
Assessments	-	-	-	-
Investment earnings	107,024	27,079	77,361	78,615
Miscellaneous	-	-	-	-
	<u>31,702,757</u>	<u>10,476,689</u>	<u>9,705,833</u>	<u>18,597,129</u>
EXPENDITURES				
Current:				
Community development	-	-	-	-
Debt service and related costs:				
Principal	4,430,000	16,620,000	5,805,000	10,999,158
Interest	3,186,320	2,321,015	3,676,099	3,335,781
Debt issuance costs	-	-	-	7,842
	<u>7,616,320</u>	<u>18,941,015</u>	<u>9,481,099</u>	<u>14,342,781</u>
Total expenditures	<u>7,616,320</u>	<u>18,941,015</u>	<u>9,481,099</u>	<u>14,342,781</u>
Revenues over (under) expenditures	<u>24,086,437</u>	<u>(8,464,326)</u>	<u>224,734</u>	<u>4,254,348</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	772	-	-	-
Transfers out	(25,055,000)	-	-	(11,500,000)
Bonds and notes issued	-	-	-	-
Refunding bonds issued	-	7,125,000	-	8,017,000
Bonds and notes premium	-	1,140,000	-	-
	<u>(25,054,228)</u>	<u>8,265,000</u>	<u>-</u>	<u>(3,483,000)</u>
Total other financing sources (uses)	<u>(25,054,228)</u>	<u>8,265,000</u>	<u>-</u>	<u>(3,483,000)</u>
Net change in fund balances	(967,791)	(199,326)	224,734	771,348
Fund balances - beginning	<u>9,115,604</u>	<u>538,158</u>	<u>7,320,540</u>	<u>6,743,827</u>
Fund balances - ending	<u>\$ 8,147,813</u>	<u>\$ 338,832</u>	<u>\$ 7,545,274</u>	<u>\$ 7,515,175</u>

<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt Service</u>	<u>Gas Tax Bond Redemption</u>	<u>Lents Town Center Urban Renewal Area Debt Redemption</u>
\$ -	\$ 7,214,798	\$ 5,555,281	\$ -	\$ 11,605,058
7,541	-	-	-	-
-	-	-	-	-
17,135	82,032	23,637	7,398	39,507
590,536	-	-	-	-
<u>615,212</u>	<u>7,296,830</u>	<u>5,578,918</u>	<u>7,398</u>	<u>11,644,565</u>
-	-	-	-	-
2,281,781	4,015,000	4,010,000	3,244,000	1,235,000
1,230,963	3,169,835	1,578,750	629,111	1,797,489
308,973	-	-	1,328	2,882
<u>3,821,717</u>	<u>7,184,835</u>	<u>5,588,750</u>	<u>3,874,439</u>	<u>3,035,371</u>
<u>(3,206,505)</u>	<u>111,995</u>	<u>(9,832)</u>	<u>(3,867,041)</u>	<u>8,609,194</u>
3,589,192	-	-	2,795,767	-
(170,114)	-	-	-	(8,620,000)
-	-	-	1,073,000	2,882
-	-	-	-	-
-	-	-	-	-
<u>3,419,078</u>	<u>-</u>	<u>-</u>	<u>3,868,767</u>	<u>(8,617,118)</u>
212,573	111,995	(9,832)	1,726	(7,924)
<u>1,208,612</u>	<u>8,649,180</u>	<u>1,484,982</u>	<u>1,673,961</u>	<u>3,234,250</u>
<u>\$ 1,421,185</u>	<u>\$ 8,761,175</u>	<u>\$ 1,475,150</u>	<u>\$ 1,675,687</u>	<u>\$ 3,226,326</u>

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City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Nonmajor Debt Service Funds
For the Year Ended June 30, 2014

	Central Eastside Industrial District Debt Service	Bancroft Bond Interest and Sinking	Convention Center Area Debt Service	North Macadam Urban Renewal Area Debt Redemption
REVENUES				
Taxes:				
Property	\$ 5,959,742	\$ -	\$ 8,843,524	\$ 12,067,418
Intergovernmental	-	-	-	-
Assessments	-	5,705,918	-	-
Investment earnings	29,646	2,685,575	50,890	61,910
Miscellaneous	-	-	-	-
	<u>5,989,388</u>	<u>8,391,493</u>	<u>8,894,414</u>	<u>12,129,328</u>
Total revenues				
EXPENDITURES				
Current:				
Community development	-	-	-	-
Debt service and related costs:				
Principal	7,199,000	9,460,000	3,260,000	18,210,855
Interest	1,425,475	2,207,246	4,161,217	2,764,357
Debt issuance costs	2,639	-	-	6,825
	<u>8,627,114</u>	<u>11,667,246</u>	<u>7,421,217</u>	<u>20,982,037</u>
Total expenditures				
Revenues over (under) expenditures	<u>(2,637,726)</u>	<u>(3,275,753)</u>	<u>1,473,197</u>	<u>(8,852,709)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,239	-	-	-
Transfers out	(3,000,000)	-	-	(5,830,000)
Bonds and notes issued	-	3,687	-	-
Refunding bonds issued	6,186,639	-	-	15,927,680
Bonds and notes premium	-	-	-	-
	<u>3,190,878</u>	<u>3,687</u>	<u>-</u>	<u>10,097,680</u>
Total other financing sources (uses)				
Net change in fund balances	553,152	(3,272,066)	1,473,197	1,244,971
Fund balances - beginning	<u>2,586,060</u>	<u>15,176,910</u>	<u>3,911,803</u>	<u>5,174,331</u>
Fund balances - ending	<u>\$ 3,139,212</u>	<u>\$ 11,904,844</u>	<u>\$ 5,385,000</u>	<u>\$ 6,419,302</u>

<u>Special Projects Debt Service</u>	<u>Gateway Urban Renewal Area Debt Redemption</u>	<u>Willamette Industrial Urban Renewal Area Debt Service</u>	<u>Governmental Bond Redemption</u>	<u>Education Urban Renewal Area Debt Service</u>	<u>42nd Avenue Neighborhood Prosperity Initiative Debt Service</u>
\$ -	\$ 3,635,211	\$ 1,172,537	\$ -	\$ 1,027,310	\$ 39,835
6,261,016	-	-	-	-	-
98,854	-	-	-	-	-
119,571	6,823	2,645	352	1,454	107
-	-	-	-	-	-
<u>6,479,441</u>	<u>3,642,034</u>	<u>1,175,182</u>	<u>352</u>	<u>1,028,764</u>	<u>39,942</u>
-	-	-	-	-	39,500
1,703,297	12,545,073	-	1,030,000	-	-
4,770,039	74,193	14	405,044	14	-
-	7,312	-	-	-	-
<u>6,473,336</u>	<u>12,626,578</u>	<u>14</u>	<u>1,435,044</u>	<u>14</u>	<u>39,500</u>
<u>6,105</u>	<u>(8,984,544)</u>	<u>1,175,168</u>	<u>(1,434,692)</u>	<u>1,028,750</u>	<u>442</u>
-	-	-	1,435,044	-	-
-	(3,500,000)	(1,000,000)	-	(1,020,000)	-
-	-	-	-	-	-
-	12,552,386	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>9,052,386</u>	<u>(1,000,000)</u>	<u>1,435,044</u>	<u>(1,020,000)</u>	<u>-</u>
6,105	67,842	175,168	352	8,750	442
46,327	448,719	73,836	30,013	-	-
<u>\$ 52,432</u>	<u>\$ 516,561</u>	<u>\$ 249,004</u>	<u>\$ 30,365</u>	<u>\$ 8,750</u>	<u>\$ 442</u>

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City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Nonmajor Debt Service Funds
For the Year Ended June 30, 2014

	Cully Boulevard Neighborhood Prosperity Initiative Debt Service	Rosewood Neighborhood Prosperity Initiative Debt Service	Division-Midway Neighborhood Prosperity Initiative Debt Service	Total
REVENUES				
Taxes:				
Property	\$ 66,311	\$ 38,774	\$ 35,118	\$ 127,453,246
Intergovernmental	-	-	-	6,268,557
Assessments	-	-	-	5,804,772
Investment earnings	179	103	94	3,419,137
Miscellaneous	-	-	-	590,536
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	66,490	38,877	35,212	143,536,248
EXPENDITURES				
Current:				
Community development	65,500	38,500	34,500	178,000
Debt service and related costs:				
Principal	-	-	-	106,048,164
Interest	-	-	-	36,732,962
Debt issuance costs	-	-	-	337,801
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	65,500	38,500	34,500	143,296,927
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	990	377	712	239,321
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	7,825,014
Transfers out	-	-	-	(59,695,114)
Bonds and notes issued	-	-	-	1,079,569
Refunding bonds issued	-	-	-	49,808,705
Bonds and notes premium	-	-	-	1,140,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	158,174
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	990	377	712	397,495
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - beginning	-	-	-	67,417,113
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ 990	\$ 377	\$ 712	\$ 67,814,608
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2014

	Special Finance and Resource	BFRES Facilities GO Bond Construction	Local Improvement District	Parks Capital Improvement Program	Public Safety GO Bond Construction	Total
REVENUES						
Licenses and fees	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
Intergovernmental	-	-	-	1,324,491	-	1,324,491
Charges for services	-	-	-	20,082,119	-	20,082,119
Interagency	-	-	-	49,227	-	49,227
Parking fees	-	-	-	67,078	-	67,078
Miscellaneous service charges	-	-	845,762	13,801	-	859,563
Assessments	-	-	11,400,013	1,566,640	-	12,966,653
Investment earnings	426	11,026	97,722	362,489	191,234	662,897
Miscellaneous	-	-	4,499	418,931	-	423,430
	<u>426</u>	<u>11,026</u>	<u>12,347,996</u>	<u>23,959,776</u>	<u>191,234</u>	<u>36,510,458</u>
Total revenues	<u>426</u>	<u>11,026</u>	<u>12,347,996</u>	<u>23,959,776</u>	<u>191,234</u>	<u>36,510,458</u>
EXPENDITURES						
Current:						
Public safety	-	74,990	-	-	4,675,371	4,750,361
Parks, recreation and culture	-	-	-	1,457,875	-	1,457,875
Community development	59,540,111	-	2,482,869	-	-	62,022,980
Debt service and related costs:						
Principal	-	-	10,601,384	4,223,372	-	14,824,756
Interest	-	-	221,158	117,016	-	338,174
Debt issuance costs	23,810	-	88,916	-	208,699	321,425
Capital outlay	-	-	-	16,068,620	18,225,294	34,293,914
	<u>59,563,921</u>	<u>74,990</u>	<u>13,394,327</u>	<u>21,866,883</u>	<u>23,109,364</u>	<u>118,009,485</u>
Total expenditures	<u>59,563,921</u>	<u>74,990</u>	<u>13,394,327</u>	<u>21,866,883</u>	<u>23,109,364</u>	<u>118,009,485</u>
Revenues over (under) expenditures	<u>(59,563,495)</u>	<u>(63,964)</u>	<u>(1,046,331)</u>	<u>2,092,893</u>	<u>(22,918,130)</u>	<u>(81,499,027)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	59,525,000	4,270	32	4,678,386	-	64,207,688
Transfers out	(5,011)	-	(5,414,567)	(17,056)	-	(5,436,634)
Bonds and notes issued	-	-	7,948,659	1,054,667	22,670,000	31,673,326
Bonds and notes premium	-	-	496,456	-	2,271,394	2,767,850
Sale of capital asset	-	701,755	-	-	-	701,755
	<u>59,519,989</u>	<u>706,025</u>	<u>3,030,580</u>	<u>5,715,997</u>	<u>24,941,394</u>	<u>93,913,985</u>
Total other financing sources (uses)	<u>59,519,989</u>	<u>706,025</u>	<u>3,030,580</u>	<u>5,715,997</u>	<u>24,941,394</u>	<u>93,913,985</u>
Net change in fund balances	(43,506)	642,061	1,984,249	7,808,890	2,023,264	12,414,958
Fund balances - beginning	<u>87,858</u>	<u>1,679,094</u>	<u>4,058,603</u>	<u>28,768,778</u>	<u>21,723,258</u>	<u>56,317,591</u>
Fund balances - ending	<u>\$ 44,352</u>	<u>\$ 2,321,155</u>	<u>\$ 6,042,852</u>	<u>\$ 36,577,668</u>	<u>\$ 23,746,522</u>	<u>\$ 68,732,549</u>

Continued next page



Morning Rose

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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Portland Waterfront

City of Portland, Oregon
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2014

	Hydroelectric Power	Golf	Portland International Raceway
ASSETS			
Current assets (unrestricted):			
Cash and investments	\$ 149,468	\$ 1,345,689	\$ 325,729
Receivables:			
Accounts, net	-	31,389	110
Advances	-	-	-
Accrued interest	39,873	65,336	524
Due from component unit	-	-	-
	189,341	1,442,414	326,363
Total current assets (unrestricted)			
Current assets (restricted):			
Cash and investments	2,390,000	-	-
	2,579,341	1,442,414	326,363
Total current assets			
Noncurrent assets (unrestricted):			
Capital assets, not being depreciated or amortized:			
Land	-	586,686	-
Construction in progress	-	494,494	-
Intangible assets:			
Land use rights	4,500	-	-
Capital assets, being depreciated or amortized:			
Infrastructure	44,123,225	-	-
Buildings	-	6,199,790	-
Improvements to land	-	15,847,827	5,007,161
Equipment	-	1,017,051	161,340
Intangible assets:			
Software	-	-	-
Accumulated depreciation and amortization	(21,425,111)	(12,860,404)	(2,958,261)
	22,702,614	11,285,444	2,210,240
Capital assets, net of accumulated depreciation and amortization			
Prepaid pension obligation	132,847	1,085,374	208,936
	22,835,461	12,370,818	2,419,176
Total noncurrent assets (unrestricted)			
Noncurrent assets (restricted):			
Cash and investments	12,688,964	-	-
	35,524,425	12,370,818	2,419,176
Total noncurrent assets			
Total assets	\$ 38,103,766	\$ 13,813,232	\$ 2,745,539

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Headwaters Apartment Complex</u>	<u>Total</u>
\$ 1,382,120	\$ 7,165,941	\$ 6,314,533	\$ 3,485,133	\$ 451,359	\$ 20,619,972
1,513,628	5,257	373,054	-	-	1,923,438
-	-	60,000	-	-	60,000
2,004	10,984	13,294	7,372	765	140,152
-	-	-	-	93,342	93,342
<u>2,897,752</u>	<u>7,182,182</u>	<u>6,760,881</u>	<u>3,492,505</u>	<u>545,466</u>	<u>22,836,904</u>
-	-	-	-	-	2,390,000
<u>2,897,752</u>	<u>7,182,182</u>	<u>6,760,881</u>	<u>3,492,505</u>	<u>545,466</u>	<u>25,226,904</u>
229,259	10,578,071	4,432,758	1,563,333	1,209,961	18,600,068
-	-	-	-	-	494,494
-	-	-	-	-	4,500
-	-	-	5,416	-	44,128,641
-	39,872,916	135,706,261	1,768,170	11,239,645	194,786,782
-	301,900	662,231	1,520,801	-	23,339,920
-	1,707,150	2,917,127	-	-	5,802,668
118,575	98,580	35,483	-	-	252,638
<u>(89,583)</u>	<u>(27,406,732)</u>	<u>(45,256,073)</u>	<u>(1,187,959)</u>	<u>(1,798,343)</u>	<u>(112,982,466)</u>
258,251	25,151,885	98,497,787	3,669,761	10,651,263	174,427,245
<u>337,037</u>	<u>-</u>	<u>-</u>	<u>7,774</u>	<u>-</u>	<u>1,771,968</u>
595,288	25,151,885	98,497,787	3,677,535	10,651,263	176,199,213
-	-	-	1,014,945	254,335	13,958,244
<u>595,288</u>	<u>25,151,885</u>	<u>98,497,787</u>	<u>4,692,480</u>	<u>10,905,598</u>	<u>190,157,457</u>
\$ <u>3,493,040</u>	\$ <u>32,334,067</u>	\$ <u>105,258,668</u>	\$ <u>8,184,985</u>	\$ <u>11,451,064</u>	\$ <u>215,384,361</u>

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City of Portland, Oregon
Combining Statement of Net Position, Continued
Nonmajor Enterprise Funds
June 30, 2014

	<u>Hydroelectric Power</u>	<u>Golf</u>	<u>Portland International Raceway</u>
LIABILITIES			
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 190	\$ 203,129	\$ 40,273
Compensated absences	36,146	201,888	72,074
Bonds payable	13,447	109,869	251,150
Accrued interest payable	92,136	4,272	4,608
Unearned revenue	-	-	-
Pollution remediation	-	-	-
	<u>141,919</u>	<u>519,158</u>	<u>368,105</u>
Current liabilities (payable from restricted assets):			
Bonds payable	<u>2,390,000</u>	<u>-</u>	<u>-</u>
	<u>2,531,919</u>	<u>519,158</u>	<u>368,105</u>
Noncurrent liabilities:			
Compensated absences	1,174	6,434	2,325
Bonds payable	4,433,836	1,542,925	807,022
Accrued interest payable	71,688	585,735	112,757
Other postemployment benefits	5,813	128,695	33,453
Pollution remediation	-	-	-
Other liabilities	-	-	-
	<u>4,512,511</u>	<u>2,263,789</u>	<u>955,557</u>
	<u>7,044,430</u>	<u>2,782,947</u>	<u>1,323,662</u>
NET POSITION			
Net investment in capital assets	18,457,614	11,285,443	1,470,240
Restricted for:			
Debt service	2,265,609	-	-
Capital projects	10,423,355	-	-
Unrestricted	<u>(87,242)</u>	<u>(255,158)</u>	<u>(48,363)</u>
	<u>\$ 31,059,336</u>	<u>\$ 11,030,285</u>	<u>\$ 1,421,877</u>

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Headwaters Apartment Complex</u>	<u>Total</u>
\$ 178,101	\$ 46,758	\$ 349,280	\$ 208,003	\$ -	\$ 1,025,734
163,283	-	-	45,143	-	518,534
34,118	1,372,098	5,133,869	788	311,525	7,226,864
1,327	143,063	126,146	31	124,966	496,549
-	228,360	-	-	-	228,360
-	-	-	1,040,000	-	1,040,000
<u>376,829</u>	<u>1,790,279</u>	<u>5,609,295</u>	<u>1,293,965</u>	<u>436,491</u>	<u>10,536,041</u>
-	-	-	-	-	2,390,000
<u>376,829</u>	<u>1,790,279</u>	<u>5,609,295</u>	<u>1,293,965</u>	<u>436,491</u>	<u>12,926,041</u>
5,257	-	-	1,466	-	16,656
479,122	14,245,995	36,359,066	11,062	9,948,386	67,827,414
181,888	-	-	4,200	-	956,268
58,539	839	144	13,700	-	241,183
-	-	-	2,675,000	-	2,675,000
-	-	-	-	385,546	385,546
<u>724,806</u>	<u>14,246,834</u>	<u>36,359,210</u>	<u>2,705,428</u>	<u>10,333,932</u>	<u>72,102,067</u>
<u>1,101,635</u>	<u>16,037,113</u>	<u>41,968,505</u>	<u>3,999,393</u>	<u>10,770,423</u>	<u>85,028,108</u>
258,251	9,533,791	57,004,852	3,669,760	391,352	102,071,303
-	-	-	-	-	2,265,609
-	-	-	1,014,945	254,335	11,692,635
<u>2,133,154</u>	<u>6,763,163</u>	<u>6,285,311</u>	<u>(499,113)</u>	<u>34,954</u>	<u>14,326,706</u>
<u>\$ 2,391,405</u>	<u>\$ 16,296,954</u>	<u>\$ 63,290,163</u>	<u>\$ 4,185,592</u>	<u>\$ 680,641</u>	<u>\$ 130,356,253</u>

City of Portland, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>CityFleet Operating</u>
ASSETS			
Current assets (unrestricted):			
Cash and investments	\$ 17,316,200	\$ 27,867,064	\$ 22,441,993
Receivables:			
Accounts, net	-	244,335	167,811
Notes and loans, net	-	-	53,700
Accrued interest	24,027	52,030	30,401
Due from component unit	-	4,292	-
Internal loans receivable	-	49,113	49,113
Inventories	-	-	1,126,804
Prepaid expenses	-	14,734	-
	<u>17,340,227</u>	<u>28,231,568</u>	<u>23,869,822</u>
Total current assets (unrestricted)			
Current assets (restricted):			
Cash and investments	-	406,438	-
	<u>-</u>	<u>406,438</u>	<u>-</u>
Total current assets	<u>17,340,227</u>	<u>28,638,006</u>	<u>23,869,822</u>
Noncurrent assets (unrestricted):			
Capital assets, not being depreciated or amortized:			
Land	-	10,032,583	87,000
Construction in progress	-	19,668,079	6,137,900
Capital assets, being depreciated or amortized:			
Infrastructure	-	-	-
Buildings	-	149,868,383	440,834
Improvements to land	-	873,162	-
Equipment	-	947,208	69,135,933
Intangible assets:			
Software	-	772,701	158,600
Accumulated depreciation and amortization	-	(64,013,489)	(33,741,019)
	<u>-</u>	<u>(64,013,489)</u>	<u>(33,741,019)</u>
Capital assets net of accumulated depreciation and amortization	-	118,148,627	42,219,248
Receivables:			
Notes and loans, net	-	-	322,200
Internal loans receivable	-	423,649	423,649
Prepaid pension obligation	200,332	1,078,908	2,535,369
	<u>200,332</u>	<u>1,078,908</u>	<u>2,535,369</u>
Total noncurrent assets (unrestricted)	<u>200,332</u>	<u>119,651,184</u>	<u>45,500,466</u>
Noncurrent assets (restricted):			
Cash and investments	-	4,985,612	-
	<u>-</u>	<u>4,985,612</u>	<u>-</u>
Total noncurrent assets	<u>200,332</u>	<u>124,636,796</u>	<u>45,500,466</u>
Total assets	<u>\$ 17,540,559</u>	<u>\$ 153,274,802</u>	<u>\$ 69,370,288</u>

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Enterprise Business Solutions Services	Total
\$ 622,940	\$ 25,247,284	\$ 16,365,019	\$ 23,728,055	\$ 2,478,459	\$ 136,067,014
131,853	158,683	-	579,551	-	1,282,233
-	-	-	-	-	53,700
433	37,191	24,321	32,737	7,251	208,391
11,086	-	-	21,357	-	36,735
-	-	-	39,290	-	137,516
-	-	-	371,204	-	1,498,008
-	-	-	399,591	-	414,325
<u>766,312</u>	<u>25,443,158</u>	<u>16,389,340</u>	<u>25,171,785</u>	<u>2,485,710</u>	<u>139,697,922</u>
-	-	-	461,249	-	867,687
<u>766,312</u>	<u>25,443,158</u>	<u>16,389,340</u>	<u>25,633,034</u>	<u>2,485,710</u>	<u>140,565,609</u>
-	-	-	348,929	-	10,468,512
-	276,529	174,047	7,322,675	87,054	33,666,284
-	-	-	11,983,338	-	11,983,338
-	-	-	4,709,188	-	155,018,405
-	-	-	-	-	873,162
2,527,360	-	-	27,664,876	-	100,275,377
315,337	91,468	6,445	3,953,099	37,347,190	42,644,840
<u>(2,384,839)</u>	<u>(75,327)</u>	<u>(3,033)</u>	<u>(33,712,149)</u>	<u>(36,528,457)</u>	<u>(170,458,313)</u>
457,858	292,670	177,459	22,269,956	905,787	184,471,605
-	-	-	-	-	322,200
-	-	-	338,921	-	1,186,219
859,181	473,441	442,839	3,013,328	-	8,603,398
<u>1,317,039</u>	<u>766,111</u>	<u>620,298</u>	<u>25,622,205</u>	<u>905,787</u>	<u>194,583,422</u>
-	-	-	-	-	4,985,612
<u>1,317,039</u>	<u>766,111</u>	<u>620,298</u>	<u>25,622,205</u>	<u>905,787</u>	<u>199,569,034</u>
\$ 2,083,351	\$ 26,209,269	\$ 17,009,638	\$ 51,255,239	\$ 3,391,497	\$ 340,134,643

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City of Portland, Oregon
Combining Statement of Net Position, Continued
Internal Service Funds
June 30, 2014

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>CityFleet Operating</u>
LIABILITIES			
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 1,991,301	\$ 1,994,666	\$ 881,906
Self insurance claims	4,599,000	-	-
Compensated absences	100,095	194,283	409,253
Bonds payable	20,279	6,625,948	256,648
Accrued interest payable	789	178,658	9,979
Due to component unit	-	1,703,821	-
Unearned revenue	-	73,167	-
	<u>6,711,464</u>	<u>10,770,543</u>	<u>1,557,786</u>
Total current liabilities (unrestricted)			
Current liabilities (payable from restricted assets):			
Accounts payable	-	406,438	-
	<u>6,711,464</u>	<u>11,176,981</u>	<u>1,557,786</u>
Total current liabilities			
Noncurrent liabilities:			
Self insurance claims	-	-	-
Bonds payable	284,791	33,924,491	3,604,199
Accrued interest payable	108,115	582,253	1,368,249
Other postemployment benefits	25,467	96,037	217,087
	<u>418,373</u>	<u>34,602,781</u>	<u>5,189,535</u>
Total noncurrent liabilities			
	<u>7,129,837</u>	<u>45,779,762</u>	<u>6,747,321</u>
Total liabilities			
NET POSITION			
Net investment in capital assets	-	84,226,767	42,219,248
Restricted for:			
Community development	-	-	-
Unrestricted	<u>10,410,722</u>	<u>23,268,273</u>	<u>20,403,719</u>
	<u>\$ 10,410,722</u>	<u>\$ 107,495,040</u>	<u>\$ 62,622,967</u>
Total net position			

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Enterprise Business Solutions Services	Total
\$ 230,038	\$ 34,561	\$ 73,134	\$ 1,480,028	\$ 163,037	\$ 6,848,671
-	5,486,097	1,952,039	-	-	12,037,136
105,934	111,235	39,711	1,619,288	184,157	2,763,956
86,973	47,925	44,828	305,032	4,087,665	11,475,298
3,382	1,863	1,743	11,860	37,427	245,701
-	-	-	-	-	1,703,821
-	-	-	-	-	73,167
<u>426,327</u>	<u>5,681,681</u>	<u>2,111,455</u>	<u>3,416,208</u>	<u>4,472,286</u>	<u>35,147,750</u>
-	-	-	-	-	406,438
<u>426,327</u>	<u>5,681,681</u>	<u>2,111,455</u>	<u>3,416,208</u>	<u>4,472,286</u>	<u>35,554,188</u>
-	8,152,679	6,279,023	-	-	14,431,702
1,221,390	673,022	629,530	4,283,664	7,193,316	51,814,403
463,671	255,497	238,986	1,626,192	-	4,642,963
70,536	33,818	25,437	598,684	30,683	1,097,749
<u>1,755,597</u>	<u>9,115,016</u>	<u>7,172,976</u>	<u>6,508,540</u>	<u>7,223,999</u>	<u>71,986,817</u>
<u>2,181,924</u>	<u>14,796,697</u>	<u>9,284,431</u>	<u>9,924,748</u>	<u>11,696,285</u>	<u>107,541,005</u>
457,858	292,671	177,459	22,269,957	(10,375,195)	139,268,765
-	-	-	461,249	-	461,249
<u>(556,431)</u>	<u>11,119,901</u>	<u>7,547,748</u>	<u>18,599,285</u>	<u>2,070,407</u>	<u>92,863,624</u>
<u>\$ (98,573)</u>	<u>\$ 11,412,572</u>	<u>\$ 7,725,207</u>	<u>\$ 41,330,491</u>	<u>\$ (8,304,788)</u>	<u>\$ 232,593,638</u>

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2014

	Hydroelectric Power	Golf	Portland International Raceway
Operating revenues:			
Service charges and fees	\$ -	\$ 6,195,048	\$ 358,655
Service charges and fees provided internally	53,453	-	-
Licenses and permits	-	-	-
Rents and reimbursements	-	453,095	926,335
Concessions	-	1,319,141	123,226
Parking fees	-	-	-
Power sales	3,963,281	-	-
Miscellaneous	38,016	23,676	16,085
	<u>4,054,750</u>	<u>7,990,960</u>	<u>1,424,301</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	275,304	3,490,462	799,914
Operating supplies	1,816	522,697	126,810
Professional services	20,440	201,715	28,573
Materials and services provided internally	212,354	957,073	179,803
Utilities	-	237,692	94,256
Utility license fees	-	-	-
Miscellaneous	130,529	2,588,242	214,994
Depreciation and amortization	607,392	760,884	158,106
	<u>1,247,835</u>	<u>8,758,765</u>	<u>1,602,456</u>
Total operating expenses			
Operating income	<u>2,806,915</u>	<u>(767,805)</u>	<u>(178,155)</u>
Nonoperating revenues (expenses):			
Investment earnings (losses)	16,562	11,815	3,446
Interest expense	(412,071)	(116,652)	(79,993)
Debt issuance costs	-	-	-
Gains (losses) on sale of capital assets	-	475	-
	<u>(395,509)</u>	<u>(104,362)</u>	<u>(76,547)</u>
Total nonoperating revenues (expenses)			
Income before contributions and transfers	2,411,406	(872,167)	(254,702)
Transfers in	-	-	11
Transfers out	(303,707)	(30,285)	(5,831)
Capital contributions	-	-	-
	<u>2,107,699</u>	<u>(902,452)</u>	<u>(260,522)</u>
Change in net position			
Total net position - beginning	<u>28,951,637</u>	<u>11,932,737</u>	<u>1,682,399</u>
Total net position - ending	<u>\$ 31,059,336</u>	<u>\$ 11,030,285</u>	<u>\$ 1,421,877</u>

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Headwaters Apartment Complex	Total
\$ 2,236,729	\$ -	\$ 1,832,437	\$ 2,759,056	\$ 868,533	\$ 14,250,458
12,000	803,591	7,000	418,313	-	1,294,357
2,811,795	-	-	-	-	2,811,795
-	863,217	6,335,355	506,863	-	9,084,865
-	-	-	-	-	1,442,367
-	10,858,184	1,619,666	-	-	12,477,850
-	-	-	-	-	3,963,281
45,097	371,253	679,462	244,628	-	1,418,217
<u>5,105,621</u>	<u>12,896,245</u>	<u>10,473,920</u>	<u>3,928,860</u>	<u>868,533</u>	<u>46,743,190</u>
2,185,400	189,229	168,960	381,100	-	7,490,369
230,040	9,858	625	1,331	-	893,177
303,625	1,543	95,261	690,425	-	1,341,582
1,736,071	2,066,537	369,447	1,009,854	-	6,531,139
-	52	-	-	-	332,000
-	-	-	122,970	-	122,970
551,494	3,438,022	-	4,412,654	175	11,336,110
7,905	604,018	3,225,776	69,017	224,793	5,657,891
<u>5,014,535</u>	<u>6,309,259</u>	<u>3,860,069</u>	<u>6,687,351</u>	<u>224,968</u>	<u>33,705,238</u>
<u>91,086</u>	<u>6,586,986</u>	<u>6,613,851</u>	<u>(2,758,491)</u>	<u>643,565</u>	<u>13,037,952</u>
11,857	56,901	55,980	36,189	5,031	197,781
(36,224)	(530,451)	(2,066,845)	(837)	(496,652)	(3,739,725)
-	-	(22,908)	-	-	(22,908)
-	-	(566,711)	-	-	(566,236)
<u>(24,367)</u>	<u>(473,550)</u>	<u>(2,600,484)</u>	<u>35,352</u>	<u>(491,621)</u>	<u>(4,131,088)</u>
66,719	6,113,436	4,013,367	(2,723,139)	151,944	8,906,864
-	-	-	80,000	-	80,011
(9,404)	(5,249,230)	(107,044)	(215)	-	(5,705,716)
-	-	330,422	-	-	330,422
<u>57,315</u>	<u>864,206</u>	<u>4,236,745</u>	<u>(2,643,354)</u>	<u>151,944</u>	<u>3,611,581</u>
<u>2,334,090</u>	<u>15,432,748</u>	<u>59,053,418</u>	<u>6,828,946</u>	<u>528,697</u>	<u>126,744,672</u>
<u>\$ 2,391,405</u>	<u>\$ 16,296,954</u>	<u>\$ 63,290,163</u>	<u>\$ 4,185,592</u>	<u>\$ 680,641</u>	<u>\$ 130,356,253</u>

City of Portland, Oregon
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating
Operating revenues:			
Service charges and fees	\$ 8,314,280	\$ 56,160	\$ 1,325,099
Service charges and fees provided internally	47,279,352	24,712,173	27,056,444
Licenses and permits	-	251	-
Rents and reimbursements	-	959,068	-
Miscellaneous	1,030,643	933,197	164,125
Total operating revenues	56,624,275	26,660,849	28,545,668
Operating expenses:			
Salaries and wages	1,350,388	3,566,155	7,553,107
Operating supplies	5,818	841,594	9,194,538
Professional services	1,929,827	887,705	20,818
Materials and services provided internally	618,199	3,171,374	1,335,829
Utilities	365	3,179,858	32,311
Claims	46,036,482	-	-
Utility license fees	-	-	-
Miscellaneous	3,497,961	16,183,093	2,602,079
Depreciation and amortization	-	3,060,452	5,543,904
Total operating expenses	53,439,040	30,890,231	26,282,586
Operating income (loss)	3,185,235	(4,229,382)	2,263,082
Nonoperating revenues (expenses):			
Investment earnings (losses)	115,599	288,244	163,830
Interest expense	(21,532)	(1,120,915)	(272,492)
Gains (losses) on sale of capital assets	-	-	314,049
Total non-operating revenues (expenses)	94,067	(832,671)	205,387
Income before contributions and transfers	3,279,302	(5,062,053)	2,468,469
Transfers in	4,690	3,352,005	183,556
Transfers out	(25,591)	(190,969)	(70,746)
Capital contributions	-	-	1,628
Change in net position	3,258,401	(1,901,017)	2,582,907
Total net position - beginning	7,152,321	109,396,057	60,040,060
Total net position - ending	\$ 10,410,722	\$ 107,495,040	\$ 62,622,967

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Enterprise Business Solutions Services	Total
\$ 871,796	\$ -	\$ -	\$ 5,129,907	\$ -	\$ 15,697,242
4,901,184	9,252,581	3,365,820	40,631,796	12,489,788	169,689,138
-	-	-	-	-	251
-	-	-	-	-	959,068
44,289	364,323	281,502	546,823	123	3,365,025
<u>5,817,269</u>	<u>9,616,904</u>	<u>3,647,322</u>	<u>46,308,526</u>	<u>12,489,911</u>	<u>189,710,724</u>
1,853,190	1,135,788	1,087,985	23,982,175	2,474,224	43,003,012
437,062	2,890	4,484	1,923,578	110,206	12,520,170
1,156	195,001	181,638	731,331	388,563	4,336,039
922,321	2,724,476	708,616	5,175,797	4,488,681	19,145,293
135	-	-	53,395	-	3,266,064
-	3,568,050	1,593,094	-	-	51,197,626
-	-	-	27,264	-	27,264
2,528,668	2,714,634	478,601	11,623,144	629,487	40,257,667
167,860	5,381	379	2,323,776	7,469,438	18,571,190
<u>5,910,392</u>	<u>10,346,220</u>	<u>4,054,797</u>	<u>45,840,460</u>	<u>15,560,599</u>	<u>192,324,325</u>
<u>(93,123)</u>	<u>(729,316)</u>	<u>(407,475)</u>	<u>468,066</u>	<u>(3,070,688)</u>	<u>(2,613,601)</u>
3,898	206,518	130,051	205,784	25,573	1,139,497
(92,342)	(50,883)	(47,595)	(323,863)	(420,793)	(2,350,415)
-	-	-	-	-	314,049
<u>(88,444)</u>	<u>155,635</u>	<u>82,456</u>	<u>(118,079)</u>	<u>(395,220)</u>	<u>(896,869)</u>
(181,567)	(573,681)	(325,019)	349,987	(3,465,908)	(3,510,470)
38,151	1,100	5,135	196,964	477,739	4,259,340
(23,973)	(3,296,209)	(12,357)	(7,084,094)	-	(10,703,939)
-	-	-	136,117	-	137,745
<u>(167,389)</u>	<u>(3,868,790)</u>	<u>(332,241)</u>	<u>(6,401,026)</u>	<u>(2,988,169)</u>	<u>(9,817,324)</u>
68,816	15,281,362	8,057,448	47,731,517	(5,316,619)	242,410,962
<u>\$ (98,573)</u>	<u>\$ 11,412,572</u>	<u>\$ 7,725,207</u>	<u>\$ 41,330,491</u>	<u>\$ (8,304,788)</u>	<u>\$ 232,593,638</u>

**City of Portland, Oregon
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2014**

	Hydroelectric Power	Golf	Portland International Raceway
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,963,282	\$ 8,059,747	\$ 1,431,260
Receipts from interfund services provided	38,016	-	-
Payments to suppliers	(181,579)	(3,489,813)	(452,172)
Payments to employees	(267,256)	(3,436,917)	(786,541)
Payments for interfund services used	(158,902)	(957,073)	(179,803)
	<u>3,393,561</u>	<u>175,944</u>	<u>12,744</u>
Net cash provided by (used for) operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	11
Transfers out	(303,707)	(30,285)	(5,831)
Proceeds from internal loans	-	-	-
	<u>(303,707)</u>	<u>(30,285)</u>	<u>(5,820)</u>
Net cash provided by (used for) noncapital financing activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of bonds and notes	-	-	-
Proceeds from sale of capital assets	-	475	-
Acquisition of capital assets	-	(135,824)	-
Principal paid on bonds and notes	(2,281,793)	(96,355)	(233,549)
Interest paid on bonds, notes and capital leases	(435,500)	(51,982)	(68,643)
Payments for bond issuance costs	-	-	-
	<u>(2,717,293)</u>	<u>(283,686)</u>	<u>(302,192)</u>
Net cash provided by (used for) capital related financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	9,107	(51,889)	4,098
	<u>9,107</u>	<u>(51,889)</u>	<u>4,098</u>
Net cash provided by (used for) investing activities			
Net increase (decrease) in cash and cash equivalents	381,668	(189,916)	(291,170)
CASH AND CASH EQUIVALENTS, July 1, 2013			
	<u>14,846,764</u>	<u>1,535,605</u>	<u>616,899</u>
CASH AND CASH EQUIVALENTS, June 30, 2014			
	<u>\$ 15,228,432</u>	<u>\$ 1,345,689</u>	<u>\$ 325,729</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Unrestricted cash and cash equivalents	\$ 149,468	\$ 1,345,689	\$ 325,729
Restricted cash and cash equivalents	15,078,964	-	-
	<u>15,228,432</u>	<u>1,345,689</u>	<u>325,729</u>
Total cash and cash equivalents	<u>\$ 15,228,432</u>	<u>\$ 1,345,689</u>	<u>\$ 325,729</u>

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Headwaters Apartment Complex	Total
\$ 4,762,975	\$ 12,088,181	\$ 10,278,440	\$ 3,510,549	\$ 775,191	\$ 44,869,625
12,000	803,591	7,000	418,313	493,007	1,771,927
(1,121,269)	(3,683,395)	(205,970)	(2,345,469)	(175)	(11,479,842)
(2,149,041)	(189,085)	(168,816)	(376,933)	-	(7,374,589)
(1,736,071)	(2,066,537)	(369,447)	(1,009,854)	(418,313)	(6,896,000)
(231,406)	6,952,755	9,541,207	196,606	849,710	20,891,121
-	-	-	80,000	-	80,011
(9,404)	(5,249,230)	(107,044)	(215)	-	(5,705,716)
-	5,445,000	-	-	-	5,445,000
(9,404)	195,770	(107,044)	79,785	-	(180,705)
-	-	21,915,000	-	-	21,915,000
-	-	1,632	-	-	2,107
-	-	(3,006,449)	-	-	(3,142,273)
(29,921)	(1,275,000)	(26,074,000)	(691)	(285,000)	(30,276,309)
(16,141)	(604,127)	(2,262,195)	(375)	(511,292)	(3,950,255)
-	-	(22,908)	-	-	(22,908)
(46,062)	(1,879,127)	(9,448,920)	(1,066)	(796,292)	(15,474,638)
14,035	51,526	58,252	39,073	5,374	129,576
14,035	51,526	58,252	39,073	5,374	129,576
(272,837)	5,320,924	43,495	314,398	58,792	5,365,354
1,654,957	1,845,017	6,271,038	4,185,680	646,902	31,602,862
\$ 1,382,120	\$ 7,165,941	\$ 6,314,533	\$ 4,500,078	\$ 705,694	\$ 36,968,216
\$ 1,382,120	\$ 7,165,941	\$ 6,314,533	\$ 3,485,133	\$ 451,359	\$ 20,619,972
-	-	-	1,014,945	254,335	16,348,244
\$ 1,382,120	\$ 7,165,941	\$ 6,314,533	\$ 4,500,078	\$ 705,694	\$ 36,968,216

Continued next page

**City of Portland, Oregon
Nonmajor Enterprise Funds
Combining Statement of Cash Flows, Continued
For the Year Ended June 30, 2014**

	Hydroelectric Power	Golf	Portland International Raceway
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 2,806,915	\$ (767,805)	\$ (178,155)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	607,392	760,884	158,106
Change in assets and liabilities:			
Accounts and advances receivable	8,615	139,187	20,512
Due from / to component unit	-	-	-
Accounts payable	(28,794)	60,533	12,461
Compensated absences	(711)	(20,248)	(902)
Unearned revenue	-	-	-
Other postemployment benefits	144	3,393	722
Pollution remediation	-	-	-
	\$ 3,393,561	\$ 175,944	\$ 12,744
 Net cash provided by (used for) operating activities			
	\$ 3,393,561	\$ 175,944	\$ 12,744
 Noncash information			
Non-operating prepaid PERS amortization	\$ (8,615)	\$ (70,401)	\$ (13,553)
Capital contributions	-	-	-
Increase (decrease) in fair value of investments (classified as cash equivalents)	(48,148)	3,859	1,140

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Headwaters Apartment Complex	Total
\$ 91,086	\$ 6,586,986	\$ 6,613,851	\$ (2,758,491)	\$ 643,565	\$ 13,037,952
7,905	604,018	3,225,776	69,017	224,793	5,657,891
(308,785)	(4,473)	(188,481)	506	-	(332,919)
-	-	-	-	(18,648)	(18,648)
(36,109)	(257,185)	(110,083)	26,912	-	(332,265)
12,692	-	-	3,445	-	(5,724)
-	23,265	-	-	-	23,265
1,805	144	144	217	-	6,569
-	-	-	2,855,000	-	2,855,000
<u>\$ (231,406)</u>	<u>\$ 6,952,755</u>	<u>\$ 9,541,207</u>	<u>\$ 196,606</u>	<u>\$ 849,710</u>	<u>\$ 20,891,121</u>
\$ (21,862)	\$ -	\$ -	\$ (506)	\$ -	\$ (114,937)
-	-	330,422	-	-	330,422
4,058	19,803	17,322	12,107	1,891	12,032

**City of Portland, Oregon
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2014**

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>CityFleet Operating</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 9,344,923	\$ 1,945,808	\$ 1,815,330
Receipts from interfund services provided	47,279,352	24,712,172	27,056,444
Payments to suppliers	(51,128,069)	(20,114,173)	(12,872,920)
Payments to employees	(1,304,822)	(3,506,310)	(7,515,567)
Payments for interfund services used	(618,199)	(3,171,372)	(1,335,829)
	<u>3,573,185</u>	<u>(133,875)</u>	<u>7,147,458</u>
Net cash provided by (used for) operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	4,690	3,352,005	46,840
Transfers out	(25,591)	(190,969)	(70,746)
Proceeds from internal loans	-	48,747	48,747
	<u>(20,901)</u>	<u>3,209,783</u>	<u>24,841</u>
Net cash provided by (used for) noncapital financing activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	-	-	1,295,878
Acquisition of capital assets	-	(2,057,041)	(7,734,514)
Principal paid on bonds and notes	(17,785)	(5,970,782)	(225,080)
Interest paid on bonds and notes	(9,596)	(1,638,798)	(121,425)
	<u>(27,381)</u>	<u>(9,666,621)</u>	<u>(6,785,141)</u>
Net cash provided by (used for) capital related financing activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	114,744	313,083	171,398
	<u>114,744</u>	<u>313,083</u>	<u>171,398</u>
Net cash provided by (used for) investing activities			
Net increase (decrease) in cash and cash equivalent	3,639,647	(6,277,630)	558,556
CASH AND CASH EQUIVALENTS, July 1, 2013	<u>13,676,553</u>	<u>39,536,744</u>	<u>21,883,437</u>
CASH AND CASH EQUIVALENTS, June 30, 2014	<u>\$ 17,316,200</u>	<u>\$ 33,259,114</u>	<u>\$ 22,441,993</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Unrestricted cash and cash equivalents	\$ 17,316,200	\$ 27,867,064	\$ 22,441,993
Restricted cash and cash equivalents	-	5,392,050	-
Total cash and cash equivalents	<u>\$ 17,316,200</u>	<u>\$ 33,259,114</u>	<u>\$ 22,441,993</u>

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Enterprise Business Solutions Services	Total
\$ 906,993	\$ 227,865	\$ 281,503	\$ 6,367,786	\$ 123	\$ 20,890,331
4,901,184	9,252,581	3,365,820	40,631,796	12,489,789	169,689,138
(2,955,678)	(6,625,491)	(2,212,774)	(14,769,639)	(1,363,035)	(112,041,779)
(1,816,138)	(68,158)	(1,794,053)	(23,882,487)	(2,419,187)	(42,306,722)
(922,321)	(2,724,476)	(708,616)	(5,175,796)	(4,488,681)	(19,145,290)
<u>114,040</u>	<u>62,321</u>	<u>(1,068,120)</u>	<u>3,171,660</u>	<u>4,219,009</u>	<u>17,085,678</u>
38,151	1,100	5,135	196,964	477,739	4,122,624
(23,973)	(3,296,209)	(12,357)	(7,084,094)	-	(10,703,939)
-	-	-	38,997	-	136,491
<u>14,178</u>	<u>(3,295,109)</u>	<u>(7,222)</u>	<u>(6,848,133)</u>	<u>477,739</u>	<u>(6,444,824)</u>
-	-	-	-	-	1,295,878
(111,615)	(244,357)	(141,806)	(2,706,387)	(87,054)	(13,082,774)
(76,275)	(42,030)	(39,314)	(267,512)	(3,790,000)	(10,428,778)
(41,149)	(22,673)	(21,208)	(144,318)	(601,512)	(2,600,679)
<u>(229,039)</u>	<u>(309,060)</u>	<u>(202,328)</u>	<u>(3,118,217)</u>	<u>(4,478,566)</u>	<u>(24,816,353)</u>
<u>4,568</u>	<u>220,772</u>	<u>137,707</u>	<u>228,431</u>	<u>26,795</u>	<u>1,217,498</u>
<u>4,568</u>	<u>220,772</u>	<u>137,707</u>	<u>228,431</u>	<u>26,795</u>	<u>1,217,498</u>
(96,253)	(3,321,076)	(1,139,963)	(6,566,259)	244,977	(12,958,001)
<u>719,193</u>	<u>28,568,360</u>	<u>17,504,982</u>	<u>30,755,563</u>	<u>2,233,482</u>	<u>154,878,314</u>
<u>\$ 622,940</u>	<u>\$ 25,247,284</u>	<u>\$ 16,365,019</u>	<u>\$ 24,189,304</u>	<u>\$ 2,478,459</u>	<u>\$ 141,920,313</u>
\$ 622,940	\$ 25,247,284	\$ 16,365,019	\$ 23,728,055	\$ 2,478,459	\$ 136,067,014
-	-	-	461,249	-	5,853,299
<u>\$ 622,940</u>	<u>\$ 25,247,284</u>	<u>\$ 16,365,019</u>	<u>\$ 24,189,304</u>	<u>\$ 2,478,459</u>	<u>\$ 141,920,313</u>

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City of Portland, Oregon
Internal Service Funds
Combining Statement of Cash Flows, Continued
For the Year Ended June 30, 2014

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>CityFleet Operating</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating income (loss)	\$ 3,185,235	\$ (4,229,382)	\$ 2,263,082
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation and amortization of capital assets	-	3,060,452	5,543,904
Accounts and advances receivable	12,995	71,407	326,104
Due (from) to component unit	-	1,699,529	-
Inventories	-	-	187,291
Accounts payable	42,679	(729,762)	(1,210,464)
Self insurance claims	299,706	-	-
Compensated absences	31,776	(12,592)	32,055
Unearned revenue	-	4,019	-
Other postemployment benefits	794	2,454	5,486
	<u>794</u>	<u>2,454</u>	<u>5,486</u>
Net cash provided by (used for) operating activities	<u>\$ 3,573,185</u>	<u>\$ (133,875)</u>	<u>\$ 7,147,458</u>
Noncash information:			
Prepaid PERS amortization	\$ (12,995)	\$ (69,984)	\$ (164,456)
Capital contribution	-	-	1,628
Increase (decrease) in fair value of investments (classified as cash equivalents)	44,158	96,697	61,223

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Enterprise Business Solutions Services	Total
\$ (93,123)	\$ (729,316)	\$ (407,475)	468,066	\$ (3,070,688)	\$ (2,613,601)
167,860	5,381	379	2,323,776	7,469,438	18,571,190
44,192	(105,748)	28,725	881,946	-	1,259,621
2,447	-	-	4,569	-	1,706,545
-	-	-	371,689	-	558,980
11,343	(144,917)	45,044	(782,613)	(234,778)	(3,003,468)
-	1,043,495	(737,426)	-	-	605,775
(20,195)	(7,512)	2,128	(110,355)	53,665	(31,030)
-	-	-	-	-	4,019
1,516	938	505	14,582	1,372	27,647
<u>\$ 114,040</u>	<u>\$ 62,321</u>	<u>\$ (1,068,120)</u>	<u>\$ 3,171,660</u>	<u>\$ 4,219,009</u>	<u>\$ 17,085,678</u>
\$ (55,731)	\$ (30,709)	\$ (28,725)	\$ (195,460)	-	\$ (558,060)
-	-	-	136,117	-	137,745
1,793	72,191	45,946	72,006	6,608	400,622



Portland Waterfront Promenade

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, 2014

	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	\$ 21,001,685	\$ 750,000	\$ 19,349	\$ 21,771,034
Receivables:				
Accounts, net	700	-	-	700
Pension recovery	42,198	-	-	42,198
Accrued interest	81,685	-	31	81,716
Due from other funds	8,231,915	-	-	8,231,915
Prepaid expense	270,312	-	684	270,996
	<u>29,628,495</u>	<u>750,000</u>	<u>20,064</u>	<u>30,398,559</u>
Total current assets				
Capital assets:				
Construction in progress	5,035	-	-	5,035
Intangible assets:				
Software	536,704	-	-	536,704
Accumulated depreciation and amortization	(53,670)	-	-	(53,670)
	<u>488,069</u>	<u>-</u>	<u>-</u>	<u>488,069</u>
Net capital assets				
Total assets	<u>30,116,564</u>	<u>750,000</u>	<u>20,064</u>	<u>30,886,628</u>
LIABILITIES				
Accounts payable	8,925,923	-	39	8,925,962
Compensated absences	810,727	-	-	810,727
Accrued interest payable	146,940	-	-	146,940
Bonds payable	411,622	-	-	411,622
Other postemployment benefits	38,428	-	-	38,428
	<u>10,333,640</u>	<u>-</u>	<u>39</u>	<u>10,333,679</u>
Total liabilities				
NET POSITION				
Held in trust for pension benefits	<u>19,782,924</u>	<u>750,000</u>	<u>20,025</u>	<u>20,552,949</u>
Total net position	<u>\$ 19,782,924</u>	<u>\$ 750,000</u>	<u>\$ 20,025</u>	<u>\$ 20,552,949</u>

City of Portland, Oregon
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2014

	Mt. Hood Cable Regulatory Commission	Trustee	Multnomah County Business Income Tax	Clearing Funds	Total
ASSETS					
Cash and investments	\$ 8,962,421	\$ 9,601,773	\$ 873,562	\$ 22,971,858	\$ 42,409,614
Receivables:					
Accounts, net	1,704,333	29,530	-	406,773	2,140,636
Advances	448,168	-	-	-	448,168
Accrued interest	13,752	439	2,356	52	16,599
	<u>11,128,674</u>	<u>9,631,742</u>	<u>875,918</u>	<u>23,378,683</u>	<u>45,015,017</u>
Total assets					
	<u>11,128,674</u>	<u>9,631,742</u>	<u>875,918</u>	<u>23,378,683</u>	<u>45,015,017</u>
LIABILITIES					
Accounts payable	382,172	7,597	-	3,130,877	3,520,646
Salaries and withholding taxes	-	-	-	18,320,047	18,320,047
Due to other governments	10,746,502	-	-	-	10,746,502
Other liabilities	-	9,624,145	875,918	1,927,759	12,427,822
	<u>11,128,674</u>	<u>9,631,742</u>	<u>875,918</u>	<u>23,378,683</u>	<u>45,015,017</u>
Total liabilities					
	<u>11,128,674</u>	<u>9,631,742</u>	<u>875,918</u>	<u>23,378,683</u>	<u>45,015,017</u>
NET POSITION					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

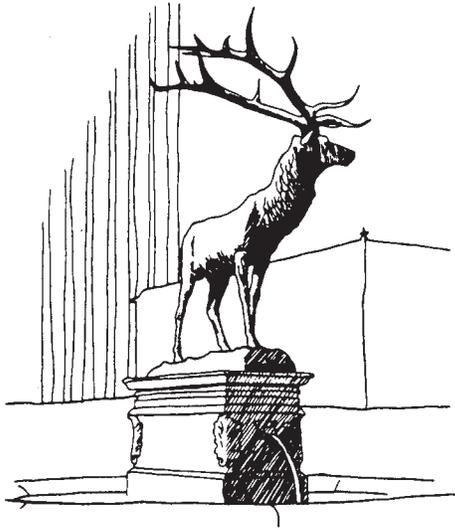
City of Portland, Oregon
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2014

	Fire and Police Disability and Retirement	Fire and Police Disability and Retirement Reserve	Fire and Police Supplemental Retirement Reserve	Total
ADDITIONS				
Contributions:				
Employer	\$ 120,013,176	\$ -	\$ -	\$ 120,013,176
Other	662,326	-	-	662,326
Total contributions	120,675,502	-	-	120,675,502
Investment earnings	312,468	-	121	312,589
Total additions	120,987,970	-	121	120,988,091
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries	114,024,585	-	8,269	114,032,854
Administrative expenses	3,585,476	-	-	3,585,476
Total deductions	117,610,061	-	8,269	117,618,330
Change in net position	3,377,909	-	(8,148)	3,369,761
Net position - beginning	16,405,015	750,000	28,173	17,183,188
Net position - ending	<u>\$ 19,782,924</u>	<u>\$ 750,000</u>	<u>\$ 20,025</u>	<u>\$ 20,552,949</u>

City of Portland, Oregon
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Mt. Hood Cable Regulatory Commission				
Assets:				
Cash and investments	\$ 6,785,444	\$ 9,474,254	\$ 7,297,277	\$ 8,962,421
Receivables:				
Accounts, net	1,773,061	8,331,582	8,400,310	1,704,333
Advances	1,021,592	1,307,238	1,880,662	448,168
Accrued interest	12,878	34,182	33,308	13,752
Total assets	<u>\$ 9,592,975</u>	<u>\$ 19,147,256</u>	<u>\$ 17,611,557</u>	<u>\$ 11,128,674</u>
Liabilities:				
Accounts payable	\$ 403,624	\$ 15,155,020	\$ 15,176,472	\$ 382,172
Due to other government	9,189,351	34,323,727	32,766,576	10,746,502
Total liabilities	<u>\$ 9,592,975</u>	<u>\$ 49,478,747</u>	<u>\$ 47,943,048</u>	<u>\$ 11,128,674</u>
Trustee				
Assets:				
Cash and investments	\$ 8,638,264	\$ 49,988,463	\$ 49,024,954	\$ 9,601,773
Receivables:				
Accounts, net	57,042	2,017,432	2,044,944	29,530
Accrued interest	627	1,664	1,852	439
Total assets	<u>\$ 8,695,933</u>	<u>\$ 52,007,559</u>	<u>\$ 51,071,750</u>	<u>\$ 9,631,742</u>
Liabilities:				
Accounts payable	12,658	7,766,916	7,771,977	7,597
Other liabilities	8,683,275	52,618,313	51,677,443	9,624,145
Total liabilities	<u>\$ 8,695,933</u>	<u>\$ 60,385,229</u>	<u>\$ 59,449,420</u>	<u>\$ 9,631,742</u>
Multnomah Co. Business Income Tax				
Assets:				
Cash and investments	\$ 2,060,053	\$ 66,419,843	\$ 67,606,334	\$ 873,562
Receivables:				
Accrued interest	3,186	9,649	10,479	2,356
Total assets	<u>\$ 2,063,239</u>	<u>\$ 66,429,492</u>	<u>\$ 67,616,813</u>	<u>\$ 875,918</u>
Total liabilities	<u>\$ 2,063,239</u>	<u>\$ 71,489,392</u>	<u>\$ 72,676,713</u>	<u>\$ 875,918</u>
Clearing				
Assets:				
Cash and investments	\$ 22,032,906	\$ 1,244,795,404	\$ 1,243,856,452	\$ 22,971,858
Receivables:				
Accounts, net	367,845	1,937,318,105	1,937,279,177	406,773
Accrued interest	68	196	212	52
Total assets	<u>\$ 22,400,819</u>	<u>\$ 3,182,113,705</u>	<u>\$ 3,181,135,841</u>	<u>\$ 23,378,683</u>
Liabilities:				
Accounts payable	4,214,533	255,076,976	256,160,632	3,130,877
Salaries and withholding taxes	16,092,933	915,964,858	913,737,744	18,320,047
Other liabilities	2,093,353	421,238,550	421,404,144	1,927,759
Total liabilities	<u>\$ 22,400,819</u>	<u>\$ 1,592,280,384</u>	<u>\$ 1,591,302,520</u>	<u>\$ 23,378,683</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 39,516,667	\$ 1,370,677,964	\$ 1,367,785,017	\$ 42,409,614
Receivables:				
Accounts, net	2,197,948	1,947,667,119	1,947,724,431	2,140,636
Advances	1,021,592	1,307,238	1,880,662	448,168
Accrued interest	16,759	45,691	45,851	16,599
Total assets	<u>\$ 42,752,966</u>	<u>\$ 3,319,698,012</u>	<u>\$ 3,317,435,961</u>	<u>\$ 45,015,017</u>
Liabilities:				
Accounts payable	\$ 4,630,815	\$ 277,998,912	\$ 279,109,081	\$ 3,520,646
Salaries and withholding taxes	16,092,933	915,964,858	913,737,744	18,320,047
Due to other government	9,189,351	34,323,727	32,766,576	10,746,502
Other liabilities	12,839,867	545,346,255	545,758,300	12,427,822
Total liabilities	<u>\$ 42,752,966</u>	<u>\$ 1,773,633,752</u>	<u>\$ 1,771,371,701</u>	<u>\$ 45,015,017</u>

Schedules of Revenues and Expenditures Governmental Funds - Budget and Actual



David P. Thompson Fountain, 1900

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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 Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Current year property	\$ 188,608,652	\$ 188,608,652	\$ 192,669,972	\$ 4,061,320
Prior year property	4,204,859	4,204,859	3,971,945	(232,914)
Lodging	19,052,588	19,052,588	22,317,995	3,265,407
Total taxes	211,866,099	211,866,099	218,959,912	7,093,813
Licenses and permits:				
Business licenses, net	79,063,630	79,063,630	81,020,111	1,956,481
Public utility licenses	77,396,471	77,396,471	80,934,161	3,537,690
Construction permits	1,384,000	1,384,000	1,794,195	410,195
Other permits	4,183,785	4,183,785	4,131,882	(51,903)
Total licenses and permits	162,027,886	162,027,886	167,880,349	5,852,463
Intergovernmental:				
Federal cost sharing	170,000	170,000	412,646	242,646
State revenue sharing	13,819,575	13,819,575	15,139,774	1,320,199
State cost sharing	40,000	165,651	18,339	(147,312)
Multnomah County cost sharing	1,861,098	1,958,326	2,233,646	275,320
Local revenue sharing	3,895,216	3,895,216	3,013,319	(881,897)
Local cost sharing	6,015,761	6,204,817	6,227,020	22,203
Grant revenue	-	32,543	12,394	(20,149)
Overhead charges	143,280	143,280	143,280	-
Total intergovernmental	25,944,930	26,389,408	27,200,418	811,010
Charges for services:				
Public works and utility charges	-	-	1,165	1,165
Inspection fees	1,265,000	1,265,000	1,171,571	(93,429)
Rents and reimbursements	4,667,069	4,667,250	4,738,380	71,130
Parking fees	315,306	315,306	363,147	47,841
Concessions	22,900	22,900	44,666	21,766
Parks and recreation facilities fees	11,591,512	11,496,512	11,222,573	(273,939)
Other service charges	1,700,768	1,639,241	2,494,754	855,513
Total service charges and fees	19,562,555	19,406,209	20,036,256	630,047
Billings to other funds for services	23,409,113	23,931,421	22,652,985	(1,278,436)
Billings to other funds for overhead	26,820,138	26,820,138	26,820,138	-
Other:				
Assessments	-	-	2,257	2,257
Sales - other	1,789,584	1,824,334	1,231,729	(592,605)
Refunds	165,000	165,525	163,280	(2,245)
Donations	260,000	349,780	224,053	(125,727)
Investment earnings	952,977	955,238	794,590	(160,648)
Payment in lieu of taxes	912,641	912,641	924,647	12,006
Fines	157,150	157,150	199,297	42,147
Miscellaneous	515,600	614,527	1,015,413	400,886
Total other	4,752,952	4,979,195	4,555,266	(423,929)
Total revenues	474,383,673	475,420,356	488,105,324	12,684,968

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City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Public Safety				
Portland Police Bureau				
Personal services	129,360,101	131,448,921	130,420,529	1,028,392
Materials and services	38,645,779	38,952,980	36,431,358	2,521,622
Total Portland Police Bureau	168,005,880	170,401,901	166,851,887	3,550,014
Portland Fire and Rescue				
Personal services	85,207,698	85,791,040	84,453,107	1,337,933
Materials and services	11,009,134	11,823,460	10,548,564	1,274,896
Total Portland Fire and Rescue	96,216,832	97,614,500	95,001,671	2,612,829
Portland Office of Emergency Management				
Personal services	1,229,080	1,229,080	1,130,225	98,855
Materials and services	769,562	754,562	591,421	163,141
Total Portland Office of Emergency Management	1,998,642	1,983,642	1,721,646	261,996
Total Public Safety	266,221,354	270,000,043	263,575,204	6,424,839
Parks, Recreation and Culture				
Portland Parks and Recreation				
Personal services	41,989,285	41,996,253	41,466,608	529,645
Materials and services	21,667,057	22,174,081	21,414,208	759,873
Total Portland Parks and Recreation	63,656,342	64,170,334	62,880,816	1,289,518
Total Parks, Recreation and Culture	63,656,342	64,170,334	62,880,816	1,289,518
Community Development				
Portland Housing Bureau				
Personal services	496,132	500,382	480,830	19,552
Materials and services	9,709,508	11,454,065	10,585,008	869,057
Total Portland Housing Bureau	10,205,640	11,954,447	11,065,838	888,609
Bureau of Planning and Sustainability				
Personal services	6,856,716	6,944,242	6,941,999	2,243
Materials and services	1,124,919	1,122,894	880,852	242,042
Total Bureau of Planning and Sustainability	7,981,635	8,067,136	7,822,851	244,285
Office of Neighborhood Involvement				
Personal services	3,536,177	3,709,564	3,624,168	85,396
Materials and services	3,791,938	3,797,335	3,491,582	305,753
Total Office of Neighborhood Involvement	7,328,115	7,506,899	7,115,750	391,149

City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, Continued				
Current, Continued:				
Community Development, Continued:				
Portland Development Commission				
Materials and services	4,777,437	4,537,437	4,507,920	29,517
Total Portland Development Commission	<u>4,777,437</u>	<u>4,537,437</u>	<u>4,507,920</u>	<u>29,517</u>
Office of Equity & Human Rights				
Personal services	1,069,594	1,105,939	1,069,803	36,136
Materials and services	204,265	362,616	359,102	3,514
Total Office of Equity & Human Rights	<u>1,273,859</u>	<u>1,468,555</u>	<u>1,428,905</u>	<u>39,650</u>
Total Community Development	<u>31,566,686</u>	<u>33,534,474</u>	<u>31,941,264</u>	<u>1,593,210</u>
Legislative/ Admin/ Support Services				
Office of the City Attorney				
Personal services	8,676,258	8,676,132	8,390,345	285,787
Materials and services	1,581,834	1,581,960	1,209,262	372,698
Total Office of the City Attorney	<u>10,258,092</u>	<u>10,258,092</u>	<u>9,599,607</u>	<u>658,485</u>
Office of the City Auditor				
Personal services	5,594,428	5,494,785	5,345,801	148,984
Materials and services	3,890,288	3,692,003	3,320,894	371,109
Total Office of the City Auditor	<u>9,484,716</u>	<u>9,186,788</u>	<u>8,666,695</u>	<u>520,093</u>
City Budget Office				
Personal services	1,487,037	1,487,037	1,440,953	46,084
Materials and services	435,897	400,897	375,760	25,137
Total City Budget Office	<u>1,922,934</u>	<u>1,887,934</u>	<u>1,816,713</u>	<u>71,221</u>
Office of Government Relations				
Personal services	790,913	816,437	807,890	8,547
Materials and services	431,927	406,403	360,412	45,991
Total Office of Government Relations	<u>1,222,840</u>	<u>1,222,840</u>	<u>1,168,302</u>	<u>54,538</u>
Office of Management and Finance				
Personal services	27,767,624	27,235,985	26,277,717	958,268
Materials and services	16,397,525	17,204,449	14,125,891	3,078,558
Subtotal Office of Management and Finance	<u>44,165,149</u>	<u>44,440,434</u>	<u>40,403,608</u>	<u>4,036,826</u>
Special Appropriations				
Personal Services	217,554	258,554	253,264	5,290
Materials and services	8,437,940	9,719,942	8,629,474	1,090,468
Total Special Appropriations	<u>8,655,494</u>	<u>9,978,496</u>	<u>8,882,738</u>	<u>1,095,758</u>
Total Office of Management and Finance	<u>52,820,643</u>	<u>54,418,930</u>	<u>49,286,346</u>	<u>5,132,584</u>

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City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, Continued				
Current, Continued:				
Legislative/ Admin/ Support Services, Continued:				
Office of the Mayor				
Personal services	1,379,672	1,389,458	1,370,239	19,219
Materials and services	472,659	1,327,431	1,018,096	309,335
Total Office of the Mayor	1,852,331	2,716,889	2,388,335	328,554
Commissioner of Public Affairs				
Personal services	1,037,531	1,063,231	1,044,618	18,613
Materials and services	447,880	909,757	529,624	380,133
Total Commissioner of Public Affairs	1,485,411	1,972,988	1,574,242	398,746
Commissioner of Public Safety				
Personal services	759,503	724,503	649,147	75,356
Materials and services	149,639	184,939	141,659	43,280
Total Commissioner of Public Safety	909,142	909,442	790,806	118,636
Commissioner of Public Utilities				
Personal services	781,965	780,965	737,927	43,038
Materials and services	126,235	213,235	176,586	36,649
Total Commissioner of Public Utilities	908,200	994,200	914,513	79,687
Commissioner of Public Works				
Personal services	778,145	778,451	762,290	16,161
Materials and services	130,778	134,803	114,964	19,839
Total Commissioner of Public Works	908,923	913,254	877,254	36,000
Total Legislative/ Admin/ Support Services	81,773,232	84,481,357	77,082,813	7,398,544
Nondepartmental				
General operating contingencies	8,282,547	7,134,550	-	7,134,550
Total Nondepartmental	8,282,547	7,134,550	-	7,134,550
Debt service and related costs:				
Principal	4,428,158	4,428,158	4,428,158	-
Interest	2,747,550	2,757,550	2,396,432	361,118
Total debt service and related costs	7,175,708	7,185,708	6,824,590	361,118
Capital outlay	185,000	1,062,598	684,239	378,359
Total expenditures	458,860,869	467,569,064	442,988,926	24,580,138
Revenues over (under) expenditures	15,522,804	7,851,292	45,116,398	37,265,106

City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Emergency Communication	-	555,813	555,813	-
Development Services	-	56,742	56,742	-
General Reserve	587,874	587,874	587,874	-
Parks Local Option Levy	1,009,362	-	-	-
Pension Debt Redemption	170,114	170,114	170,114	-
Hydroelectric Power Operating	300,000	300,000	300,000	-
Parking Facilities	270,730	270,730	270,730	-
Spectator Facilities Operating	17,044	17,044	17,044	-
Insurance and Claims Operating	2,463,000	2,463,000	2,463,000	-
Technology Services	6,478,170	6,734,992	6,514,992	(220,000)
	<u>11,296,294</u>	<u>11,156,309</u>	<u>10,936,309</u>	<u>(220,000)</u>
Total transfers from other funds				
Transfers to other funds:				
Transportation Operating	(8,696,362)	(9,176,362)	(9,176,362)	-
Assessment Collection	(28)	(28)	(28)	-
Emergency Communication	(13,256,197)	(13,671,736)	(13,671,736)	-
Development Services	(1,939,470)	(1,994,874)	(1,994,874)	-
General Reserve	(1,903,236)	(9,998,236)	(9,998,236)	-
Housing Investment	-	(48,000)	(48,000)	-
Portland Parks Memorial	(36,200)	(67,200)	(67,200)	-
Pension Debt Redemption	(1,391,823)	(1,391,823)	(1,391,823)	-
Governmental Bond Redemption	(1,435,044)	(1,435,044)	(1,435,044)	-
Parks Capital Improvement Program	(1,194,459)	(4,562,459)	(4,562,459)	-
Sewer System Operating	(900,552)	(900,552)	(900,552)	-
Facilities Services Operating	(4,336,643)	(4,795,473)	(4,795,473)	-
Technology Services	(176,193)	(176,193)	(176,193)	-
	<u>(35,266,207)</u>	<u>(48,217,980)</u>	<u>(48,217,980)</u>	<u>-</u>
Total transfers to other funds				
Internal loan remittances	(150,000)	(150,000)	(136,491)	13,509
	<u>(24,119,913)</u>	<u>(37,211,671)</u>	<u>(37,418,162)</u>	<u>(206,491)</u>
Total other financing sources (uses)				
Net change in fund balance	(8,597,109)	(29,360,379)	7,698,236	37,058,615
Fund balance -- beginning	8,597,109	29,360,379	29,369,078	29,369,076
Fund balance -- ending	<u>-</u>	<u>-</u>	<u>37,067,314</u>	<u>66,427,691</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			60,077,408	
Unrealized gain on investments			152,182	
Internal loans			695,000	
Inventories			299,864	
Internal loans payable			(1,323,735)	
Fund balance - GAAP basis			<u>\$ 96,968,033</u>	



Rose Festival Fireworks

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.

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. 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.

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.

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.

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City of Portland, Oregon
Assessment Collection Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Assessments	\$ 250	\$ 250	\$ 137	\$ (113)
Investment earnings	750	750	1,178	428
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,315</u>	<u>315</u>
EXPENDITURES				
Current:				
Materials and services	1,531	1,531	1,531	-
General operating contingencies	78,550	78,550	-	78,550
Total expenditures	<u>80,081</u>	<u>80,081</u>	<u>1,531</u>	<u>78,550</u>
Revenues over (under) expenditures	<u>(79,081)</u>	<u>(79,081)</u>	<u>(216)</u>	<u>78,865</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	28	28	28	-
Total other financing sources (uses)	<u>28</u>	<u>28</u>	<u>28</u>	<u>-</u>
Net change in fund balance	(79,053)	(79,053)	(188)	78,865
Fund balance - beginning	<u>79,053</u>	<u>79,053</u>	<u>79,247</u>	<u>194</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	79,059	<u>\$ 79,059</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>151</u>	
Fund balance - GAAP basis			<u>\$ 79,210</u>	

City of Portland, Oregon
Emergency Communication Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
State revenue sharing	\$ 6,918,638	\$ 6,918,638	\$ 3,668,363	\$ (3,250,275)
Local cost sharing	180,192	35,194	3,111,368	3,076,174
Charges for services:				
Other service charges	285,950	285,950	327,690	41,740
Other:				
Sales - other	-	-	393	393
Investment earnings	50,000	50,000	10,712	(39,288)
Total revenues	<u>7,434,780</u>	<u>7,289,782</u>	<u>7,118,526</u>	<u>(171,256)</u>
EXPENDITURES				
Current:				
Personal services	13,687,772	14,129,458	13,668,849	460,609
Materials and services	4,777,104	4,984,344	4,258,067	726,277
General operating contingencies	2,502,431	1,591,615	-	1,591,615
Overhead charges - General Fund	862,787	862,787	862,787	-
Debt service and related costs:				
Principal	1,288,252	1,288,252	1,127,002	161,250
Interest	69,494	69,494	221,673	(152,179)
Total expenditures	<u>23,187,840</u>	<u>22,925,950</u>	<u>20,138,378</u>	<u>2,787,572</u>
Revenues over (under) expenditures	<u>(15,753,060)</u>	<u>(15,636,168)</u>	<u>(13,019,852)</u>	<u>2,616,316</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	13,256,197	13,671,736	13,671,736	-
Facilities Services Operating	-	9,093	9,093	-
Insurance and Claims Operating	51,000	51,000	51,000	-
Technology Services	-	12,387	12,387	-
Total transfers from other funds	<u>13,307,197</u>	<u>13,744,216</u>	<u>13,744,216</u>	<u>-</u>
Transfers to other funds:				
General	-	(555,813)	(555,813)	-
Pension Debt Redemption	(35,204)	(35,204)	(35,204)	-
Technology Services	-	(58,680)	(58,680)	-
Total transfers to other funds	<u>(35,204)</u>	<u>(649,697)</u>	<u>(649,697)</u>	<u>-</u>
Total other financing sources (uses)	<u>13,271,993</u>	<u>13,094,519</u>	<u>13,094,519</u>	<u>-</u>
Net change in fund balance	(2,481,067)	(2,541,649)	74,667	2,616,316
Fund balance - beginning	<u>2,481,067</u>	<u>2,541,649</u>	<u>2,542,676</u>	<u>1,027</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,617,343</u>	<u>\$ 2,617,343</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>3,407</u>	
Fund balance - GAAP basis			<u>\$ 2,620,750</u>	

City of Portland, Oregon
Development Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Construction permits	\$ 22,322,137	\$ 22,322,137	\$ 30,761,943	\$ 8,439,806
Other permits	532,027	532,027	650,374	118,347
Intergovernmental:				
Service charges and fees:				
Public works and utility charges	-	-	307	307
Inspection fees	1,552,062	1,552,062	2,072,777	520,715
Parking fees	-	-	4,870	4,870
Other service charges	7,357,085	7,357,085	10,365,878	3,008,793
Billings to other funds for services	929,161	942,438	921,290	(21,148)
Other:				
Sales - other	-	-	2,154	2,154
Assessments	2,229,973	2,229,973	1,774,659	(455,314)
Investment earnings	-	-	399,003	399,003
Miscellaneous	-	-	4,480	4,480
Total revenues	34,922,445	34,935,722	46,957,735	12,022,013
EXPENDITURES				
Current:				
Personal services	25,189,551	26,516,646	23,296,012	3,220,634
Materials and services	11,168,433	10,561,148	10,133,746	427,402
General operating contingencies	8,620,199	16,067,204	-	16,067,204
Overhead charges - General Fund	771,213	771,213	771,213	-
Debt service and related costs:				
Principal	562,104	562,104	562,104	-
Interest	447,566	348,770	303,244	45,526
Capital outlay	-	2,838,726	2,623,267	215,459
Total expenditures	46,759,066	57,665,811	37,689,586	19,976,225
Revenues over (under) expenditures	(11,836,621)	(22,730,089)	9,268,149	31,998,238
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,939,470	1,994,874	1,994,874	-
Facilities Services Operating	-	60,988	60,988	-
Insurance and Claims Operating	94,000	94,000	94,000	-
Technology Services	-	9,141	9,141	-
Total transfers from other funds	2,033,470	2,159,003	2,159,003	-
Transfers to other funds:				
General	-	(56,742)	(56,742)	-
Pension Debt Redemption	(176,677)	(176,677)	(176,677)	-
Total transfers to other funds	(176,677)	(233,419)	(233,419)	-
Loans issued	1,802,343	1,802,343	-	(1,802,343)
Internal loan remittances	-	(25,000)	-	25,000
Total other financing sources (uses)	3,659,136	3,702,927	1,925,584	(1,777,343)
Net change in fund balance	(8,177,485)	(19,027,162)	11,193,733	30,220,895
Fund balance - beginning	13,177,485	24,027,162	24,027,163	1
Fund balance - ending	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	35,220,896	<u>\$ 30,220,896</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			66,880	
Fund balance - GAAP basis			<u>\$ 35,287,776</u>	

City of Portland, Oregon
Property Management License Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Business licenses, net	\$ 5,115,650	\$ 5,528,150	\$ 4,943,561	\$ (584,589)
Charges for services:				
Other service charges	300	-	-	-
Other:				
Investment earnings	2,935	2,165	2,594	429
Total revenues	<u>5,118,885</u>	<u>5,530,315</u>	<u>4,946,155</u>	<u>(584,160)</u>
EXPENDITURES				
Current:				
Materials and services	5,118,885	5,569,084	4,946,155	622,929
Total expenditures	<u>5,118,885</u>	<u>5,569,084</u>	<u>4,946,155</u>	<u>622,929</u>
Revenues over (under) expenditures	<u>-</u>	<u>(38,769)</u>	<u>-</u>	<u>38,769</u>
Net change in fund balance	-	(38,769)	-	38,769
Fund balance - beginning	<u>-</u>	<u>38,769</u>	<u>38,816</u>	<u>47</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	38,816	<u>\$ 38,816</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>509</u>	
Fund balance - GAAP basis			<u>\$ 39,325</u>	

**City of Portland, Oregon
Convention and Tourism Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Lodging	\$ 9,622,500	\$ 13,918,108	\$ 12,745,071	\$ (1,173,037)
Other:				
Investment earnings	8,000	6,500	6,933	433
Total revenues	<u>9,630,500</u>	<u>13,924,608</u>	<u>12,752,004</u>	<u>(1,172,604)</u>
EXPENDITURES				
Current:				
Materials and services	9,574,380	14,051,648	12,730,934	1,320,714
Overhead charges - General Fund	56,120	56,120	56,120	-
Total expenditures	<u>9,630,500</u>	<u>14,107,768</u>	<u>12,787,054</u>	<u>1,320,714</u>
Revenues over (under) expenditures	<u>-</u>	<u>(183,160)</u>	<u>(35,050)</u>	<u>148,110</u>
Net change in fund balance	-	(183,160)	(35,050)	148,110
Fund balance - beginning	<u>-</u>	<u>183,160</u>	<u>183,342</u>	<u>182</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	148,292	<u>\$ 148,292</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>280</u>	
Fund balance - GAAP basis			<u>\$ 148,572</u>	

City of Portland, Oregon
General Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Other:				
Investment earnings	\$ 125,399	\$ 125,399	\$ 281,926	\$ 156,527
EXPENDITURES				
Current:				
General operating contingencies	52,525,502	55,346,852	-	55,346,852
Revenues over (under) expenditures	(52,400,103)	(55,221,453)	281,926	55,503,379
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,903,236	9,998,236	9,998,236	-
Transfers to other funds:				
General	(587,874)	(587,874)	(587,874)	-
Internal loan proceeds	-	8,707,000	1,150,000	(7,557,000)
Internal loan remittances	-	(5,273,650)	(695,000)	4,578,650
Total other financing sources (uses)	1,315,362	12,843,712	9,865,362	(2,978,350)
Net change in fund balance	(51,084,741)	(42,377,741)	10,147,288	52,525,029
Fund balance - beginning	51,084,741	42,377,741	49,930,120	7,552,379
Fund balance - ending	\$ -	\$ -	60,077,408	\$ 60,077,408
Adjustment to generally accepted accounting principles (GAAP) basis:				
General Reserve Fund budgeted as separate fund - to General Fund			(60,077,408)	
Fund balance - GAAP basis			\$ -	

City of Portland, Oregon
Transportation Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ 2,510	\$ 2,510	\$ 12,606	\$ 10,096
Total revenues	<u>2,510</u>	<u>2,510</u>	<u>12,606</u>	<u>10,096</u>
EXPENDITURES				
Current:				
General operating contingencies	<u>3,012,787</u>	<u>3,012,787</u>	<u>-</u>	<u>3,012,787</u>
Total expenditures	<u>3,012,787</u>	<u>3,012,787</u>	<u>-</u>	<u>3,012,787</u>
Revenues over (under) expenditures	<u>(3,010,277)</u>	<u>(3,010,277)</u>	<u>12,606</u>	<u>3,022,883</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Transportation Operating	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Internal loan proceeds	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Total other financing sources (uses)	<u>500,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Net change in fund balance	(2,510,277)	(10,277)	3,012,606	3,022,883
Fund balance - beginning	<u>2,510,277</u>	<u>10,277</u>	<u>17,935</u>	<u>7,658</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>3,030,541</u>	<u>\$ 3,030,541</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Transportation Reserve Fund budgeted as separate fund - to Transportation Operating Fund			<u>(3,030,541)</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Housing Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
State cost sharing	\$ 42,500	\$ 42,500	\$ -	\$ (42,500)
Multnomah County cost sharing	97,394	97,394	-	(97,394)
Local cost sharing	-	21,795	-	(21,795)
Local revenue sharing	-	-	186,023	186,023
Charges for services:				
Other service charges	345,780	345,780	313,040	(32,740)
Other:				
Loan repayments	500,000	500,000	535,375	35,375
Refunds	-	-	87	87
Investment earnings	108,600	108,600	268,605	160,005
Total revenues	<u>1,094,274</u>	<u>1,116,069</u>	<u>1,303,130</u>	<u>187,061</u>
EXPENDITURES				
Current:				
Personal services	993,154	978,154	908,471	69,683
Materials and services	343,214	571,229	350,228	221,001
General operating contingencies	144,015	119,795	-	119,795
Overhead charges - General Fund	217,742	217,742	217,742	-
Total expenditures	<u>1,698,125</u>	<u>1,886,920</u>	<u>1,476,441</u>	<u>410,479</u>
Revenues over (under) expenditures	<u>(603,851)</u>	<u>(770,851)</u>	<u>(173,311)</u>	<u>597,540</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	-	48,000	48,000	-
Internal loan remittances	-	(150,000)	-	150,000
Total other financing sources (uses)	<u>-</u>	<u>(102,000)</u>	<u>48,000</u>	<u>150,000</u>
Net change in fund balance	(603,851)	(872,851)	(125,311)	747,540
Fund balance - beginning	<u>603,851</u>	<u>992,851</u>	<u>1,910,048</u>	<u>917,197</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 120,000</u>	1,784,737	<u>\$ 1,664,737</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			3,441	
Loans receivable, net			5,849,336	
Accrued interest receivable			328,681	
Fund balance - GAAP basis			<u>\$ 7,966,195</u>	

**City of Portland, Oregon
Parks Local Option Levy Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Prior year property	\$ 1,922	\$ 1,922	\$ 1,758	\$ (164)
Other:				
Investment earnings	8,099	8,099	10,317	2,218
Total revenues	<u>10,021</u>	<u>10,021</u>	<u>12,075</u>	<u>2,054</u>
EXPENDITURES				
Current:				
Personal services	132,632	943,884	835,807	108,077
Materials and services	209,234	209,234	169,956	39,278
General operating contingencies	727,895	926,009	-	926,009
Overhead charges - General Fund	3,104	3,104	3,104	-
Total expenditures	<u>1,072,865</u>	<u>2,082,231</u>	<u>1,008,867</u>	<u>1,073,364</u>
Revenues over (under) expenditures	<u>(1,062,844)</u>	<u>(2,072,210)</u>	<u>(996,792)</u>	<u>1,075,418</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	4	4	-
Transfers to other funds:				
General	(1,009,362)	-	-	-
Parks Capital Improvement Program	(65,787)	(65,787)	(65,787)	-
Total transfers to other funds	<u>(1,075,149)</u>	<u>(65,787)</u>	<u>(65,787)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,075,149)</u>	<u>(65,783)</u>	<u>(65,783)</u>	<u>-</u>
Net change in fund balance	(2,137,993)	(2,137,993)	(1,062,575)	1,075,418
Fund balance - beginning	<u>2,137,993</u>	<u>2,137,993</u>	<u>2,243,685</u>	<u>105,692</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,181,110	<u>\$ 1,181,110</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>2,254</u>	
Fund balance - GAAP basis			<u>\$ 1,183,364</u>	

**City of Portland, Oregon
Children's Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 8,402,748	\$ 8,402,748	\$ 9,302,428	\$ 899,680
Prior year property	250,000	250,000	250,045	45
Other:				
Investment earnings	-	-	20,183	20,183
Total revenues	<u>8,652,748</u>	<u>8,652,748</u>	<u>9,572,656</u>	<u>919,908</u>
EXPENDITURES				
Current:				
Personal services	469,451	469,451	458,577	10,874
Materials and services	9,155,731	9,155,557	8,349,707	805,850
General operating contingencies	2,566	2,740	-	2,740
Overhead charges - General Fund	25,000	25,000	25,000	-
Total expenditures	<u>9,652,748</u>	<u>9,652,748</u>	<u>8,833,284</u>	<u>819,464</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>739,372</u>	<u>1,739,372</u>
Net change in fund balance	(1,000,000)	(1,000,000)	739,372	1,739,372
Fund balance - beginning	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,534,903</u>	<u>534,903</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,274,275</u>	<u>\$ 2,274,275</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>7,361</u>	
Fund balance - GAAP basis			<u>\$ 2,281,636</u>	

City of Portland, Oregon
Community Development Block Grant Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Grant revenue	\$ 11,898,789	\$ 6,792,153	\$ 6,180,095	\$ (612,058)
Local cost sharing	-	30,669	-	(30,669)
Service charges and fees:				
Other service charges	-	10,000	10,826	826
Other:				
Refunds	-	-	6,648	6,648
Assessments	-	-	3,997	3,997
Investment earnings	54,000	54,000	274,797	220,797
Loan repayments	800,000	2,115,060	1,822,841	(292,219)
	<u>12,752,789</u>	<u>9,001,882</u>	<u>8,299,204</u>	<u>(702,678)</u>
Total revenues				
EXPENDITURES				
Current:				
Personal services	1,294,994	1,274,355	1,237,827	36,528
Materials and services	17,020,006	7,049,276	6,367,248	682,028
General operating contingencies	1,366,789	183,251	-	183,251
Debt service and related costs:				
Principal	320,000	320,000	272,000	48,000
Interest	175,000	175,000	212,053	(37,053)
	<u>20,176,789</u>	<u>9,001,882</u>	<u>8,089,128</u>	<u>912,754</u>
Total expenditures				
Revenues over (under) expenditures	<u>(7,424,000)</u>	<u>-</u>	<u>210,076</u>	<u>210,076</u>
OTHER FINANCING SOURCES (USES)				
Loans issued	7,424,000	-	-	-
Internal loan proceeds	-	150,000	-	(150,000)
Internal loan remittances	-	(150,000)	(150,000)	-
	<u>7,424,000</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Total other financing sources (uses)				
Net change in fund balance	-	-	60,076	60,076
Fund balance - beginning	-	-	42,550	42,550
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	102,626	<u>\$ 102,626</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Loans receivable, net			11,408,213	
Accrued interest receivable			15,200	
Fund balance - GAAP basis			<u>\$ 11,526,039</u>	

City of Portland, Oregon
HOME Grant Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Grant revenue	\$ 6,767,592	\$ 4,777,922	\$ 2,621,042	\$ (2,156,880)
Charges for services:				
Other service charges	-	1,000	797	(203)
Other:				
Refunds	-	-	189	189
Loan repayments	180,000	210,941	390,904	179,963
Investment earnings	26,300	26,300	88,184	61,884
	<u>6,973,892</u>	<u>5,016,163</u>	<u>3,101,116</u>	<u>(1,915,047)</u>
Total revenues				
EXPENDITURES				
Current:				
Personal services	362,951	359,251	274,864	84,387
Materials and services	6,469,708	4,656,912	2,976,268	1,680,644
General operating contingencies	172,174	50,000	-	50,000
	<u>7,004,833</u>	<u>5,066,163</u>	<u>3,251,132</u>	<u>1,815,031</u>
Total expenditures				
Revenues over (under) expenditures	<u>(30,941)</u>	<u>(50,000)</u>	<u>(150,016)</u>	<u>(100,016)</u>
OTHER FINANCING SOURCES (USES)				
Internal loan proceeds	-	50,000	-	(50,000)
Loans issued	30,941	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>30,941</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	-	-	(150,016)	(150,016)
Fund balance - beginning	-	-	288,997	288,997
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	138,981	<u>\$ 138,981</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Loans receivable, net			4,077,849	
Accrued interest receivable			88,781	
Fund balance - GAAP basis			<u>\$ 4,305,611</u>	

City of Portland, Oregon
Portland Parks Memorial Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Other permits	\$ 40,000	\$ 40,000	\$ 197,750	\$ 157,750
Service charges and fees:				
Rents and reimbursements	45,000	45,000	34,930	(10,070)
Parking fees	2,000,000	900,000	849,573	(50,427)
Parks and recreation facilities fees	9,500	9,500	167,539	158,039
Other service charges	20,000	20,000	-	(20,000)
Other:				
Donations	645,598	687,598	763,391	75,793
Investment earnings	15,542	15,542	16,497	955
Miscellaneous	-	-	92,344	92,344
	<u>2,775,640</u>	<u>1,717,640</u>	<u>2,122,024</u>	<u>404,384</u>
EXPENDITURES				
Current:				
Personal services	923,537	856,325	806,641	49,684
Materials and services	2,799,372	2,163,738	753,504	1,410,234
General operating contingencies	1,675,443	1,697,479	-	1,697,479
	<u>5,398,352</u>	<u>4,717,542</u>	<u>1,560,145</u>	<u>3,157,397</u>
Revenues over (under) expenditures	<u>(2,622,712)</u>	<u>(2,999,902)</u>	<u>561,879</u>	<u>3,561,781</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	36,200	67,200	67,200	-
Transfers to other funds:				
Parks Capital Improvement Program	(50,000)	(50,000)	(50,000)	-
	<u>(13,800)</u>	<u>17,200</u>	<u>17,200</u>	<u>-</u>
Net change in fund balance	(2,636,512)	(2,982,702)	579,079	3,561,781
Fund balance - beginning	<u>2,636,512</u>	<u>2,982,702</u>	<u>2,934,503</u>	<u>(48,199)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	3,513,582	<u>\$ 3,513,582</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>6,673</u>	
Fund balance - GAAP basis			<u>\$ 3,520,255</u>	

City of Portland, Oregon
Tax Increment Reimbursement Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Grant revenue	\$ -	\$ -	\$ 2,700,000	\$ 2,700,000
Local cost sharing	34,269,610	10,975,928	8,834,273	(2,141,655)
Charges for services:				
Other service charges	-	26,000	25,632	(368)
Other:				
Loan repayments	1,942,966	1,756,431	1,905,333	148,902
Refunds	-	-	124,772	124,772
Investment earnings	4,200	4,200	658,658	654,458
Sales of inventory	2,040,000	2,112,557	2,107,577	(4,980)
Total revenues	<u>38,256,776</u>	<u>14,875,116</u>	<u>16,356,245</u>	<u>1,481,129</u>
EXPENDITURES				
Current:				
Personal services	2,382,762	2,382,012	2,002,242	379,770
Materials and services	36,137,267	11,562,849	8,249,810	3,313,039
General operating contingencies	583,073	90,085	-	90,085
Overhead charges - General Fund	869,739	869,739	869,739	-
Debt service and related costs:				
Total expenditures	<u>39,972,841</u>	<u>14,904,685</u>	<u>11,121,791</u>	<u>3,782,894</u>
Revenues over (under) expenditures	<u>(1,716,065)</u>	<u>(29,569)</u>	<u>5,234,454</u>	<u>5,264,023</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	7,012	7,012	-
Loans issued	575,000	22,557	-	(22,557)
Total other financing sources (uses)	<u>575,000</u>	<u>29,569</u>	<u>7,012</u>	<u>(22,557)</u>
Net change in fund balance	(1,141,065)	-	5,241,466	5,241,466
Fund balance - beginning	1,141,065	-	3,011,945	3,011,945
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	8,253,411	<u>\$ 8,253,411</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			14,409	
Accrued interest receivable			226,576	
Loans receivable			31,081,533	
Property held for resale			11,213,852	
Fund balance - GAAP basis			<u>\$ 50,789,781</u>	

City of Portland, Oregon
Police Special Revenue Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Federal cost sharing	\$ 250,000	\$ 440,000	\$ 498,585	\$ 58,585
State revenue sharing	25,000	25,000	20,531	(4,469)
Other:				
Donations	4,500	104,500	241,154	136,654
Investment earnings	6,400	6,400	8,480	2,080
Total revenues	<u>285,900</u>	<u>575,900</u>	<u>768,750</u>	<u>192,850</u>
EXPENDITURES				
Current:				
Materials and services	1,260,935	1,930,851	464,687	1,466,164
General operating contingencies	105,684	105,684	-	105,684
Overhead charges - General Fund	11,675	11,675	11,675	-
Capital outlay	-	15,000	9,500	5,500
Total expenditures	<u>1,378,294</u>	<u>2,063,210</u>	<u>485,862</u>	<u>1,577,348</u>
Revenues over (under) expenditures	<u>(1,092,394)</u>	<u>(1,487,310)</u>	<u>282,888</u>	<u>1,770,198</u>
Net change in fund balance	(1,092,394)	(1,487,310)	282,888	1,770,198
Fund balance - beginning	<u>1,092,394</u>	<u>1,487,310</u>	<u>1,487,310</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,770,198	<u>\$ 1,770,198</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>3,417</u>	
Fund balance - GAAP basis			<u>\$ 1,773,615</u>	

City of Portland, Oregon
Arts Education and Access Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Miscellaneous	\$ 12,430,066	\$ 10,780,066	\$ 7,062,234	\$ (3,717,832)
Other:				
Investment earnings	<u>58,000</u>	<u>28,000</u>	<u>28,255</u>	<u>255</u>
Total revenues	<u>12,488,066</u>	<u>10,808,066</u>	<u>7,090,489</u>	<u>(3,717,577)</u>
EXPENDITURES				
Current:				
Materials and services	8,181,400	8,381,400	7,881,444	499,956
General operating contingencies	<u>11,940,553</u>	<u>9,679,990</u>	<u>-</u>	<u>9,679,990</u>
Total expenditures	<u>20,121,953</u>	<u>18,061,390</u>	<u>7,881,444</u>	<u>10,179,946</u>
Net change in fund balance	(7,633,887)	(7,253,324)	(790,955)	6,462,369
Fund balance - beginning	<u>7,633,887</u>	<u>7,253,324</u>	<u>7,259,407</u>	<u>6,083</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	6,468,452	<u>\$ 6,468,452</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>11,853</u>	
Fund balance - GAAP basis			<u>\$ 6,480,305</u>	

**City of Portland, Oregon
Community Solar Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Other:				
Donations	\$ -	\$ 50,000	\$ 15,475	\$ (34,525)
Investment earnings	-	-	43	43
Miscellaneous	-	-	2,905	2,905
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	50,000	18,423	(31,577)
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current:				
Materials and services	-	50,000	705	49,295
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	17,718	17,718
Fund balance - beginning	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance - ending	\$ -	\$ -	17,718	\$ 17,718
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			34	
			<hr/>	
Fund balance - GAAP basis			\$ 17,752	
			<hr/> <hr/>	



Feathered Water Customer

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.

Willamette Industrial Urban Renewal Area Debt Service Fund

This fund is established to achieve a proper matching of revenues and expenditures related to the newly created Willamette Industrial Urban Renewal Area and to achieve compliance with Oregon Revised Statutes which require that a separate fund be created for each urban renewal area.

Continued on back

Debt Service Funds Budget and Actual

Governmental Bond Redemption Fund

This fund accounts for payment of principal and interest on capital lease bond and note obligations.

Education Urban Renewal Area Debt Service Fund

This fund was established to account for the allocation of resources to pay principal and interest on tax increment bonded indebtedness related to financing and refinancing of improvements in the newly created Education Urban Renewal Area. Oregon Revised Statutes require that a separate fund be created for each urban renewal area.

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 Statutes 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 Statutes 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 Statutes 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 Statutes 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 Statutes 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 Statutes 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 Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 28,489,973	\$ 30,651,679	\$ 30,981,786	\$ 330,107
Prior year property	617,000	617,000	613,947	(3,053)
Other:				
Investment earnings	98,387	98,387	85,129	(13,258)
Total revenues	<u>29,205,360</u>	<u>31,367,066</u>	<u>31,680,862</u>	<u>313,796</u>
EXPENDITURES				
Debt service and related costs:				
Principal	25,967,888	29,664,020	29,485,000	179,020
Interest	3,237,472	3,239,472	3,186,320	53,152
Total expenditures	<u>29,205,360</u>	<u>32,903,492</u>	<u>32,671,320</u>	<u>232,172</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,536,426)</u>	<u>(990,458)</u>	<u>545,968</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Special Finance and Resource	-	2,000	772	(1,228)
Net change in fund balance	-	(1,534,426)	(989,686)	544,740
Fund balance - beginning	7,618,858	9,153,284	9,122,813	(30,471)
Fund balance - ending	<u>\$ 7,618,858</u>	<u>\$ 7,618,858</u>	8,133,127	<u>\$ 514,269</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>14,686</u>	
Fund balance - GAAP basis			<u>\$ 8,147,813</u>	

City of Portland, Oregon
Bonded Debt Interest and Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 10,149,015	\$ 10,149,015	\$ 10,242,895	\$ 93,880
Prior year property	197,000	197,000	206,715	9,715
Other:				
Investment earnings	30,000	30,000	26,421	(3,579)
Total revenues	<u>10,376,015</u>	<u>10,376,015</u>	<u>10,476,031</u>	<u>100,016</u>
EXPENDITURES				
Debt service and related costs:				
Principal	8,355,000	8,355,000	8,355,000	-
Interest	2,321,015	2,321,015	2,321,015	-
Total expenditures	<u>10,676,015</u>	<u>10,676,015</u>	<u>10,676,015</u>	<u>-</u>
Revenues over (under) expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>(199,984)</u>	<u>100,016</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	7,125,000	7,125,000
Bonds and notes premium	-	-	1,140,000	1,140,000
Payments to refunded loan and bond escrow agent	-	-	(8,265,000)	(8,265,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(300,000)	(300,000)	(199,984)	100,016
Fund balance - beginning	<u>300,000</u>	<u>300,000</u>	<u>538,464</u>	<u>238,464</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>338,480</u>	<u>\$ 338,480</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>352</u>	
Fund balance - GAAP basis			<u>\$ 338,832</u>	

City of Portland, Oregon
Downtown Waterfront Renewal Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 9,553,495	\$ 9,553,495	\$ 9,426,332	\$ (127,163)
Prior year property	244,000	244,000	202,140	(41,860)
Other:				
Investment earnings	<u>52,577</u>	<u>52,577</u>	<u>57,268</u>	<u>4,691</u>
Total revenues	<u>9,850,072</u>	<u>9,850,072</u>	<u>9,685,740</u>	<u>(164,332)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	5,805,000	5,805,000	5,805,000	-
Interest	<u>3,676,099</u>	<u>3,676,099</u>	<u>3,676,099</u>	<u>-</u>
Total expenditures	<u>9,481,099</u>	<u>9,481,099</u>	<u>9,481,099</u>	<u>-</u>
Net change in fund balance	368,973	368,973	204,641	(164,332)
Fund balance - beginning	<u>6,907,079</u>	<u>6,907,079</u>	<u>7,326,527</u>	<u>419,448</u>
Fund balance - ending	<u>\$ 7,276,052</u>	<u>\$ 7,276,052</u>	7,531,168	<u>\$ 255,116</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>14,106</u>	
Fund balance - GAAP basis			<u>\$ 7,545,274</u>	

City of Portland, Oregon
Interstate Corridor Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Current year property	\$ 16,576,484	\$ 18,074,000	\$ 18,223,361	\$ 149,361
Prior year property	273,000	273,000	295,153	22,153
Other:				
Investment earnings	65,548	65,548	59,306	(6,242)
Total revenues	<u>16,915,032</u>	<u>18,412,548</u>	<u>18,577,820</u>	<u>165,272</u>
EXPENDITURES				
Debt service and related costs:				
Principal	13,361,090	15,357,427	14,490,000	867,427
Interest	3,553,942	3,553,942	3,335,781	218,161
Debt issuance costs	-	-	7,842	(7,842)
Total expenditures	<u>16,915,032</u>	<u>18,911,369</u>	<u>17,833,623</u>	<u>1,077,746</u>
Revenues over (under) expenditures	<u>-</u>	<u>(498,821)</u>	<u>744,197</u>	<u>1,243,018</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	8,017,000	8,017,000
Payments to refunded loan and bond escrow agent	-	-	(8,009,158)	(8,009,158)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,842</u>	<u>7,842</u>
Net change in fund balance	-	(498,821)	752,039	1,250,860
Fund balance - beginning	<u>6,277,870</u>	<u>6,776,691</u>	<u>6,749,266</u>	<u>(27,425)</u>
Fund balance - ending	<u>\$ 6,277,870</u>	<u>\$ 6,277,870</u>	7,501,305	<u>\$ 1,223,435</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>13,870</u>	
Fund balance - GAAP basis			<u>\$ 7,515,175</u>	

City of Portland, Oregon
Pension Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ 15,000	\$ 15,000	\$ 13,419	\$ (1,581)
Miscellaneous	625,393	625,393	590,536	(34,857)
Total revenues	<u>640,393</u>	<u>640,393</u>	<u>603,955</u>	<u>(36,438)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	2,281,779	2,281,779	2,281,781	(2)
Interest	1,447,319	1,447,319	1,230,963	216,356
Debt issuance costs	354,454	354,454	308,973	45,481
Total expenditures	<u>4,083,552</u>	<u>4,083,552</u>	<u>3,821,717</u>	<u>261,835</u>
Revenues over (under) expenditures	<u>(3,443,159)</u>	<u>(3,443,159)</u>	<u>(3,217,762)</u>	<u>225,397</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,391,823	1,391,823	1,391,823	-
Transportation Operating	680,465	680,465	680,465	-
Emergency Communication	35,204	35,204	35,204	-
Development Services	176,677	176,677	176,677	-
Local Improvement District	12,602	12,602	12,602	-
Parks Capital Improvement Program	17,056	17,056	17,056	-
Sewer System Operating	483,596	483,596	483,596	-
Water	502,266	502,266	502,266	-
Hydroelectric Power Operating	3,707	3,707	3,707	-
Golf	30,285	30,285	30,285	-
Portland International Raceway	5,831	5,831	5,831	-
Solid Waste Management	9,404	9,404	9,404	-
Environmental Remediation	215	215	215	-
Health Insurance Operating	5,591	5,591	5,591	-
Facilities Services Operating	30,104	30,104	30,104	-
CityFleet Operating	70,746	70,746	70,746	-
Printing and Distribution Services Operating	23,973	23,973	23,973	-
Insurance and Claims Operating	13,209	13,209	13,209	-
Workers' Compensation Self Insurance Operating	12,357	12,357	12,357	-
Technology Services	84,081	84,081	84,081	-
Fire and Police Disability and Retirement	7,541	7,541	7,541	-
Total transfers from other funds	<u>3,596,733</u>	<u>3,596,733</u>	<u>3,596,733</u>	<u>-</u>
Transfers to other funds:				
General	<u>(170,114)</u>	<u>(170,114)</u>	<u>(170,114)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,426,619</u>	<u>3,426,619</u>	<u>3,426,619</u>	<u>-</u>
Net change in fund balance	(16,540)	(16,540)	208,857	225,397
Fund balance - beginning	<u>766,540</u>	<u>766,540</u>	<u>1,209,622</u>	<u>443,082</u>
Fund balance - ending	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>1,418,479</u>	<u>\$ 668,479</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>2,706</u>	
Fund balance - GAAP basis			<u>\$ 1,421,185</u>	

City of Portland, Oregon
South Park Block Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 7,237,983	\$ 7,237,983	\$ 7,071,427	\$ (166,556)
Prior year property	171,000	171,000	143,371	(27,629)
Other:				
Investment earnings	54,404	54,404	58,392	3,988
Total revenues	<u>7,463,387</u>	<u>7,463,387</u>	<u>7,273,190</u>	<u>(190,197)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	4,015,000	4,015,000	4,015,000	-
Interest	3,169,836	3,169,836	3,169,835	1
Total expenditures	<u>7,184,836</u>	<u>7,184,836</u>	<u>7,184,835</u>	<u>1</u>
Net change in fund balance	278,551	278,551	88,355	(190,196)
Fund balance - beginning	<u>8,470,739</u>	<u>8,470,739</u>	<u>8,656,320</u>	<u>185,581</u>
Fund balance - ending	<u>\$ 8,749,290</u>	<u>\$ 8,749,290</u>	8,744,675	<u>\$ (4,615)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>16,500</u>	
Fund balance - GAAP basis			<u>\$ 8,761,175</u>	

City of Portland, Oregon
Airport Way Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Taxes:				
Current year property	\$ 5,612,601	\$ 5,612,601	\$ 5,440,587	\$ (172,014)
Prior year property	123,000	123,000	114,694	(8,306)
Other:				
Investment earnings	18,876	18,876	19,822	946
Total revenues	5,754,477	5,754,477	5,575,103	(179,374)
EXPENDITURES				
Debt service and related costs:				
Principal	4,010,000	4,010,000	4,010,000	-
Interest	1,578,750	1,578,750	1,578,750	-
Total expenditures	5,588,750	5,588,750	5,588,750	-
Net change in fund balance	165,727	165,727	(13,647)	(179,374)
Fund balance - beginning	1,388,395	1,388,395	1,486,145	97,750
Fund balance - ending	\$ 1,554,122	\$ 1,554,122	1,472,498	\$ (81,624)
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			2,652	
Fund balance - GAAP basis			\$ 1,475,150	

City of Portland, Oregon
Gas Tax Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other:				
Investment earnings	\$ -	\$ -	\$ 7,398	\$ 7,398
EXPENDITURES				
Debt service and related costs:				
Principal	2,175,000	2,175,000	2,194,000	(19,000)
Interest	649,145	649,145	629,111	20,034
Debt issuance costs	-	-	1,328	(1,328)
Total expenditures	<u>2,824,145</u>	<u>2,824,145</u>	<u>2,824,439</u>	<u>(294)</u>
Revenues over (under) expenditures	<u>(2,824,145)</u>	<u>(2,824,145)</u>	<u>(2,817,041)</u>	<u>7,104</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Transportation Operating	2,824,145	2,824,145	2,795,767	(28,378)
Payments to refunded loan and bond escrow agent	-	-	(1,050,000)	(1,050,000)
Bonds and notes issued	-	-	1,073,000	1,073,000
Total other financing sources (uses)	<u>2,824,145</u>	<u>2,824,145</u>	<u>2,818,767</u>	<u>(5,378)</u>
Net change in fund balance	-	-	1,726	1,726
Fund balance - beginning	-	-	1,673,961	1,673,961
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,675,687</u>	<u>\$ 1,675,687</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 1,675,687</u>	

City of Portland, Oregon
Lents Town Center Urban Renewal Area Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 10,825,654	\$ 11,504,107	\$ 11,403,684	\$ (100,423)
Prior year property	203,000	203,000	201,374	(1,626)
Other:				
Investment earnings	38,004	38,004	31,087	(6,917)
Total revenues	<u>11,066,658</u>	<u>11,745,111</u>	<u>11,636,145</u>	<u>(108,966)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	9,237,807	9,916,260	9,855,000	61,260
Interest	1,828,851	1,828,851	1,797,489	31,362
Debt issuance costs	-	-	2,882	(2,882)
Total expenditures	<u>11,066,658</u>	<u>11,745,111</u>	<u>11,655,371</u>	<u>89,740</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(19,226)</u>	<u>(19,226)</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	2,882	2,882
Net change in fund balance	-	-	(16,344)	(16,344)
Fund balance - beginning	<u>3,032,592</u>	<u>3,032,592</u>	<u>3,236,818</u>	<u>204,226</u>
Fund balance - ending	<u>\$ 3,032,592</u>	<u>\$ 3,032,592</u>	3,220,474	<u>\$ 187,882</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>5,852</u>	
Fund balance - GAAP basis			<u>\$ 3,226,326</u>	

City of Portland, Oregon
Central Eastside Industrial District Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 5,624,319	\$ 5,624,319	\$ 5,849,304	\$ 224,985
Prior year property	121,000	121,000	110,438	(10,562)
Other:				
Investment earnings	23,481	23,481	21,730	(1,751)
Total revenues	<u>5,768,800</u>	<u>5,768,800</u>	<u>5,981,472</u>	<u>212,672</u>
EXPENDITURES				
Debt service and related costs:				
Principal	4,375,106	4,565,610	4,015,000	550,610
Interest	1,393,694	1,398,694	1,425,475	(26,781)
Debt issuance costs	-	-	2,639	(2,639)
Total expenditures	<u>5,768,800</u>	<u>5,964,304</u>	<u>5,443,114</u>	<u>521,190</u>
Revenues over (under) expenditures	<u>-</u>	<u>(195,504)</u>	<u>538,358</u>	<u>733,862</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Special Finance and Resource	-	5,000	4,239	(761)
Bonds and notes issued	-	-	6,186,639	6,186,639
Payments to refunded loan and bond escrow agent	-	-	(6,184,000)	(6,184,000)
Total other financing sources (uses)	<u>-</u>	<u>5,000</u>	<u>6,878</u>	<u>1,878</u>
Net change in fund balance	-	(190,504)	545,236	735,740
Fund balance - beginning	<u>2,405,863</u>	<u>2,596,367</u>	<u>2,588,148</u>	<u>(8,219)</u>
Fund balance - ending	<u>\$ 2,405,863</u>	<u>\$ 2,405,863</u>	3,133,384	<u>\$ 727,521</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>5,828</u>	
Fund balance - GAAP basis			<u>\$ 3,139,212</u>	

City of Portland, Oregon
Bancroft Bond Interest and Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Assessments	\$ 4,831,931	\$ 4,831,931	\$ 5,705,918	\$ 873,987
Investment earnings	2,667,956	2,667,956	2,651,800	(16,156)
Total revenues	<u>7,499,887</u>	<u>7,499,887</u>	<u>8,357,718</u>	<u>857,831</u>
EXPENDITURES				
Debt service and related costs:				
Principal	4,735,000	4,735,000	9,460,000	(4,725,000)
Interest	2,213,717	2,213,717	2,207,246	6,471
Total expenditures	<u>6,948,717</u>	<u>6,948,717</u>	<u>11,667,246</u>	<u>(4,718,529)</u>
Revenues over (under) expenditures	<u>551,170</u>	<u>551,170</u>	<u>(3,309,528)</u>	<u>(3,860,698)</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	3,687	3,687
Net change in fund balance	551,170	551,170	(3,305,841)	(3,857,011)
Fund balance - beginning	<u>14,668,389</u>	<u>14,668,389</u>	<u>15,189,064</u>	<u>520,675</u>
Fund balance - ending	<u>\$ 15,219,559</u>	<u>\$ 15,219,559</u>	11,883,223	<u>\$ (3,336,336)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>21,621</u>	
Fund balance - GAAP basis			<u>\$ 11,904,844</u>	

City of Portland, Oregon
Convention Center Area Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 8,928,943	\$ 8,928,943	\$ 8,637,261	\$ (291,682)
Prior year property	245,000	245,000	206,263	(38,737)
Other:				
Investment earnings	35,876	35,876	37,763	1,887
Total revenues	<u>9,209,819</u>	<u>9,209,819</u>	<u>8,881,287</u>	<u>(328,532)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	6,052,918	6,052,918	3,260,000	2,792,918
Interest	1,368,300	1,368,300	4,161,217	(2,792,917)
Total expenditures	<u>7,421,218</u>	<u>7,421,218</u>	<u>7,421,217</u>	<u>1</u>
Net change in fund balance	1,788,601	1,788,601	1,460,070	(328,531)
Fund balance - beginning	<u>3,507,948</u>	<u>3,507,948</u>	<u>3,914,929</u>	<u>406,981</u>
Fund balance - ending	<u>\$ 5,296,549</u>	<u>\$ 5,296,549</u>	5,374,999	<u>\$ 78,450</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>10,001</u>	
Fund balance - GAAP basis			<u>\$ 5,385,000</u>	

City of Portland, Oregon
North Macadam Urban Renewal Area Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 11,446,778	\$ 11,702,708	\$ 11,823,097	\$ 120,389
Prior year property	253,000	253,000	244,321	(8,679)
Other:				
Investment earnings	48,101	48,101	45,827	(2,274)
Total revenues	<u>11,747,879</u>	<u>12,003,809</u>	<u>12,113,245</u>	<u>109,436</u>
EXPENDITURES				
Debt service and related costs:				
Principal	8,808,523	9,294,563	8,120,000	1,174,563
Interest	2,939,356	2,939,356	2,764,357	174,999
Debt issuance costs	-	-	6,825	(6,825)
Total expenditures	<u>11,747,879</u>	<u>12,233,919</u>	<u>10,891,182</u>	<u>1,342,737</u>
Revenues over (under) expenditures	<u>-</u>	<u>(230,110)</u>	<u>1,222,063</u>	<u>1,452,173</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	15,927,680	15,927,680
Payments to refunded loan and bond escrow agent	-	-	(15,920,855)	(15,920,855)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,825</u>	<u>6,825</u>
Net change in fund balance	-	(230,110)	1,228,888	1,458,998
Fund balance - beginning	<u>4,965,650</u>	<u>5,195,760</u>	<u>5,178,507</u>	<u>(17,253)</u>
Fund balance - ending	<u>\$ 4,965,650</u>	<u>\$ 4,965,650</u>	6,407,395	<u>\$ 1,441,745</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>11,907</u>	
Fund balance - GAAP basis			<u>\$ 6,419,302</u>	

City of Portland, Oregon
Special Projects Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Local revenue sharing	\$ 6,261,016	\$ 6,261,016	\$ 6,261,016	\$ -
Other:				
Assessments	216,320	216,320	98,854	(117,466)
Investment earnings	-	-	119,435	119,435
	<u>6,477,336</u>	<u>6,477,336</u>	<u>6,479,305</u>	<u>1,969</u>
EXPENDITURES				
Debt service and related costs:				
Principal	1,703,297	1,703,297	1,703,297	-
Interest	4,770,039	4,770,039	4,770,039	-
	<u>6,473,336</u>	<u>6,473,336</u>	<u>6,473,336</u>	<u>-</u>
Net change in fund balance	4,000	4,000	5,969	1,969
Fund balance - beginning	-	-	46,366	46,366
Fund balance - ending	<u>\$ 4,000</u>	<u>\$ 4,000</u>	52,335	<u>\$ 48,335</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>97</u>	
Fund balance - GAAP basis			<u>\$ 52,432</u>	

City of Portland, Oregon
Gateway Urban Renewal Area Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 3,622,157	\$ 3,622,157	\$ 3,568,192	\$ (53,965)
Prior year property	67,000	67,000	67,019	19
Other:				
Investment earnings	8,979	8,979	5,602	(3,377)
Total revenues	<u>3,698,136</u>	<u>3,698,136</u>	<u>3,640,813</u>	<u>(57,323)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	3,858,396	3,940,631	3,500,000	440,631
Interest	208,160	208,160	74,193	133,967
Debt issuance costs	-	-	7,312	(7,312)
Total expenditures	<u>4,066,556</u>	<u>4,148,791</u>	<u>3,581,505</u>	<u>567,286</u>
Revenues over (under) expenditures	<u>(368,420)</u>	<u>(450,655)</u>	<u>59,308</u>	<u>509,963</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	12,552,386	12,552,386
Payments to refunded loan and bond escrow agent	-	-	(12,545,073)	(12,545,073)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,313</u>	<u>7,313</u>
Net change in fund balance	(368,420)	(450,655)	66,621	517,276
Fund balance - beginning	<u>368,420</u>	<u>450,655</u>	<u>449,048</u>	<u>(1,607)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>515,669</u>	<u>\$ 515,669</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>892</u>	
Fund balance - GAAP basis			<u>\$ 516,561</u>	

City of Portland, Oregon
Willamette Industrial Urban Renewal Area Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 694,203	\$ 908,203	\$ 1,154,575	\$ 246,372
Prior year property	22,000	22,000	17,962	(4,038)
Other:				
Investment earnings	1,562	1,562	2,147	585
Total revenues	<u>717,765</u>	<u>931,765</u>	<u>1,174,684</u>	<u>242,919</u>
EXPENDITURES				
Debt service and related costs:				
Principal	712,765	1,000,691	1,000,000	691
Interest	5,000	5,000	14	4,986
Total expenditures	<u>717,765</u>	<u>1,005,691</u>	<u>1,000,014</u>	<u>5,677</u>
Net change in fund balance	-	(73,926)	174,670	248,596
Fund balance - beginning	-	73,926	73,887	(39)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	248,557	<u>\$ 248,557</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>447</u>	
Fund balance - GAAP basis			<u>\$ 249,004</u>	

**City of Portland, Oregon
Governmental Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ -	\$ -	\$ 352	\$ 352
EXPENDITURES				
Debt service and related costs:				
Principal	1,030,000	1,030,000	1,030,000	-
Interest	405,044	405,044	405,044	-
Total expenditures	<u>1,435,044</u>	<u>1,435,044</u>	<u>1,435,044</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,435,044)</u>	<u>(1,435,044)</u>	<u>(1,434,692)</u>	<u>352</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	<u>1,435,044</u>	<u>1,435,044</u>	<u>1,435,044</u>	<u>-</u>
Net change in fund balance	-	-	352	352
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>30,013</u>	<u>30,013</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>30,365</u>	<u>\$ 30,365</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 30,365</u>	

City of Portland, Oregon
Education Urban Renewal Area Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 1,262,351	\$ 1,262,351	\$ 1,027,310	\$ (235,041)
Other:				
Investment earnings	2,840	2,840	1,454	(1,386)
Total revenues	<u>1,265,191</u>	<u>1,265,191</u>	<u>1,028,764</u>	<u>(236,427)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	1,264,191	1,264,191	1,020,000	244,191
Interest	1,000	1,000	14	986
Total expenditures	<u>1,265,191</u>	<u>1,265,191</u>	<u>1,020,014</u>	<u>245,177</u>
Net change in fund balance	-	-	8,750	8,750
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	8,750	<u>\$ 8,750</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 8,750</u>	

City of Portland, Oregon
42nd Avenue Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Current year property	\$ 65,583	\$ 65,583	\$ 39,835	\$ (25,748)
Other:				
Investment earnings	148	148	107	(41)
Total revenues	<u>65,731</u>	<u>65,731</u>	<u>39,942</u>	<u>(25,789)</u>
EXPENDITURES				
Current:				
Materials and services	<u>65,731</u>	<u>65,731</u>	<u>39,500</u>	<u>26,231</u>
Net change in fund balance	-	-	442	442
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	442	<u>\$ 442</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 442</u>	

City of Portland, Oregon
Cully Boulevard Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 65,574	\$ 65,574	\$ 66,311	\$ 737
Other:				
Investment earnings	148	148	179	31
Total revenues	<u>65,722</u>	<u>65,722</u>	<u>66,490</u>	<u>768</u>
EXPENDITURES				
Current:				
Materials and services	<u>65,722</u>	<u>65,722</u>	<u>65,500</u>	<u>222</u>
Net change in fund balance	-	-	990	990
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	990	<u>\$ 990</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 990</u>	

City of Portland, Oregon
Parkrose Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Current year property	\$ 61,430	\$ 61,430	\$ -	\$ (61,430)
Other:				
Investment earnings	138	138	-	(138)
Total revenues	<u>61,568</u>	<u>61,568</u>	<u>-</u>	<u>(61,568)</u>
EXPENDITURES				
Current:				
Materials and services	<u>61,568</u>	<u>61,568</u>	<u>-</u>	<u>61,568</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Rosewood Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 67,363	\$ 67,363	\$ 38,774	\$ (28,589)
Other:				
Investment earnings	152	152	103	(49)
Total revenues	<u>67,515</u>	<u>67,515</u>	<u>38,877</u>	<u>(28,638)</u>
EXPENDITURES				
Current:				
Materials and services	<u>67,515</u>	<u>67,515</u>	<u>38,500</u>	<u>29,015</u>
Net change in fund balance	-	-	377	377
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>377</u>	<u>\$ 377</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 377</u>	

City of Portland, Oregon
Division-Midway Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 69,858	\$ 69,858	\$ 35,118	\$ (34,740)
Other:				
Investment earnings	157	157	94	(63)
Total revenues	<u>70,015</u>	<u>70,015</u>	<u>35,212</u>	<u>(34,803)</u>
EXPENDITURES				
Current:				
Materials and services	<u>70,015</u>	<u>70,015</u>	<u>34,500</u>	<u>35,515</u>
Net change in fund balance	-	-	712	712
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	712	<u>\$ 712</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 712</u>	

City of Portland, Oregon
82nd Avenue/Division Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 66,269	\$ 66,269	\$ -	\$ (66,269)
Other:				
Investment earnings	149	149	-	(149)
Total revenues	<u>66,418</u>	<u>66,418</u>	<u>-</u>	<u>(66,418)</u>
EXPENDITURES				
Current:				
Materials and services	<u>66,418</u>	<u>66,418</u>	<u>-</u>	<u>66,418</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

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.

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City of Portland, Oregon
Special Finance and Resource Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other:				
Investment earnings	\$ -	\$ -	\$ 266	\$ 266
EXPENDITURES				
Current:				
Materials and services	71,303,517	78,679,916	59,540,111	19,139,805
Debt service and related costs:				
Debt issuance costs	22,249	22,249	23,810	(1,561)
Total expenditures	<u>71,325,766</u>	<u>78,702,165</u>	<u>59,563,921</u>	<u>19,138,244</u>
Revenues over (under) expenditures	<u>(71,325,766)</u>	<u>(78,702,165)</u>	<u>(59,563,655)</u>	<u>19,138,510</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
River District Urban Renewal Area Debt Redemption	-	(2,000)	(772)	1,228
Central Eastside Industrial District Debt Service	-	(5,000)	(4,239)	761
Total transfers to other funds	<u>-</u>	<u>(7,000)</u>	<u>(5,011)</u>	<u>1,989</u>
Bonds and notes issued	<u>71,325,766</u>	<u>78,702,165</u>	<u>59,525,000</u>	<u>(19,177,165)</u>
Total other financing sources (uses)	<u>71,325,766</u>	<u>78,695,165</u>	<u>59,519,989</u>	<u>(19,175,176)</u>
Net change in fund balance	-	(7,000)	(43,666)	(36,666)
Fund balance - beginning	<u>-</u>	<u>7,000</u>	<u>87,932</u>	<u>80,932</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	44,266	<u>\$ 44,266</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>86</u>	
Fund balance - GAAP basis			<u>\$ 44,352</u>	

City of Portland, Oregon
BFRES Facilities GO Bond Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Sales - other	\$ 600,000	\$ 664,661	\$ -	\$ (664,661)
Investment earnings	3,755	3,755	11,026	7,271
Total revenues	<u>603,755</u>	<u>668,416</u>	<u>11,026</u>	<u>(657,390)</u>
EXPENDITURES				
Current:				
Materials and services	15,877	29,261	30,670	(1,409)
General operating contingencies	547,709	4,357	-	4,357
Overhead charges - General Fund	44,320	44,320	44,320	-
Capital outlay	1,500,000	2,277,408	-	2,277,408
Total expenditures	<u>2,107,906</u>	<u>2,355,346</u>	<u>74,990</u>	<u>2,280,356</u>
Revenues over (under) expenditures	<u>(1,504,151)</u>	<u>(1,686,930)</u>	<u>(63,964)</u>	<u>1,622,966</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	4,270	4,270	-
Sale of capital asset	-	-	701,755	701,755
Total other financing sources (uses)	<u>-</u>	<u>4,270</u>	<u>706,025</u>	<u>701,755</u>
Net change in fund balance	(1,504,151)	(1,682,660)	642,061	2,324,721
Fund balance - beginning	<u>1,504,151</u>	<u>1,682,660</u>	<u>1,679,094</u>	<u>(3,566)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,321,155</u>	<u>\$ 2,321,155</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 2,321,155</u>	

City of Portland, Oregon
Local Improvement District Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Service charges and fees:				
Other service charges	\$ 789,100	\$ 789,100	\$ 845,762	\$ 56,662
Other:				
Assessments	5,328,112	5,328,112	11,400,013	6,071,901
Investment earnings	557,811	557,811	82,945	(474,866)
Miscellaneous	-	-	5,776	5,776
	<u>6,675,023</u>	<u>6,675,023</u>	<u>12,334,496</u>	<u>5,659,473</u>
Total revenues				
EXPENDITURES				
Current:				
Materials and services	1,381,849	1,440,816	1,272,037	168,779
General operating contingencies	3,050,055	3,567,997	-	3,567,997
Overhead charges - General Fund	47,355	47,355	47,355	-
Debt service and related costs:				
Principal	5,901,016	5,901,016	5,765,093	135,923
Interest	128,877	128,877	221,158	(92,281)
Debt issuance costs	50,000	50,000	88,916	(38,916)
	<u>10,559,152</u>	<u>11,136,061</u>	<u>7,394,559</u>	<u>3,741,502</u>
Total expenditures				
Revenues over (under) expenditures	<u>(3,884,129)</u>	<u>(4,461,038)</u>	<u>4,939,937</u>	<u>9,400,975</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	32	32	-
Transfers to other funds:				
Transportation Operating	(1,220,912)	(5,410,912)	(5,401,965)	8,947
Pension Debt Redemption	(12,602)	(12,602)	(12,602)	-
Sewer System Construction	(700,000)	(1,420,000)	(1,097,260)	322,740
Water Construction	-	(95,000)	(67,494)	27,506
	<u>(1,933,514)</u>	<u>(6,938,514)</u>	<u>(6,579,321)</u>	<u>359,193</u>
Total transfers to other funds				
Bonds and notes issued	16,179,912	21,184,912	7,948,659	(13,236,253)
Bonds and notes premium	-	-	496,456	496,456
Payments to refunded loan and bond escrow agent	<u>(13,987,411)</u>	<u>(13,987,411)</u>	<u>(4,836,291)</u>	<u>9,151,120</u>
	<u>258,987</u>	<u>259,019</u>	<u>(2,970,465)</u>	<u>(3,229,484)</u>
Total other financing sources (uses)				
Net change in fund balance	(3,625,142)	(4,202,019)	1,969,472	6,171,491
Fund balance - beginning	<u>3,625,142</u>	<u>4,202,019</u>	<u>4,061,896</u>	<u>(140,123)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,031,368</u>	<u>\$ 6,031,368</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>11,484</u>	
Fund balance - GAAP basis			<u>\$ 6,042,852</u>	

City of Portland, Oregon
Parks Capital Improvement Program Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Other permits	\$ -	\$ -	\$ 75,000	\$ 75,000
Intergovernmental:				
Local cost sharing	5,391,465	3,743,785	1,324,491	(2,419,294)
Service charges and fees:				
Public works and utility charges	7,940,184	10,000,184	20,082,119	10,081,935
Parking fees	-	-	67,078	67,078
Other service charges	150,000	-	800	800
Billings to other funds for services	24,826	24,826	49,227	24,401
Other:				
Loan repayments	447,102	447,102	287,102	(160,000)
Assessments	200,000	1,193,796	1,566,640	372,844
Donations	200,958	244,224	414,016	169,792
Investment earnings	168,138	280,138	272,028	(8,110)
Miscellaneous	-	-	4,915	4,915
	<u>14,522,673</u>	<u>15,934,055</u>	<u>24,143,416</u>	<u>8,209,361</u>
EXPENDITURES				
Current:				
Personal services	1,453,361	1,994,420	1,263,105	731,315
Materials and services	2,437,754	5,833,991	3,911,989	1,922,002
General operating contingencies	214,979	14,743,805	-	14,743,805
Overhead charges - General Fund	144,561	144,561	144,561	-
Debt service and related costs:				
Principal	539,272	4,231,372	4,223,372	8,000
Interest	155,052	168,052	117,016	51,036
Capital outlay	16,228,556	22,059,281	12,206,839	9,852,442
	<u>21,173,535</u>	<u>49,175,482</u>	<u>21,866,882</u>	<u>27,308,600</u>
Revenues over (under) expenditures	<u>(6,650,862)</u>	<u>(33,241,427)</u>	<u>2,276,534</u>	<u>35,517,961</u>

Continued next page

City of Portland, Oregon
Parks Capital Improvement Program Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,194,459	4,562,459	4,562,459	-
Parks Local Option Levy	65,787	65,787	65,787	-
Portland Parks Memorial	50,000	50,000	50,000	-
Facilities Services Operating	-	140	140	-
Total transfers from other funds	<u>1,310,246</u>	<u>4,678,386</u>	<u>4,678,386</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	(17,056)	(17,056)	(17,056)	-
Bonds and notes issued	-	1,455,000	1,054,667	(400,333)
Total other financing sources (uses)	<u>1,293,190</u>	<u>6,116,330</u>	<u>5,715,997</u>	<u>(400,333)</u>
Net change in fund balance	(5,357,672)	(27,125,097)	7,992,531	35,117,628
Fund balance - beginning	<u>5,357,672</u>	<u>27,125,097</u>	<u>27,612,338</u>	<u>487,241</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	35,604,869	<u>\$ 35,604,869</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			68,403	
Loans receivable			904,396	
Fund balance - GAAP basis			<u>\$ 36,577,668</u>	

City of Portland, Oregon
Public Safety GO Bond Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Sales - other	\$ 600,000	\$ -	\$ -	\$ -
Investment earnings	113,825	113,825	124,785	10,960
Total revenues	<u>713,825</u>	<u>113,825</u>	<u>124,785</u>	<u>10,960</u>
EXPENDITURES				
Current:				
Personal services	376,086	300,000	279,130	20,870
Materials and services	11,400,962	24,414,016	17,298,785	7,115,231
General operating contingencies	41,963,398	17,656,008	-	17,656,008
Overhead charges - General Fund	46,965	46,965	46,965	-
Debt service and related costs:				
Debt issuance costs	329,001	329,001	208,699	120,302
Capital outlay	12,833,791	10,869,027	5,275,783	5,593,244
Total expenditures	<u>66,950,203</u>	<u>53,615,017</u>	<u>23,109,362</u>	<u>30,505,655</u>
Revenues over (under) expenditures	<u>(66,236,378)</u>	<u>(53,501,192)</u>	<u>(22,984,577)</u>	<u>30,516,615</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Sewer System Operating	-	221,000	-	(221,000)
Bonds and notes issued	46,228,756	31,537,865	22,670,000	(8,867,865)
Bonds and notes premium	-	-	2,271,394	2,271,394
Total other financing sources (uses)	<u>46,228,756</u>	<u>31,758,865</u>	<u>24,941,394</u>	<u>(6,817,471)</u>
Net change in fund balance	(20,007,622)	(21,742,327)	1,956,817	23,699,144
Fund balance - beginning	20,007,622	21,742,327	21,742,328	1
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	23,699,145	<u>\$ 23,699,145</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>47,377</u>	
Fund balance - GAAP basis			<u>\$ 23,746,522</u>	

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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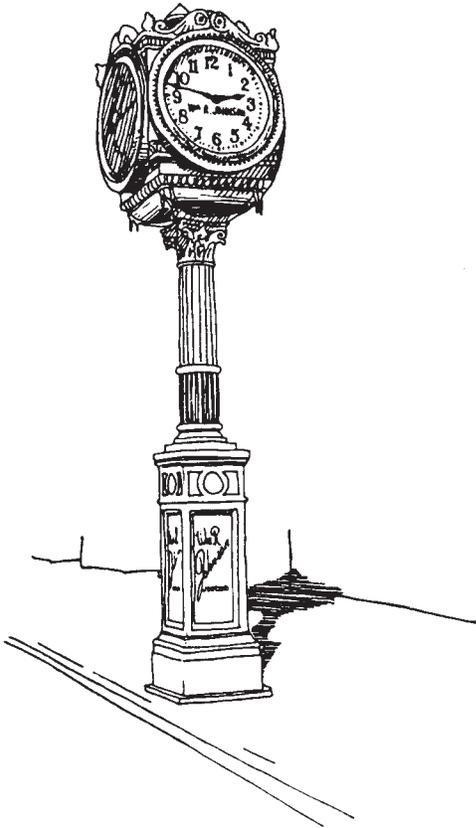
**City of Portland, Oregon
Parks Endowment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ 955	\$ 955	\$ 915	\$ (40)
Total revenues	<u>955</u>	<u>955</u>	<u>915</u>	<u>(40)</u>
EXPENDITURES				
Current:				
Personal services	750	750	750	-
Materials and services	19,060	19,370	1,351	18,019
General operating contingencies	285	185	-	185
Total expenditures	<u>20,095</u>	<u>20,305</u>	<u>2,101</u>	<u>18,204</u>
Net change in fund balance	(19,140)	(19,350)	(1,186)	18,164
Fund balance - beginning	<u>181,930</u>	<u>182,140</u>	<u>182,139</u>	<u>(1)</u>
Fund balance - ending	<u>\$ 162,790</u>	<u>\$ 162,790</u>	180,953	<u>\$ 18,163</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>347</u>	
Fund balance - GAAP basis			<u>\$ 181,300</u>	



Portland City Park

Schedules of Revenues and Expenditures Proprietary Funds - Budget and Actual



Johnson Street Clock, 1880

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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.

Headwaters Apartment Complex Fund

This fund accounts for expenses and revenues associated with the City-owned Headwaters Apartment Complex.

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:

- Golf Fund
- Golf Revenue Bond Redemption Fund

PORTLAND INTERNATIONAL RACEWAY FUND

SOLID WASTE MANAGEMENT FUND

PARKING FACILITIES FUND

SPECTATOR FACILITIES OPERATING FUND

ENVIRONMENTAL REMEDIATION FUND

HEADWATERS APARTMENT COMPLEX FUND

City of Portland, Oregon
Sewer System Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Construction permits	\$ 600,000	\$ 600,000	\$ 606,644	\$ 6,644
Other permits	906,314	906,314	1,133,032	226,718
Intergovernmental:				
State revenue sharing	100,000	100,000	-	(100,000)
State cost sharing	25,000	25,000	123,833	98,833
Local cost sharing	80,000	80,000	80,615	615
Grant revenue	111,570	111,570	6,900	(104,670)
Service charges and fees:				
Public works and utility charges	288,017,000	298,117,000	298,476,661	359,661
Inspection fees	200,000	200,000	229,886	29,886
Rents and reimbursements	70,000	70,000	71,446	1,446
Other service charges	252,820	252,820	447,949	195,129
Billings to other funds for services	1,974,667	3,099,497	1,959,225	(1,140,272)
Other:				
Sales - other	390,000	655,000	513,872	(141,128)
Refunds	-	-	1,400	1,400
Investment earnings	255,000	255,000	499,502	244,502
Miscellaneous	40,000	40,000	150,725	110,725
Total revenues	293,022,371	304,512,201	304,301,690	(210,511)
EXPENDITURES				
Current:				
Personal services	58,523,959	59,154,266	57,893,449	1,260,817
Materials and services	87,486,862	99,943,153	97,269,285	2,673,868
General operating contingencies	56,295,478	48,739,730	-	48,739,730
Overhead charges - General Fund	6,964,524	6,964,524	6,964,524	-
Debt service and related costs:				
Principal	1,538,586	1,538,586	1,538,586	-
Interest	954,650	954,650	830,038	124,612
Debt issuance costs	50,000	50,000	39,707	10,293
Capital outlay	88,048,268	78,582,734	58,256,960	20,325,774
Total expenditures	299,862,327	295,927,643	222,792,549	73,135,094
Revenues over (under) expenditures	(6,839,956)	8,584,558	81,509,141	72,924,583

Continued next page

City of Portland, Oregon
Sewer System Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	900,552	900,552	900,552	-
Transportation Operating	50,000	32,803	32,803	-
Sewer System Construction	126,000,000	120,000,000	105,579,849	(14,420,151)
Sewer System Rate Stabilization	2,000,000	-	-	-
Water	150,000	131,784	131,784	-
Environmental Remediation	-	5,000	-	(5,000)
Facilities Services Operating	-	39,584	39,584	-
Insurance and Claims Operating	522,000	522,000	522,000	-
Technology Services	-	1,261	1,261	-
	<u>129,622,552</u>	<u>121,632,984</u>	<u>107,207,833</u>	<u>(14,425,151)</u>
Transfers to other funds:				
Pension Debt Redemption	(483,596)	(483,596)	(483,596)	-
Public Safety GO Bond Construction	-	(221,000)	-	221,000
Sewer System Debt Redemption	(153,190,000)	(153,190,000)	(148,231,697)	4,958,303
Sewer System Construction	(21,000,000)	(13,000,000)	(14,450,000)	(1,450,000)
Sewer System Rate Stabilization	(4,000,000)	(21,000,000)	(21,375,000)	(375,000)
	<u>(178,673,596)</u>	<u>(187,894,596)</u>	<u>(184,540,293)</u>	<u>3,354,303</u>
Internal loan remittances	-	(190,000)	-	190,000
Sale of capital asset	-	-	361,753	361,753
	<u>(49,051,044)</u>	<u>(66,451,612)</u>	<u>(76,970,707)</u>	<u>(10,519,095)</u>
Net change in fund balance	(55,891,000)	(57,867,054)	4,538,434	62,405,488
Fund balance - beginning	56,091,000	58,067,054	53,304,250	(4,762,804)
Fund balance - ending	<u>\$ 200,000</u>	<u>\$ 200,000</u>	57,842,684	<u>\$ 57,642,684</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Debt redemption fund budgeted as separate fund			48,702,888	
Construction fund budgeted as separate fund			13,803,689	
Rate stabilization fund budgeted as separate fund			26,266,690	
Unrealized gain (loss) in investments			203,063	
Allowance for uncollectible			(4,437,050)	
Inventories			1,527,400	
Capital assets, net of accumulated depreciation and amortization			3,093,747,530	
Prepaid pension obligation			17,331,098	
Compensated absences			(3,934,491)	
Bonds payable			(1,705,783,239)	
Notes and loans payable			(17,810,751)	
Accrued Interest payable			(25,590,856)	
Other postemployment benefits			(1,463,418)	
Pollution remediation			(2,081,200)	
Net position - GAAP basis			<u>\$ 1,498,324,037</u>	

City of Portland, Oregon
Sewer System Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ 200,000	\$ 200,000	\$ 233,356	\$ 33,356
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>233,356</u>	<u>33,356</u>
EXPENDITURES				
Debt service and related costs:				
Principal	75,623,041	75,623,041	73,198,041	2,425,000
Interest	<u>77,767,282</u>	<u>77,767,282</u>	<u>75,858,278</u>	<u>1,909,004</u>
Total expenditures	<u>153,390,323</u>	<u>153,390,323</u>	<u>149,056,319</u>	<u>4,334,004</u>
Revenues over (under) expenditures	<u>(153,190,323)</u>	<u>(153,190,323)</u>	<u>(148,822,963)</u>	<u>4,367,360</u>
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Sewer System Operating	153,190,000	153,190,000	148,231,697	(4,958,303)
Bonds and notes issued	20,650,000	20,650,000	128,882,785	108,232,785
Bonds and notes premium	-	-	8,883,349	8,883,349
Payments to refunded loan and bond escrow agent	<u>-</u>	<u>-</u>	<u>(119,237,347)</u>	<u>(119,237,347)</u>
Total other financing sources (uses)	<u>173,840,000</u>	<u>173,840,000</u>	<u>166,760,484</u>	<u>(7,079,516)</u>
Net change in fund balance	20,649,677	20,649,677	17,937,521	(2,712,156)
Fund balance - beginning	<u>30,850,000</u>	<u>30,850,000</u>	<u>30,765,367</u>	<u>(84,633)</u>
Fund balance - ending	<u>\$ 51,499,677</u>	<u>\$ 51,499,677</u>	48,702,888	<u>\$ (2,796,789)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Debt Redemption Fund budgeted as separate fund - to Sewer System Operating Fund			<u>(48,702,888)</u>	
Net position - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Sewer System Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Public works and utility charges	\$ 750,000	\$ 750,000	\$ 643,602	\$ (106,398)
Other:				
Investment earnings	500,000	500,000	182,847	(317,153)
Total revenues	<u>1,250,000</u>	<u>1,250,000</u>	<u>826,449</u>	<u>(423,551)</u>
EXPENDITURES				
Current:				
General operating contingencies	108,325,000	7,045,000	-	7,045,000
Debt service and related costs:				
Debt issuance costs	625,000	625,000	466,137	158,863
Total expenditures	<u>108,950,000</u>	<u>7,670,000</u>	<u>466,137</u>	<u>7,203,863</u>
Revenues over (under) expenditures	<u>(107,700,000)</u>	<u>(6,420,000)</u>	<u>360,312</u>	<u>6,780,312</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Local Improvement District	700,000	1,420,000	1,097,260	(322,740)
Sewer System Operating	21,000,000	13,000,000	14,450,000	1,450,000
Total transfers from other funds	<u>21,700,000</u>	<u>14,420,000</u>	<u>15,547,260</u>	<u>1,127,260</u>
Transfers to other funds:				
Sewer System Operating	(126,000,000)	(120,000,000)	(105,579,849)	14,420,151
Bonds and notes issued	205,000,000	105,000,000	91,852,254	(13,147,746)
Bonds and notes premium	-	-	5,040,830	5,040,830
Total other financing sources (uses)	<u>100,700,000</u>	<u>(580,000)</u>	<u>6,860,495</u>	<u>7,440,495</u>
Net change in fund balance	(7,000,000)	(7,000,000)	7,220,807	14,220,807
Fund balance - beginning	7,000,000	7,000,000	6,582,882	(417,118)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>13,803,689</u>	<u>\$ 13,803,689</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Construction Fund budgeted as separate fund to				
Sewer System Operating Fund			<u>(13,803,689)</u>	
Net position - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Sewer System Rate Stabilization Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ 15,000	\$ 15,000	\$ 27,230	\$ 12,230
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>27,230</u>	<u>12,230</u>
EXPENDITURES				
Current:				
General operating contingencies	4,015,000	23,015,000	-	23,015,000
Total expenditures	<u>4,015,000</u>	<u>23,015,000</u>	<u>-</u>	<u>23,015,000</u>
Revenues over (under) expenditures	<u>(4,000,000)</u>	<u>(23,000,000)</u>	<u>27,230</u>	<u>23,027,230</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	4,000,000	21,000,000	21,375,000	375,000
Transfer to other funds:				
Sewer System Operating	(2,000,000)	-	-	-
Total other financing sources (uses)	<u>2,000,000</u>	<u>21,000,000</u>	<u>21,375,000</u>	<u>375,000</u>
Net change in fund balance	(2,000,000)	(2,000,000)	21,402,230	23,402,230
Fund balance - beginning	<u>2,000,000</u>	<u>2,000,000</u>	<u>4,864,460</u>	<u>2,864,460</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>26,266,690</u>	<u>\$ 26,266,690</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Rate Stabilization Fund budgeted as separate fund to Sewer System Operating Fund			<u>(26,266,690)</u>	
Net position - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Water Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Local cost sharing	\$ 566,000	\$ 566,000	\$ 741,286	\$ 175,286
Service charges and fees:				
Public works and utility charges	135,407,766	138,027,766	134,454,563	(3,573,203)
Rents and reimbursements	550,000	550,000	714,716	164,716
Other service charges	2,500,000	2,500,000	2,954,441	454,441
Billings to other funds for services	3,132,550	3,665,602	3,449,785	(215,817)
Other:				
Sales - other	100,000	100,000	195,986	95,986
Refunds	75,000	75,000	14,016	(60,984)
Investment earnings	155,083	155,083	274,877	119,794
Miscellaneous	40,000	40,000	254,891	214,891
Total revenues	<u>142,526,399</u>	<u>145,679,451</u>	<u>143,054,561</u>	<u>(2,624,890)</u>
EXPENDITURES				
Current:				
Personal services	61,479,933	61,110,663	57,146,033	3,964,630
Materials and services	43,010,594	45,896,830	41,471,586	4,425,244
General operating contingencies	56,801,695	71,384,128	-	71,384,128
Overhead charges - General Fund	4,560,171	4,560,171	4,560,171	-
Debt service and related costs:				
Principal	1,597,989	1,597,989	1,597,989	-
Interest	991,508	991,508	862,084	129,424
Debt issuance costs	-	150,000	-	150,000
Capital outlay	98,615,853	94,100,115	89,135,511	4,964,604
Total expenditures	<u>267,057,743</u>	<u>279,791,404</u>	<u>194,773,374</u>	<u>85,018,030</u>
Revenues over (under) expenditures	<u>(124,531,344)</u>	<u>(134,111,953)</u>	<u>(51,718,813)</u>	<u>82,393,140</u>

Continued next page

City of Portland, Oregon
Water Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water Construction	138,752,345	149,588,630	136,136,299	(13,452,331)
Facilities Services Operating	-	32,618	32,618	-
Insurance and Claims Operating	325,000	325,000	325,000	-
Technology Services	-	1,261	1,261	-
Total transfers from other funds	<u>139,077,345</u>	<u>149,947,509</u>	<u>136,495,178</u>	<u>(13,452,331)</u>
Transfers to other funds:				
Pension Debt Redemption	(502,266)	(502,266)	(502,266)	-
Sewer System Operating	(150,000)	(131,784)	(131,784)	-
Water	91	91	-	(91)
Water Bond Sinking	(45,344,369)	(45,139,759)	(44,994,832)	144,927
Water Construction	(36,402,947)	(43,733,723)	(43,751,605)	(17,882)
Environmental Remediation	(240,000)	(240,000)	(240,000)	-
Total transfers to other funds	<u>(82,639,491)</u>	<u>(89,747,441)</u>	<u>(89,620,487)</u>	<u>126,954</u>
Internal loan remittances	-	(70,000)	-	70,000
Sale of capital asset	209,000	447,358	875,747	428,389
Total other financing sources (uses)	<u>56,646,854</u>	<u>60,577,426</u>	<u>47,750,438</u>	<u>(12,826,988)</u>
Net change in fund balance	(67,884,490)	(73,534,527)	(3,968,375)	69,566,152
Fund balance - beginning	67,884,490	73,534,527	73,534,527	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	69,566,152	<u>\$ 69,566,152</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund			31,447,450	
Water Construction Fund budgeted as separate fund			59,047,848	
Unrealized gain (loss) on investments			280,189	
Allowance for uncollectible accounts			(3,163,896)	
Inventories			1,860,464	
Capital assets, net of accumulated depreciation and amortization			973,092,717	
Prepaid pension obligation			18,000,228	
Compensated absences			(4,197,467)	
Bonds payable			(634,977,347)	
Accrued interest payable			(15,102,742)	
Utility taxes payable			(1,244,082)	
Other postemployment benefits			(1,745,075)	
Pollution remediation			(413,000)	
Net position - GAAP basis			<u>\$ 492,451,439</u>	

**City of Portland, Oregon
Water Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ 118,227	\$ 118,227	\$ 160,373	\$ 42,146
Total revenues	<u>118,227</u>	<u>118,227</u>	<u>160,373</u>	<u>42,146</u>
EXPENDITURES				
Debt service and related costs:				
Principal	21,685,000	21,685,000	21,685,000	-
Interest	<u>24,043,310</u>	<u>24,043,310</u>	<u>24,043,310</u>	<u>-</u>
Total expenditures	<u>45,728,310</u>	<u>45,728,310</u>	<u>45,728,310</u>	<u>-</u>
Revenues over (under) expenditures	<u>(45,610,083)</u>	<u>(45,610,083)</u>	<u>(45,567,937)</u>	<u>42,146</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water	45,344,278	45,139,668	44,994,832	(144,836)
Water Construction	<u>265,805</u>	<u>470,415</u>	<u>497,760</u>	<u>27,345</u>
Total transfers from other funds	<u>45,610,083</u>	<u>45,610,083</u>	<u>45,492,592</u>	<u>(117,491)</u>
Total other financing sources (uses)	<u>45,610,083</u>	<u>45,610,083</u>	<u>45,492,592</u>	<u>(117,491)</u>
Net change in fund balance	-	-	(75,345)	(75,345)
Fund balance - beginning	<u>31,552,598</u>	<u>31,552,598</u>	<u>31,522,795</u>	<u>(29,803)</u>
Fund balance - ending	<u>\$ 31,552,598</u>	<u>\$ 31,552,598</u>	31,447,450	<u>\$ (105,148)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund - to Water Fund			<u>(31,447,450)</u>	
Net position - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon
Water Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Service charges and fees:				
Public works and utility charges	\$ 1,500,000	\$ 1,500,000	\$ 3,194,514	\$ 1,694,514
Other:				
Investment earnings	285,805	490,415	586,165	95,750
Total revenues	<u>1,785,805</u>	<u>1,990,415</u>	<u>3,780,679</u>	<u>1,790,264</u>
EXPENDITURES				
Current:				
General operating contingencies	18,832,873	43,842,222	-	43,842,222
Total expenditures	<u>18,832,873</u>	<u>43,842,222</u>	<u>-</u>	<u>43,842,222</u>
Revenues over (under) expenditures	<u>(17,047,068)</u>	<u>(41,851,807)</u>	<u>3,780,679</u>	<u>45,632,486</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Local Improvement District	-	95,000	67,494	(27,506)
Water	36,402,947	43,733,723	43,751,605	17,882
Total transfers from other funds	<u>36,402,947</u>	<u>43,828,723</u>	<u>43,819,099</u>	<u>(9,624)</u>
Transfers to other funds:				
Water	(138,752,436)	(149,588,721)	(136,136,299)	13,452,422
Water Bond Sinking	(265,714)	(470,324)	(497,760)	(27,436)
Total transfers to other funds	<u>(139,018,150)</u>	<u>(150,059,045)</u>	<u>(136,634,059)</u>	<u>13,424,986</u>
Total other financing sources (uses)	<u>(102,615,203)</u>	<u>(106,230,322)</u>	<u>(92,814,960)</u>	<u>13,415,362</u>
Net change in fund balance	(119,662,271)	(148,082,129)	(89,034,281)	59,047,848
Fund balance - beginning	119,662,271	148,082,129	148,082,129	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	59,047,848	<u>\$ 59,047,848</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Construction Fund budgeted as separate fund - to Water Fund			<u>(59,047,848)</u>	
Net position - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Hydroelectric Power Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Billings to other funds for services	\$ 68,500	\$ 68,500	\$ 53,453	\$ (15,047)
Other:				
Sales - other	844,900	844,900	843,369	(1,531)
Investment earnings	5,200	5,200	5,223	23
Total revenues	<u>918,600</u>	<u>918,600</u>	<u>902,045</u>	<u>(16,555)</u>
EXPENDITURES				
Current:				
Personal services	289,894	289,894	267,256	22,638
Materials and services	427,089	626,974	334,494	292,480
General operating contingencies	261,099	261,230	-	261,230
Overhead charges - General Fund	30,645	30,645	30,645	-
Debt service and related costs:				
Principal	11,793	11,793	11,793	-
Interest	7,317	7,317	6,362	955
Total expenditures	<u>1,027,837</u>	<u>1,227,853</u>	<u>650,550</u>	<u>577,303</u>
Revenues over (under) expenditures	<u>(109,237)</u>	<u>(309,253)</u>	<u>251,495</u>	<u>560,748</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Hydroelectric Power Renewal and Replacement	125,000	325,000	130,153	(194,847)
Facilities Services Operating	-	16	16	-
Insurance and Claims Operating	38,000	38,000	38,000	-
Total transfers from other funds	<u>163,000</u>	<u>363,016</u>	<u>168,169</u>	<u>(194,847)</u>
Transfers to other funds:				
General	(300,000)	(300,000)	(300,000)	-
Pension Debt Redemption	(3,707)	(3,707)	(3,707)	-
Total transfers to other funds	<u>(303,707)</u>	<u>(303,707)</u>	<u>(303,707)</u>	<u>-</u>
Total other financing sources (uses)	<u>(140,707)</u>	<u>59,309</u>	<u>(135,538)</u>	<u>(194,847)</u>
Net change in fund balance	(249,944)	(249,944)	115,957	365,901
Fund balance - beginning	249,944	249,944	282,288	32,344
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>398,245</u>	<u>\$ 398,245</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Bond Redemption Fund budgeted as separate fund			4,528,764	
Hydroelectric Renewal and Replacement Fund budgeted as separate fund			10,394,099	
Unrealized gain (loss) on investments			(52,993)	
Capital assets net of accumulated depreciation and amortization			22,702,614	
Prepaid pension obligation			132,847	
Compensated absences			(37,320)	
Bonds payable			(6,837,283)	
Accrued interest payable			(163,824)	
Other postemployment benefits			(5,813)	
Net position - GAAP basis			<u>\$ 31,059,336</u>	

City of Portland, Oregon
Hydroelectric Power Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Sales - other	\$ 2,748,300	\$ 2,748,300	\$ 2,748,265	\$ (35)
Investment earnings	5,000	5,000	(12,364)	(17,364)
Total revenues	<u>2,753,300</u>	<u>2,753,300</u>	<u>2,735,901</u>	<u>(17,399)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	2,270,000	2,270,000	2,270,000	-
Interest	429,138	429,138	429,138	-
Total expenditures	<u>2,699,138</u>	<u>2,699,138</u>	<u>2,699,138</u>	<u>-</u>
Net change in fund balance	54,162	54,162	36,763	(17,399)
Fund balance - beginning	<u>4,517,852</u>	<u>4,517,852</u>	<u>4,492,001</u>	<u>(25,851)</u>
Fund balance - ending	<u>\$ 4,572,014</u>	<u>\$ 4,572,014</u>	4,528,764	<u>\$ (43,250)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Bond Redemption Fund budgeted as separate fund - to Hydroelectric Power Operating Fund			<u>(4,528,764)</u>	
Net position - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Hydroelectric Power Renewal and Replacement Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Sales - other	\$ 174,000	\$ 174,000	\$ 371,647	\$ 197,647
Investment earnings	33,600	33,600	76,645	43,045
Total revenues	<u>207,600</u>	<u>207,600</u>	<u>448,292</u>	<u>240,692</u>
EXPENDITURES				
Current:				
General operating contingencies	<u>10,102,130</u>	<u>9,902,130</u>	-	<u>9,902,130</u>
Total expenditures	<u>10,102,130</u>	<u>9,902,130</u>	-	<u>9,902,130</u>
Revenues over (under) expenditures	<u>(9,894,530)</u>	<u>(9,694,530)</u>	448,292	<u>10,142,822</u>
OTHER FINANCING SOURCES (USES)				
Transfer to other fund:				
Hydroelectric Power Operating	<u>(125,000)</u>	<u>(325,000)</u>	<u>(130,153)</u>	<u>194,847</u>
Net change in fund balance	(10,019,530)	(10,019,530)	318,139	10,337,669
Fund balance - beginning	<u>10,019,530</u>	<u>10,019,530</u>	<u>10,075,960</u>	<u>56,430</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	10,394,099	<u>\$ 10,394,099</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Renewal and Replacement Fund budgeted as separate fund - to Hydroelectric Power Operating Fund			<u>(10,394,099)</u>	
Net position - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Golf Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Service charges and fees:				
Rents and reimbursements	\$ 453,523	\$ 453,523	\$ 453,095	\$ (428)
Concessions	1,123,860	1,123,860	1,319,141	195,281
Parks and recreation facilities fees	5,962,699	5,962,699	5,741,826	(220,873)
Other service charges	414,677	414,677	453,222	38,545
Other:				
Sales - other	1,270	1,270	1,430	160
Investment earnings	5,251	5,251	7,941	2,690
Miscellaneous	5,750	5,750	5,198	(552)
	<u>7,967,030</u>	<u>7,967,030</u>	<u>7,981,853</u>	<u>14,823</u>
EXPENDITURES				
Current:				
Personal services	3,362,442	3,364,942	3,454,687	(89,745)
Materials and services	3,855,950	4,514,624	4,324,047	190,577
General operating contingencies	1,294,636	1,115,763	-	1,115,763
Overhead charges - General Fund	301,424	301,424	301,424	-
Debt service and related costs:				
Principal	96,355	96,355	96,355	-
Interest	59,785	59,785	51,982	7,803
Capital outlay	150,000	-	-	-
	<u>9,120,592</u>	<u>9,452,893</u>	<u>8,228,495</u>	<u>1,224,398</u>
Revenues over (under) expenditures	<u>(1,153,562)</u>	<u>(1,485,863)</u>	<u>(246,642)</u>	<u>1,239,221</u>

**City of Portland, Oregon
Golf Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Golf Revenue Bond Redemption	-	6,052	3,070	(2,982)
Facilities Services Operating	-	48	48	-
Insurance and Claims Operating	17,000	17,000	17,000	-
Total transfers from other funds	<u>17,000</u>	<u>23,100</u>	<u>20,118</u>	<u>(2,982)</u>
Transfers to other funds:				
Pension Debt Redemption	(30,285)	(30,285)	(30,285)	-
Total transfers to other funds	<u>(30,285)</u>	<u>(30,285)</u>	<u>(30,285)</u>	<u>-</u>
Sale of capital asset	-	-	475	475
Total other financing sources (uses)	<u>(13,285)</u>	<u>(7,185)</u>	<u>(9,692)</u>	<u>(2,507)</u>
Net change in fund balance	(1,166,847)	(1,493,048)	(256,334)	1,236,714
Fund balance - beginning	1,166,847	1,493,048	1,493,049	1
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,236,715	<u>\$ 1,236,715</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			2,570	
Capital asset net of accumulated depreciation and amortization			11,285,444	
Prepaid pension obligation			1,085,374	
Compensated absences			(208,322)	
Bonds payable			(1,652,794)	
Accrued interest payable			(590,007)	
Other postemployment benefits			(128,695)	
Net position - GAAP basis			<u>\$ 11,030,285</u>	

**City of Portland, Oregon
 Golf Revenue Bond Redemption Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ -	\$ 3,000	\$ 13	\$ (2,987)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Golf	-	(6,052)	(3,070)	2,982
Net change in fund balance	-	(3,052)	(3,057)	(5)
Fund balance - beginning	-	3,052	3,057	5
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Golf Revenue Bond Redemption Fund budgeted as separate fund - to Golf Fund			<u>-</u>	
Net position - GAAP basis			<u>\$ -</u>	

City of Portland, Oregon
Portland International Raceway Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Service charges and fees:				
Rents and reimbursements	\$ 1,101,818	\$ 801,818	\$ 926,335	\$ 124,517
Concessions	159,586	159,586	123,226	(36,360)
Parks and recreation facilities fees	577,686	377,686	356,058	(21,628)
Other service charges	14,667	14,667	2,597	(12,070)
Other:				
Investment earnings	4,270	4,270	2,306	(1,964)
Miscellaneous	3,675	3,675	3,085	(590)
Total revenues	<u>1,861,702</u>	<u>1,361,702</u>	<u>1,413,607</u>	<u>51,905</u>
EXPENDITURES				
Current:				
Personal services	783,518	783,518	786,541	(3,023)
Materials and services	706,910	636,918	587,068	49,850
General operating contingencies	645,190	178,164	-	178,164
Overhead charges - General Fund	57,368	57,368	57,368	-
Debt service and related costs:				
Principal	262,868	233,549	233,549	-
Interest	40,827	70,146	68,644	1,502
Total expenditures	<u>2,496,681</u>	<u>1,959,663</u>	<u>1,733,170</u>	<u>226,493</u>
Revenues over (under) expenditures	<u>(634,979)</u>	<u>(597,961)</u>	<u>(319,563)</u>	<u>278,398</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	11	11	-
Insurance and Claims Operating	13,000	13,000	13,000	-
Total transfers from other funds	<u>13,000</u>	<u>13,011</u>	<u>13,011</u>	<u>-</u>
Transfer to other fund:				
Pension Debt Redemption	(5,831)	(5,831)	(5,831)	-
Total other financing sources (uses)	<u>7,169</u>	<u>7,180</u>	<u>7,180</u>	<u>-</u>
Net change in fund balance	(627,810)	(590,781)	(312,383)	278,398
Fund balance - beginning	627,810	590,781	597,851	7,070
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	285,468	<u>\$ 285,468</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			622	
Capital asset net of accumulated depreciation and amortization			2,210,240	
Prepaid pension obligation			208,936	
Compensated absences			(74,399)	
Bonds payable			(1,058,172)	
Accrued interest payable			(117,365)	
Other postemployment benefits			(33,453)	
Net position - GAAP basis			<u>\$ 1,421,877</u>	

City of Portland, Oregon
Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Public utility licenses	\$ 2,827,430	\$ 2,827,430	\$ 2,797,445	\$ (29,985)
Other permits	30,800	30,800	14,350	(16,450)
Intergovernmental:				
Local revenue sharing	26,000	26,000	28,690	2,690
Service charges and fees:				
Public works and utility charges	2,224,620	2,224,620	2,192,539	(32,081)
Billings to other funds for services	10,000	12,000	12,000	-
Other:				
Assessments	-	-	250	250
Donations	-	4,000	15,500	11,500
Investment earnings	6,677	6,677	7,799	1,122
Fines	2,500	2,500	9,000	6,500
Miscellaneous	35,000	35,530	35,664	134
Total revenues	5,163,027	5,169,557	5,113,237	(56,320)
EXPENDITURES				
Current:				
Personal services	2,360,085	2,293,085	2,149,041	144,044
Materials and services	2,565,010	2,773,810	2,623,935	149,875
General operating contingencies	4,371	4,554	-	4,554
Overhead charges - General Fund	197,295	197,295	197,295	-
Debt service and related costs:				
Principal	29,921	29,921	29,921	-
Interest	18,565	18,565	16,142	2,423
Total expenditures	5,175,247	5,317,230	5,016,334	300,896
Revenues over (under) expenditures	(12,220)	(147,673)	96,903	244,576
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	183	183	-
Transfer to other fund:				
Pension Debt Redemption	(9,404)	(9,404)	(9,404)	-
Total other financing sources (uses)	(9,404)	(9,221)	(9,221)	-
Net change in fund balance	(21,624)	(156,894)	87,682	244,576
Fund balance - beginning	1,708,207	1,843,477	2,629,330	785,853
Fund balance - ending	<u>\$ 1,686,583</u>	<u>\$ 1,686,583</u>	2,717,012	<u>\$ 1,030,429</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			2,639	
Capital assets net of accumulated depreciation and amortization			258,251	
Prepaid pension obligation			337,037	
Compensated absences			(168,540)	
Bonds payable			(513,240)	
Accrued interest payable			(183,215)	
Other postemployment benefits			(58,539)	
Net position - GAAP basis			<u>\$ 2,391,405</u>	

Continued next page

City of Portland, Oregon
Parking Facilities Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Service charges and fees:				
Rents and reimbursements	\$ 732,100	\$ 732,100	\$ 863,217	\$ 131,117
Parking fees	12,375,000	11,000,000	10,858,184	(141,816)
Billings to other funds for services	810,004	822,604	803,591	(19,013)
Other:				
Sales - other	-	-	217,840	217,840
Investment earnings	64,485	64,485	37,096	(27,389)
Miscellaneous	3,000	3,000	2,654	(346)
	<u>13,984,589</u>	<u>12,622,189</u>	<u>12,782,582</u>	<u>160,393</u>
EXPENDITURES				
Current:				
Personal services	217,263	215,000	189,085	25,915
Materials and services	7,198,859	6,315,732	5,352,404	963,328
General operating contingencies	6,299,510	5,753,743	-	5,753,743
Overhead charges - General Fund	163,608	163,608	163,608	-
Debt service and related costs:				
Principal	1,275,000	1,275,000	1,275,000	-
Interest	604,125	604,125	604,125	-
	<u>15,758,365</u>	<u>14,327,208</u>	<u>7,584,222</u>	<u>6,742,986</u>
Revenues over (under) expenditures	<u>(1,773,776)</u>	<u>(1,705,019)</u>	<u>5,198,360</u>	<u>6,903,379</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	103,759	103,759	-
Insurance and Claims Operating	47,000	47,000	47,000	-
	<u>47,000</u>	<u>150,759</u>	<u>150,759</u>	<u>-</u>
Transfers to other funds:				
General	(270,730)	(270,730)	(270,730)	-
Transportation Operating	(4,978,500)	(4,978,500)	(4,978,500)	-
	<u>(5,249,230)</u>	<u>(5,249,230)</u>	<u>(5,249,230)</u>	<u>-</u>
Internal loan proceeds	-	5,445,000	5,445,000	-
	<u>(5,202,230)</u>	<u>346,529</u>	<u>346,529</u>	<u>-</u>
Net change in fund balance	(6,976,006)	(1,358,490)	5,544,889	6,903,379
Fund balance - beginning	6,976,006	1,358,490	1,358,490	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	6,903,379	<u>\$ 6,903,379</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Allowance for uncollectible accounts			(10,000)	
Unrealized gain (loss) on investments			13,685	
Capital asset net of accumulated depreciation and amortization			25,151,885	
Bonds payable			(15,618,093)	
Accrued interest payable			(143,063)	
Other postemployment benefits			(839)	
Net position - GAAP basis			<u>\$ 16,296,954</u>	

City of Portland, Oregon
Spectator Facilities Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

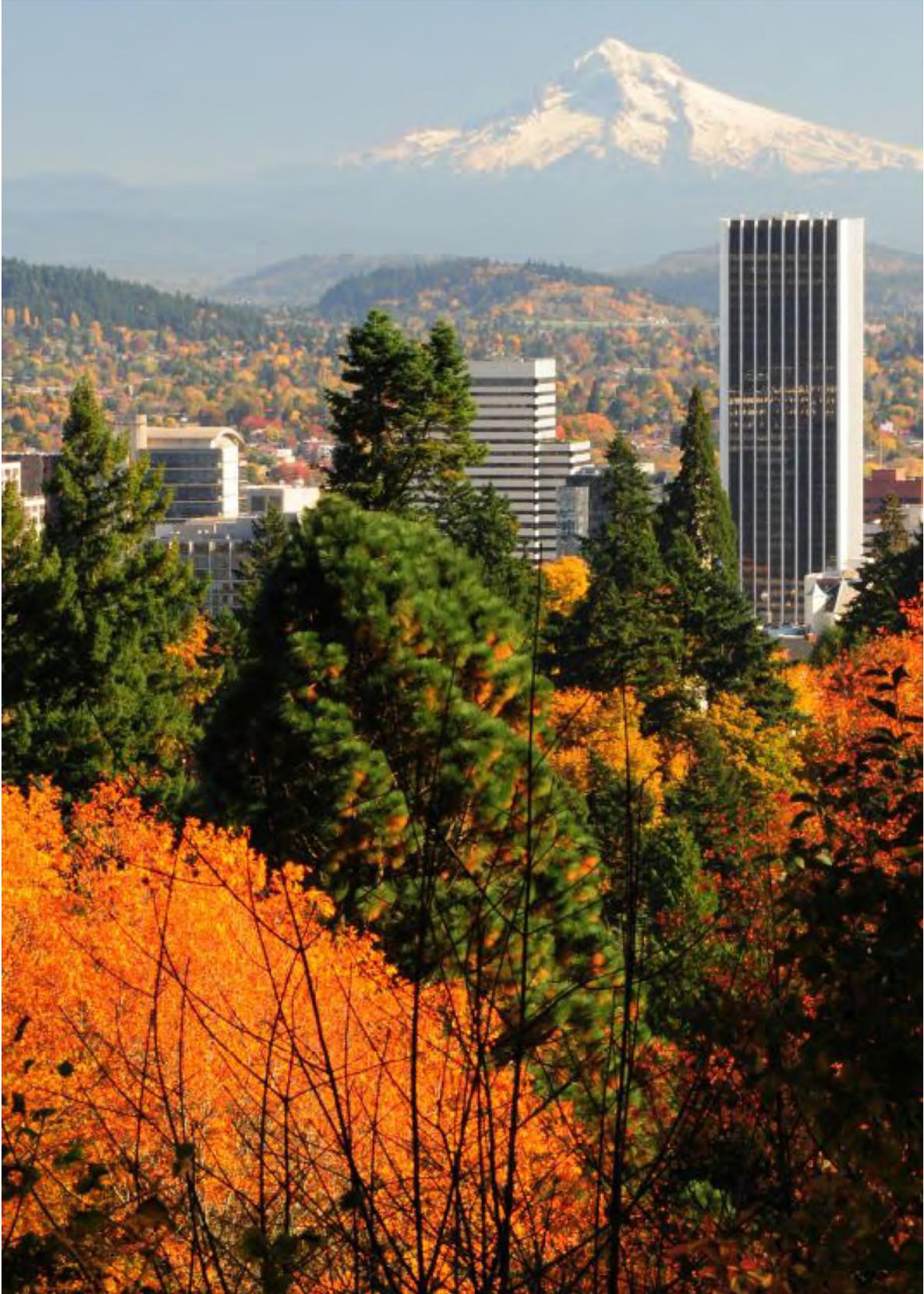
	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Intergovernmental:				
Local cost sharing	\$ 1,683,803	\$ 1,933,803	\$ 1,832,437	\$ (101,366)
Service charges and fees:				
Rents and reimbursements	5,074,664	5,074,664	6,335,355	1,260,691
Parking fees	1,411,866	1,411,866	1,619,666	207,800
Billings to other funds for services	-	7,000	7,000	-
Other:				
Sales - other	22,250	22,250	-	(22,250)
Investment earnings	50,000	50,000	38,659	(11,341)
Total revenues	8,242,583	8,499,583	9,833,117	1,333,534
EXPENDITURES				
Current:				
Personal services	150,000	180,000	168,816	11,184
Materials and services	2,546,832	2,946,784	1,931,055	1,015,729
General operating contingencies	3,302,239	3,159,025	-	3,159,025
Overhead charges - General Fund	210,186	210,186	210,186	-
Debt service and related costs:				
Principal	4,655,000	4,655,000	4,364,000	291,000
Interest	2,489,528	2,672,561	2,262,195	410,366
Debt issuance costs	-	20,717	22,908	(2,191)
Capital outlay	500,000	850,000	670,737	179,263
Total expenditures	13,853,785	14,694,273	9,629,897	5,064,376
Revenues over (under) expenditures	(5,611,202)	(6,194,690)	203,220	6,397,910
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	2,657	2,657	-
Insurance and Claims Operating	17,000	17,000	17,000	-
Total transfers from other funds	17,000	19,657	19,657	-
Transfers to other funds:				
General	(17,044)	(17,044)	(17,044)	-
Transportation Operating	(90,000)	(90,000)	(90,000)	-
Total transfers to other funds	(107,044)	(107,044)	(107,044)	-
Bonds and notes issued	-	21,915,000	21,915,000	-
Payments to refunded loan and bond escrow agent	-	(21,710,000)	(21,710,000)	-
Sale of capital asset	-	-	1,632	1,632
Total other financing sources (uses)	(90,044)	117,613	119,245	1,632
Net change in fund balance	(5,701,246)	(6,077,077)	322,465	6,399,542
Fund balance - beginning	5,701,246	6,077,077	6,077,077	-
Fund balance - ending	\$ -	\$ -	6,399,542	\$ 6,399,542
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			12,059	
Capital assets, net of accumulated depreciation and amortization			98,497,787	
Bonds payable			(41,492,935)	
Accrued interest payable			(126,146)	
Other postemployment benefits			(144)	
Net position - GAAP basis			\$ 63,290,163	

City of Portland, Oregon
Environmental Remediation Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Service charges and fees:				
Public works and utility charges	\$ 2,470,000	\$ 2,820,000	\$ 2,757,851	\$ (62,149)
Rents and reimbursements	506,000	506,000	506,863	863
Other service charges	-	-	1,205	1,205
Billings to other funds for services	407,000	407,000	418,313	11,313
Other:				
Investment earnings	15,000	15,000	24,082	9,082
Miscellaneous	-	-	805	805
Total revenues	<u>3,398,000</u>	<u>3,748,000</u>	<u>3,709,119</u>	<u>(38,881)</u>
EXPENDITURES				
Current:				
Personal services	346,700	381,700	376,932	4,768
Materials and services	3,835,873	3,998,873	3,755,337	243,536
General operating contingencies	2,738,195	2,889,018	-	2,889,018
Overhead charges - General Fund	166,897	166,897	166,897	-
Debt service and related costs:				
Principal	691	691	691	-
Interest	429	429	373	56
Total expenditures	<u>7,088,785</u>	<u>7,437,608</u>	<u>4,300,230</u>	<u>3,137,378</u>
Revenues over (under) expenditures	<u>(3,690,785)</u>	<u>(3,689,608)</u>	<u>(591,111)</u>	<u>3,098,497</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Transportation Operating	80,000	80,000	80,000	-
Water	240,000	240,000	240,000	-
Facilities Services Operating	-	3,823	3,823	-
Total transfers from other funds	<u>320,000</u>	<u>323,823</u>	<u>323,823</u>	<u>-</u>
Transfer to other funds:				
Pension Debt Redemption	(215)	(215)	(215)	-
Sewer System Operating	-	(5,000)	-	5,000
Total transfers to other funds	<u>(215)</u>	<u>(5,215)</u>	<u>(215)</u>	<u>5,000</u>
Total other financing sources (uses)	<u>319,785</u>	<u>318,608</u>	<u>323,608</u>	<u>5,000</u>
Net change in fund balance	(3,371,000)	(3,371,000)	(267,503)	3,103,497
Fund balance - beginning	3,371,000	3,371,000	3,518,356	147,356
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	3,250,853	<u>\$ 3,250,853</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			8,594	
Capital assets net of accumulated depreciation and amortization			3,669,761	
Prepaid pension obligation			7,774	
Compensated absences			(46,609)	
Bonds payable			(11,850)	
Accrued interest payable			(4,231)	
Other postemployment benefits			(13,700)	
Pollution remediation long-term liability			(2,675,000)	
Net position - GAAP basis			<u>\$ 4,185,592</u>	

City of Portland, Oregon
Headwaters Apartment Complex Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Local cost sharing	\$ 875,324	\$ 898,000	\$ 868,533	\$ (29,467)
Other:				
Investment earnings	1,293	3,293	3,140	(153)
Total revenues	<u>876,617</u>	<u>901,293</u>	<u>871,673</u>	<u>(29,620)</u>
EXPENDITURES				
Current:				
Materials and services	80,324	5,324	175	5,149
General operating contingencies	-	24,676	-	24,676
Debt service and related costs:				
Principal	-	-	285,000	(285,000)
Interest	796,293	796,293	511,293	285,000
Total expenditures	<u>876,617</u>	<u>826,293</u>	<u>796,468</u>	<u>29,825</u>
Net change in fund balance	-	75,000	75,205	205
Fund balance - beginning	-	-	723,248	723,248
Fund balance - ending	<u>\$ -</u>	<u>\$ 75,000</u>	798,453	<u>\$ 723,453</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			1,348	
Capital assets, net of accumulated depreciation and amortization			10,651,263	
Bonds payable			(10,259,911)	
Accrued interest payable			(124,966)	
Other liabilities			<u>(385,546)</u>	
Net position - GAAP basis			<u>\$ 680,641</u>	



View of Portland and Mt. Hood

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.

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City of Portland, Oregon
Health Insurance Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Health care charges	\$ 53,726,238	\$ 53,726,238	\$ 55,251,846	\$ 1,525,608
Other service charges	-	1,400,000	-	(1,400,000)
Billings to other funds for services	-	155,488	341,786	186,298
Other:				
Investment earnings	75,000	75,000	71,441	(3,559)
Miscellaneous	3,350,983	3,350,983	1,030,643	(2,320,340)
Total revenues	<u>57,152,221</u>	<u>58,707,709</u>	<u>56,695,716</u>	<u>(2,011,993)</u>
EXPENDITURES				
Current:				
Personal services	1,340,028	1,340,028	1,304,823	35,205
Materials and services	56,499,962	56,635,049	51,679,953	4,955,096
General operating contingencies	12,479,581	12,336,499	-	12,336,499
Overhead charges - General Fund	108,993	108,993	108,993	-
Debt service and related costs:				
Principal	17,785	17,785	17,785	-
Interest	11,035	11,035	9,595	1,440
Total expenditures	<u>70,457,384</u>	<u>70,449,389</u>	<u>53,121,149</u>	<u>17,328,240</u>
Revenues over (under) expenditures	<u>(13,305,163)</u>	<u>(11,741,680)</u>	<u>3,574,567</u>	<u>15,316,247</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	690	690	-
Insurance and Claims Operating	4,000	4,000	4,000	-
Total transfers from other funds	<u>4,000</u>	<u>4,690</u>	<u>4,690</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	(5,591)	(5,591)	(5,591)	-
Printing and Distribution Services Operating	-	(20,000)	(20,000)	-
Total transfers to other funds	<u>(5,591)</u>	<u>(25,591)</u>	<u>(25,591)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,591)</u>	<u>(20,901)</u>	<u>(20,901)</u>	<u>-</u>
Net change in fund balance	<u>(13,306,754)</u>	<u>(11,762,581)</u>	<u>3,553,666</u>	<u>15,316,247</u>
Fund balance - beginning	13,306,754	11,762,581	11,762,580	(1)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>15,316,246</u>	<u>\$ 15,316,246</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			32,680	
Prepaid pension obligation			200,332	
Self insurance claims			(4,599,000)	
Compensated absences			(100,095)	
Bonds payable			(305,070)	
Accrued interest payable			(108,904)	
Other postemployment benefits			(25,467)	
Net position - GAAP basis			<u>\$ 10,410,722</u>	

City of Portland, Oregon
Facilities Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Licenses and permits:				
Construction permits	\$ -	\$ -	\$ 251	\$ 251
Intergovernmental:				
Federal cost sharing	-	-	1,008	1,008
State cost sharing	-	-	1,629	1,629
Multnomah County cost sharing	-	-	1,896	1,896
Local cost sharing	-	-	41,513	41,513
Service charges and fees:				
Rents and reimbursements	2,229,792	2,229,792	959,068	(1,270,724)
Other service charges	37,000	37,000	900	(36,100)
Billings to other funds for services	25,165,627	25,452,094	23,178,705	(2,273,389)
Other:				
Sales - other	-	-	15,509	15,509
Donations	-	-	100	100
Investment earnings	150,000	150,000	191,550	41,550
Miscellaneous	-	858,000	917,688	59,688
Total revenues	27,582,419	28,726,886	25,309,817	(3,417,069)
EXPENDITURES				
Current:				
Personal services	3,429,149	3,897,246	3,671,730	225,516
Materials and services	17,329,974	25,290,878	22,082,196	3,208,682
General operating contingencies	13,067,535	6,417,232	-	6,417,232
Overhead charges - General Fund	782,693	782,693	782,693	-
Debt service and related costs:				
Principal	5,970,782	5,970,782	5,970,782	-
Interest	1,646,558	1,646,558	1,638,800	7,758
Capital outlay	9,322,614	8,803,614	3,107,622	5,695,992
Total expenditures	51,549,305	52,809,003	37,253,823	15,555,180
Revenues over (under) expenditures	(23,966,886)	(24,082,117)	(11,944,006)	12,138,111
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	4,336,643	4,795,473	4,795,473	-
Insurance and Claims Operating	90,000	90,000	90,000	-
Total transfers from other funds	4,426,643	4,885,473	4,885,473	-

Continued next page

City of Portland, Oregon
Facilities Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Transfers to other fund:				
Transportation Operating	-	(25,869)	(25,869)	-
Emergency Communication	-	(9,093)	(9,093)	-
Development Services	-	(60,988)	(60,988)	-
Parks Local Option Levy	-	(4)	(4)	-
Tax Increment Reimbursement	-	(7,012)	(7,012)	-
Pension Debt Redemption	(30,104)	(30,104)	(30,104)	-
BFRES Facilities GO Bond Construction	-	(4,270)	(4,270)	-
Local Improvement District	-	(32)	(32)	-
Parks Capital Improvement Program	-	(140)	(140)	-
Sewer System Operating	-	(39,584)	(39,584)	-
Water	-	(32,618)	(32,618)	-
Hydroelectric Power Operating	-	(16)	(16)	-
Golf	-	(48)	(48)	-
Portland International Raceway	-	(11)	(11)	-
Solid Waste Management	-	(183)	(183)	-
Parking Facilities	-	(103,759)	(103,759)	-
Spectator Facilities Operating	-	(2,657)	(2,657)	-
Environmental Remediation	-	(3,823)	(3,823)	-
Health Insurance Operating	-	(690)	(690)	-
CityFleet Operating	-	(12,840)	(12,840)	-
Printing and Distribution Services Operating	-	(5,151)	(5,151)	-
Insurance and Claims Operating	-	(1,100)	(1,100)	-
Workers' Compensation Self Insurance Operating	-	(1,135)	(1,135)	-
Technology Services	-	(27,284)	(27,284)	-
Enterprise Business Solutions Services	-	(5,246)	(5,246)	-
Fire and Police Disability and Retirement	-	(46)	(46)	-
Total transfers to other funds	<u>(30,104)</u>	<u>(373,703)</u>	<u>(373,703)</u>	<u>-</u>
Internal loan proceeds	<u>53,553</u>	<u>53,553</u>	<u>48,747</u>	<u>(4,806)</u>
Total other financing sources (uses)	<u>4,450,092</u>	<u>4,565,323</u>	<u>4,560,517</u>	<u>(4,806)</u>
Net change in fund balance	(19,516,794)	(19,516,794)	(7,383,489)	12,133,305
Fund balance - beginning	<u>19,516,794</u>	<u>19,516,794</u>	<u>36,716,387</u>	<u>17,199,593</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>29,332,898</u>	<u>\$ 29,332,898</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			63,515	
Internal loans receivable			472,762	
Capital assets, net of accumulated depreciation and amortization			118,148,627	
Prepaid pension obligation			1,078,908	
Compensated absences			(194,283)	
Bonds payable			(40,550,439)	
Accrued interest payable			(760,911)	
Other postemployment benefits			(96,037)	
Net position - GAAP basis			<u>\$ 107,495,040</u>	

**City of Portland, Oregon
CityFleet Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Federal cost sharing	\$ 100,000	\$ 100,000	\$ 86,697	\$ (13,303)
State cost sharing	20,000	20,000	29,063	9,063
Multnomah County cost sharing	141,000	591,000	545,189	(45,811)
Local cost sharing	100,000	675,000	664,150	(10,850)
Billings to other funds for services	28,725,377	29,909,244	27,056,444	(2,852,800)
Other:				
Investment earnings	105,000	105,000	102,606	(2,394)
Loan repayments	-	53,700	53,700	-
Miscellaneous	25,000	25,000	164,125	139,125
	<u>29,216,377</u>	<u>31,478,944</u>	<u>28,701,974</u>	<u>(2,776,970)</u>
Total revenues				
EXPENDITURES				
Current:				
Personal services	7,333,374	7,843,737	7,351,110	492,627
Materials and services	13,311,923	14,521,739	13,307,899	1,213,840
General operating contingencies	18,549,040	18,119,473	-	18,119,473
Overhead charges - General Fund	869,634	869,634	869,634	-
Debt service and related costs:				
Principal	225,080	225,080	225,080	-
Interest	139,656	139,656	121,426	18,230
Capital outlay	6,780,750	10,802,434	6,555,265	4,247,169
	<u>47,209,457</u>	<u>52,521,753</u>	<u>28,430,414</u>	<u>24,091,339</u>
Total expenditures				
Revenues over (under) expenditures	<u>(17,993,080)</u>	<u>(21,042,809)</u>	<u>271,560</u>	<u>21,314,369</u>

Continued next page

City of Portland, Oregon
CityFleet Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	12,840	12,840	-
Insurance and Claims Operating	34,000	34,000	34,000	-
Total transfers from other funds	<u>34,000</u>	<u>46,840</u>	<u>46,840</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	(70,746)	(70,746)	(70,746)	-
Total transfers to other funds	<u>(70,746)</u>	<u>(70,746)</u>	<u>(70,746)</u>	<u>-</u>
Internal loan proceeds	53,553	53,553	48,747	(4,806)
Sale of capital asset	650,000	890,000	1,295,878	405,878
Total other financing sources (uses)	<u>666,807</u>	<u>919,647</u>	<u>1,320,719</u>	<u>401,072</u>
Net change in fund balance	(17,326,273)	(20,123,162)	1,592,279	21,715,441
Fund balance - beginning	17,326,273	20,123,162	20,123,162	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	21,715,441	<u>\$ 21,715,441</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			42,858	
Notes and loans receivable, net			375,900	
Internal loans receivable			472,762	
Inventories			1,126,804	
Capital assets, net of accumulated depreciation and amortization			42,219,248	
Prepaid pension obligation			2,535,369	
Compensated absences			(409,253)	
Bonds payable			(3,860,847)	
Accrued interest payable			(1,378,228)	
Other postemployment benefits			<u>(217,087)</u>	
Net position - GAAP basis			<u>\$ 62,622,967</u>	

City of Portland, Oregon
Printing and Distribution Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
State cost sharing	\$ 256,533	\$ 256,533	\$ 167,790	\$ (88,743)
Multnomah County cost sharing	492,066	492,066	357,985	(134,081)
Local cost sharing	499,414	499,414	208,805	(290,609)
Service charges and fees:				
Other service charges	106,123	106,123	137,216	31,093
Billings to other funds for services	5,321,052	5,449,048	4,901,184	(547,864)
Other:				
Sales - other	73,412	73,412	43,796	(29,616)
Investment earnings	-	-	2,104	2,104
Miscellaneous	-	-	493	493
Total revenues	<u>6,748,600</u>	<u>6,876,596</u>	<u>5,819,373</u>	<u>(1,057,223)</u>
EXPENDITURES				
Current:				
Personal services	1,904,232	1,974,209	1,816,138	158,071
Materials and services	4,170,795	4,421,350	3,686,291	735,059
General operating contingencies	1,053,433	474,911	-	474,911
Overhead charges - General Fund	220,255	220,255	220,255	-
Debt service and related costs:				
Principal	76,275	76,275	76,275	-
Interest	47,326	47,326	41,149	6,177
Capital outlay	377,500	312,500	94,411	218,089
Total expenditures	<u>7,849,816</u>	<u>7,526,826</u>	<u>5,934,519</u>	<u>1,592,307</u>
Revenues over (under) expenditures	<u>(1,101,216)</u>	<u>(650,230)</u>	<u>(115,146)</u>	<u>535,084</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Health Insurance Operating	-	20,000	20,000	-
Facilities Services Operating	-	5,151	5,151	-
Insurance and Claims Operating	13,000	13,000	13,000	-
Total transfers from other funds	<u>13,000</u>	<u>38,151</u>	<u>38,151</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	(23,973)	(23,973)	(23,973)	-
Total other financing sources (uses)	<u>(10,973)</u>	<u>14,178</u>	<u>14,178</u>	<u>-</u>
Net change in fund balance	(1,112,189)	(636,052)	(100,968)	535,084
Fund balance - beginning	1,112,189	636,052	636,052	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	535,084	<u>\$ 535,084</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			1,190	
Capital assets, net of accumulated depreciation and amortization			457,858	
Prepaid pension obligation			859,181	
Compensated absences			(105,934)	
Bonds payable			(1,308,363)	
Accrued interest payable			(467,053)	
Other postemployment benefits			(70,536)	
Net position - GAAP basis			<u>\$ (98,573)</u>	

**City of Portland, Oregon
Insurance and Claims Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Billings to other funds for services	\$ 9,256,106	\$ 9,249,718	\$ 9,252,581	\$ 2,863
Other:				
Investment earnings	146,033	146,033	134,328	(11,705)
Miscellaneous	100,000	100,000	364,323	264,323
	<u>9,502,139</u>	<u>9,495,751</u>	<u>9,751,232</u>	<u>255,481</u>
EXPENDITURES				
Current:				
Personal services	1,091,639	1,224,273	1,111,653	112,620
Materials and services	7,506,129	7,833,715	6,461,325	1,372,390
General operating contingencies	24,559,004	24,093,496	-	24,093,496
Overhead charges - General Fund	213,735	213,735	213,735	-
Debt service and related costs:				
Principal	42,030	42,030	42,030	-
Interest	26,078	26,078	22,674	3,404
	<u>33,438,615</u>	<u>33,433,327</u>	<u>7,851,417</u>	<u>25,581,910</u>
Revenues over (under) expenditures	<u>(23,936,476)</u>	<u>(23,937,576)</u>	<u>1,899,815</u>	<u>25,837,391</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	1,100	1,100	-
	<u>-</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>
Total transfers from other funds	<u>-</u>	<u>1,100</u>	<u>1,100</u>	<u>-</u>

Continued next page

City of Portland, Oregon
Insurance and Claims Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Transfers to other funds:				
General	(2,463,000)	(2,463,000)	(2,463,000)	-
Transportation Operating	(410,000)	(410,000)	(410,000)	-
Emergency Communication	(51,000)	(51,000)	(51,000)	-
Development Services	(94,000)	(94,000)	(94,000)	-
Pension Debt Redemption	(13,209)	(13,209)	(13,209)	-
Sewer System Operating	(522,000)	(522,000)	(522,000)	-
Water	(325,000)	(325,000)	(325,000)	-
Hydroelectric Power Operating	(38,000)	(38,000)	(38,000)	-
Golf	(17,000)	(17,000)	(17,000)	-
Portland International Raceway	(13,000)	(13,000)	(13,000)	-
Parking Facilities	(47,000)	(47,000)	(47,000)	-
Spectator Facilities Operating	(17,000)	(17,000)	(17,000)	-
Health Insurance Operating	(4,000)	(4,000)	(4,000)	-
Facilities Services Operating	(90,000)	(90,000)	(90,000)	-
CityFleet Operating	(34,000)	(34,000)	(34,000)	-
Printing and Distribution Services Operating	(13,000)	(13,000)	(13,000)	-
Workers' Compensation Self Insurance Operating	(4,000)	(4,000)	(4,000)	-
Technology Services	(111,000)	(111,000)	(111,000)	-
Enterprise Business Solutions Services	(9,000)	(9,000)	(9,000)	-
Fire and Police Disability and Retirement	(9,000)	(9,000)	(9,000)	-
Total transfers to other funds	<u>(4,284,209)</u>	<u>(4,284,209)</u>	<u>(4,284,209)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,284,209)</u>	<u>(4,283,109)</u>	<u>(4,283,109)</u>	<u>-</u>
Net change in fund balance	(28,220,685)	(28,220,685)	(2,383,294)	25,837,391
Fund balance - beginning	<u>28,220,685</u>	<u>28,220,685</u>	<u>27,743,676</u>	<u>(477,009)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>25,360,382</u>	<u>\$ 25,360,382</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			48,215	
Capital assets, net of accumulated depreciation and amortization			292,670	
Prepaid pension obligation			473,441	
Self insurance claims			(13,638,776)	
Compensated absences			(111,235)	
Bonds payable			(720,947)	
Accrued interest payable			(257,360)	
Other postemployment benefits			<u>(33,818)</u>	
Fund balance - GAAP basis			<u>\$ 11,412,572</u>	

City of Portland, Oregon
Workers' Compensation Self Insurance Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Billings to other funds for services	\$ 3,373,632	\$ 3,367,356	\$ 3,365,820	\$ (1,536)
Other:				
Investment earnings	65,508	65,508	84,106	18,598
Miscellaneous	200,000	200,000	281,502	81,502
Total revenues	<u>3,639,140</u>	<u>3,632,864</u>	<u>3,731,428</u>	<u>98,564</u>
EXPENDITURES				
Current:				
Personal services	1,045,404	1,264,124	1,056,627	207,497
Materials and services	3,292,202	3,460,504	2,920,986	539,518
General operating contingencies	15,601,361	15,209,198	-	15,209,198
Overhead charges - General Fund	136,058	136,058	136,058	-
Debt service and related costs:				
Principal	39,314	39,314	39,314	-
Interest	24,393	24,393	21,209	3,184
Total expenditures	<u>20,138,732</u>	<u>20,133,591</u>	<u>4,174,194</u>	<u>15,959,397</u>
Revenues over (under) expenditures	<u>(16,499,592)</u>	<u>(16,500,727)</u>	<u>(442,766)</u>	<u>16,057,961</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	1,135	1,135	-
Insurance and Claims Operating	4,000	4,000	4,000	-
Total transfers from other funds	<u>4,000</u>	<u>5,135</u>	<u>5,135</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	<u>(12,357)</u>	<u>(12,357)</u>	<u>(12,357)</u>	<u>-</u>
Total other financing sources (uses)	<u>(8,357)</u>	<u>(7,222)</u>	<u>(7,222)</u>	<u>-</u>
Net change in fund balance	(16,507,949)	(16,507,949)	(449,988)	16,057,961
Beginning fund balance	<u>16,507,949</u>	<u>16,507,949</u>	<u>16,734,942</u>	<u>226,993</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	16,284,954	<u>\$ 16,284,954</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			31,252	
Capital assets, net of accumulated depreciation and amortization			177,459	
Prepaid pension obligation			442,839	
Self insurance claims			(8,231,062)	
Compensated absences			(39,711)	
Bonds payable			(674,358)	
Accrued interest payable			(240,729)	
Other postemployment benefits			<u>(25,437)</u>	
Net position - GAAP basis			<u>\$ 7,725,207</u>	

City of Portland, Oregon
Technology Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
Federal cost sharing	\$ 487,718	\$ 487,718	\$ 523,002	\$ 35,284
State cost sharing	353,377	353,377	487,171	133,794
Multnomah County cost sharing	1,813,669	1,813,669	1,641,146	(172,523)
Local cost sharing	2,576,929	2,576,929	2,451,270	(125,659)
Service charges and fees:				
Other service charges	40,808	40,808	27,318	(13,490)
Billings to other funds for services	38,425,410	41,811,684	40,631,796	(1,179,888)
Other:				
Sales - other	334,100	334,100	325,610	(8,490)
Investment earnings	100,000	100,000	133,777	33,777
Miscellaneous	30,000	30,000	45,020	15,020
Total revenues	44,162,011	47,548,285	46,266,110	(1,282,175)
EXPENDITURES				
Current:				
Personal services	25,201,975	25,860,062	24,754,156	1,105,906
Materials and services	17,020,672	22,689,667	18,389,527	4,300,140
General operating contingencies	10,704,102	19,243,758	-	19,243,758
Overhead charges - General Fund	1,599,127	1,599,127	1,599,127	-
Debt service and related costs:				
Principal	267,512	267,512	267,512	-
Interest	165,984	165,984	144,318	21,666
Capital outlay	3,363,200	1,146,986	1,006,363	140,623
Total expenditures	58,322,572	70,973,096	46,161,003	24,812,093
Revenues over (under) expenditures	(14,160,561)	(23,424,811)	105,107	23,529,918

Continued next page

City of Portland, Oregon
Technology Services Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	176,193	176,193	176,193	-
Emergency Communication	-	58,680	58,680	-
Facilities Services Operating	-	27,284	27,284	-
Insurance and Claims Operating	111,000	111,000	111,000	-
Total transfers from other funds	<u>287,193</u>	<u>373,157</u>	<u>373,157</u>	<u>-</u>
Transfers to other funds:				
General	(6,478,170)	(6,734,992)	(6,514,992)	220,000
Emergency Communication	-	(12,387)	(12,387)	-
Development Services	-	(9,141)	(9,141)	-
Pension Debt Redemption	(84,081)	(84,081)	(84,081)	-
Sewer System Operating	-	(1,261)	(1,261)	-
Water	-	(1,261)	(1,261)	-
Enterprise Business Solutions Services	-	(463,493)	(463,493)	-
Total transfers to other funds	<u>(6,562,251)</u>	<u>(7,306,616)</u>	<u>(7,086,616)</u>	<u>220,000</u>
Internal loan proceeds	<u>42,842</u>	<u>42,842</u>	<u>38,997</u>	<u>(3,845)</u>
Total other financing sources (uses)	<u>(6,232,216)</u>	<u>(6,890,617)</u>	<u>(6,674,462)</u>	<u>216,155</u>
Net change in fund balance	(20,392,777)	(30,315,428)	(6,569,355)	23,746,073
Fund balance - beginning	<u>20,392,777</u>	<u>30,315,428</u>	<u>30,265,673</u>	<u>(49,755)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	23,696,318	<u>\$ 23,696,318</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			46,194	
Internal loans receivable			378,211	
Inventories			371,204	
Capital assets, net of accumulated depreciation and amortization			22,269,956	
Prepaid pension obligation			3,013,328	
Compensated absences			(1,619,288)	
Bonds payable			(4,588,696)	
Accrued interest payable			(1,638,052)	
Other postemployment benefits			(598,684)	
Net position - GAAP basis			<u>\$ 41,330,491</u>	

City of Portland, Oregon
Enterprise Business Solutions Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Billings to other funds for services	\$ 12,520,947	\$ 12,504,788	\$ 12,489,788	\$ (15,000)
Other:				
Investment earnings	20,000	20,000	18,966	(1,034)
Miscellaneous	-	-	123	123
Total revenues	<u>12,540,947</u>	<u>12,524,788</u>	<u>12,508,877</u>	<u>(15,911)</u>
EXPENDITURES				
Current:				
Personal services	2,413,551	2,499,836	2,430,987	68,849
Materials and services	5,207,826	6,317,813	5,461,615	856,198
General operating contingencies	1,867,187	1,468,155	-	1,468,155
Overhead charges - General Fund	230,576	230,576	230,576	-
Debt service and related costs:				
Principal	3,790,000	3,790,000	3,790,000	-
Interest	601,513	601,513	601,513	-
Total expenditures	<u>14,110,653</u>	<u>14,907,893</u>	<u>12,514,691</u>	<u>2,393,202</u>
Revenues over (under) expenditures	<u>(1,569,706)</u>	<u>(2,383,105)</u>	<u>(5,814)</u>	<u>2,377,291</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	5,246	5,246	-
Insurance and Claims Operating	9,000	9,000	9,000	-
Technology Services	-	463,493	463,493	-
Total transfers from other funds	<u>9,000</u>	<u>477,739</u>	<u>477,739</u>	<u>-</u>
Total other financing sources (uses)	<u>9,000</u>	<u>477,739</u>	<u>477,739</u>	<u>-</u>
Net change in fund balance	(1,560,706)	(1,905,366)	471,925	2,377,291
Fund balance - beginning	<u>1,560,706</u>	<u>1,905,366</u>	<u>1,846,015</u>	<u>(59,351)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,317,940</u>	<u>\$ 2,317,940</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			4,733	
Capital assets, net of accumulated depreciation and amortization			905,787	
Compensated absences			(184,157)	
Bonds payable			(11,280,981)	
Accrued interest payable			(37,427)	
Other postemployment benefits			(30,683)	
Net position - GAAP basis			<u>\$ (8,304,788)</u>	

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 Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property	\$ 116,418,232	\$ 116,418,232	\$ 117,127,200	\$ 708,968
Prior year property	2,200,000	2,200,000	2,251,697	51,697
Service charges and fees:				
Other service charges	-	-	34	34
Billings to other funds for services	542,200	542,200	542,200	-
Other:				
Investment earnings	180,000	180,000	252,573	72,573
Miscellaneous	50,000	50,000	111,045	61,045
Pension recovery	200,000	200,000	215,985	15,985
	<u>119,590,432</u>	<u>119,590,432</u>	<u>120,500,734</u>	<u>910,302</u>
EXPENDITURES				
Current:				
Personal services	1,848,432	1,848,432	1,757,833	90,599
Materials and services	120,048,753	119,456,382	118,909,210	547,172
General operating contingencies	11,727,000	12,254,417	-	12,254,417
Overhead charges - General Fund	102,158	102,158	102,158	-
Debt service and related costs:				
Principal	28,029,997	28,029,997	26,708,997	1,321,000
Interest	288,889	288,889	300,180	(11,291)
Debt issuance costs	21,000	21,000	23,099	(2,099)
Capital outlay	30,000	95,000	69,040	25,960
	<u>162,096,229</u>	<u>162,096,275</u>	<u>147,870,517</u>	<u>14,225,758</u>
Revenues over (under) expenditures	<u>(42,505,797)</u>	<u>(42,505,843)</u>	<u>(27,369,783)</u>	<u>15,136,060</u>

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City of Portland, Oregon
Fire and Police Disability and Retirement Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Facilities Services Operating	-	46	46	-
Insurance and Claims Operating	9,000	9,000	9,000	-
Fire and Police Disability and Retirement Reserve	750,000	750,000	-	(750,000)
Total transfers from other funds	<u>759,000</u>	<u>759,046</u>	<u>9,046</u>	<u>(750,000)</u>
Transfers to other funds:				
Pension Debt Redemption	(7,541)	(7,541)	(7,541)	-
Total transfers to other funds	<u>(7,541)</u>	<u>(7,541)</u>	<u>(7,541)</u>	<u>-</u>
Bonds and notes issued	28,000,000	28,000,000	26,685,000	(1,315,000)
Bonds and notes premium	-	-	245,235	245,235
Total other financing sources (uses)	<u>28,751,459</u>	<u>28,751,505</u>	<u>26,931,740</u>	<u>(1,819,765)</u>
Net change in fund balance	(13,754,338)	(13,754,338)	(438,043)	13,316,295
Fund balance - beginning	<u>13,754,338</u>	<u>13,754,338</u>	<u>14,199,476</u>	<u>445,138</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>13,761,433</u>	<u>\$ 13,761,433</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			41,576	
Deferred revenue			6,629,251	
Prepaid expenses			270,312	
Capital assets, net of accumulated depreciation and amortization			488,069	
Compensated absences			(810,727)	
Bonds payable			(411,622)	
Accrued interest payable			(146,940)	
Other postemployment benefits			(38,428)	
Net position - GAAP basis			<u>\$ 19,782,924</u>	

City of Portland, Oregon
Fire and Police Disability and Retirement Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfer to other fund:				
Fire and Police Disability and Retirement	\$ (750,000)	\$ (750,000)	\$ -	\$ 750,000
Total other financing sources (uses)	(750,000)	(750,000)	-	750,000
Net change in fund balance	(750,000)	(750,000)	-	750,000
Fund balance - beginning	750,000	750,000	750,000	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	750,000	<u>\$ 750,000</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Net position - GAAP basis			<u>\$ 750,000</u>	

City of Portland, Oregon
Fire and Police Supplemental Retirement Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other:				
Investment earnings	\$ 200	\$ 200	\$ 121	\$ (79)
Total revenues	<u>200</u>	<u>200</u>	<u>121</u>	<u>(79)</u>
EXPENDITURES				
Current:				
Materials and services	<u>8,600</u>	<u>8,600</u>	<u>8,269</u>	<u>331</u>
Total expenditures	<u>8,600</u>	<u>8,600</u>	<u>8,269</u>	<u>331</u>
Net change in fund balance	(8,400)	(8,400)	(8,148)	252
Beginning fund balance	<u>27,800</u>	<u>27,800</u>	<u>28,173</u>	<u>373</u>
Fund balance - ending	<u>\$ 19,400</u>	<u>\$ 19,400</u>	20,025	<u>\$ 625</u>
Adjustment to generally accepted accounting principles (GAAP) basis:			<u> </u>	
Net position - GAAP basis			<u>\$ 20,025</u>	

Other Financial Schedules

- Schedule of Bond Principal Transactions
- Schedule of Bond Interest Transactions
- Schedule of Future Bond Principal Requirements
- Schedule of Future Bond Interest Requirements
- Schedule of Property Tax Transactions and Outstanding Balances
- Schedule of Property Taxes Receivable by Levy Year by Fund
- Schedule of Property Taxes Collections by Levy Year by Fund

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City of Portland, Oregon
Schedule of Bond Principal Transactions
For the Year Ended June 30, 2014

Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2013	Bonds Issued/ Reclassified During Year	Called, Reclassified and Matured During Year	Outstanding June 30, 2014	
GENERAL OBLIGATION BONDS:									
Governmental Activities									
General Obligation Parks Refunding Bonds	2010A	4.00	04/16/2010	2010-2015	\$ 19,960,000	\$ 8,455,000	\$ -	\$ 4,145,000	\$ 4,310,000
General Obligation Emergency Facilities Bonds	2004A	**	01/28/2004	2004-2024	13,965,000	8,930,000	-	8,930,000	-
General Obligation Emergency Facilities Bonds	2008A	3.50-4.75	11/18/2008	2009-2028	15,360,000	13,215,000	-	660,000	12,555,000
General Obligation Emergency Facilities Refunding Bonds	2009A	3.00-4.00	07/10/2009	2010-2019	14,560,000	9,035,000	-	1,400,000	7,635,000
General Obligation Public Safety Bonds	2011A	2.00-4.125	05/13/2011	2011-2026	25,835,000	23,040,000	-	1,485,000	21,555,000
General Obligation Public Safety Projects and Emergency Facilities Refunding	2014A	2.50-5.00	03/27/2014	2015-2029	29,795,000	-	29,795,000	-	29,795,000
TOTAL GENERAL OBLIGATION BONDS					119,475,000	62,675,000	29,795,000	16,620,000	75,850,000
LIMITED TAX IMPROVEMENT BONDS:									
Governmental Activities									
Limited Tax Improvement Bonds	2003A	**	05/22/2003	2003-2023	21,430,000	5,385,000	-	5,385,000	-
Limited Tax Improvement Bonds	2007A	5.00	06/28/2007	2007-2027	41,745,000	26,045,000	-	2,115,000	23,930,000
Limited Tax Improvement Bonds	2010A	3.000-4.125	04/29/2010	2010-2030	22,305,000	16,455,000	-	1,485,000	14,970,000
Limited Tax Improvement Bonds	2011A	3.00-4.00	12/13/2011	2012-2032	3,400,000	2,815,000	-	475,000	2,340,000
Limited Tax Improvement Bonds	2014A	3.00-4.00	06/26/2014	2015-2034	7,385,000	-	7,385,000	-	7,385,000
TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities					96,265,000	50,700,000	7,385,000	9,460,000	48,625,000
URBAN RENEWAL & REDEVELOPMENT BONDS:									
Governmental Activities									
South Park Blocks Urban Renewal and Redevelopment Bonds	2008A	6.031-6.081	07/01/2008	2009-2019	34,580,000	25,985,000	-	4,015,000	21,970,000
South Park Blocks Urban Renewal and Redevelopment Bonds	2008B	5.00	07/01/2008	2009-2024	32,020,000	32,020,000	-	-	32,020,000
Downtown Waterfront Urban Renewal and Redevelopment Bonds	2008A	5.11-6.30	04/23/2008	2008-2024	50,165,000	40,330,000	-	1,960,000	38,370,000
Downtown Waterfront Second Lien Urban Renewal and Redevelopment Bonds	2011A	3.00-5.00	07/09/2011	2012-2020	30,370,000	30,115,000	-	3,845,000	26,270,000
Central Eastside Urban Renewal and Redevelopment Bonds	2011A	4.15-6.246	03/31/2011	2011-2021	10,205,000	8,550,000	-	1,015,000	7,535,000
Central Eastside Urban Renewal and Redevelopment Bonds	2011B	4.00-5.375	03/31/2011	2011-2031	19,485,000	19,485,000	-	-	19,485,000
Airport Way Urban Renewal and Redevelopment Refunding Bonds	2005A	4.00-5.00	09/29/2005	2006-2020	45,370,000	32,650,000	-	4,010,000	28,640,000
Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Bonds	2012A	3.623-4.323	05/17/2012	2012-2025	69,760,000	69,760,000	-	-	69,760,000
Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds	2011B	4.00-5.00	07/09/2011	2012-2020	29,685,000	28,775,000	-	3,260,000	25,515,000
River District Urban Renewal and Redevelopment Bonds	2003B	4.10	06/17/2003	2004-2015	28,760,000	3,625,000	-	2,970,000	655,000
River District Urban Renewal and Redevelopment Bonds	2012A	1.912-4.430	06/27/2012	2013-2026	24,250,000	22,770,000	-	1,460,000	21,310,000
River District Urban Renewal and Redevelopment Bonds	2012B	3.00-5.00	06/27/2012	2013-2032	34,140,000	34,140,000	-	-	34,140,000
River District Urban Renewal and Redevelopment Bonds	2012C	3.75-5.00	06/27/2012	2013-2031	15,275,000	15,275,000	-	-	15,275,000
Lents Town Center Urban Renewal and Redevelopment Bonds	2010A	4.553-6.284	06/16/2010	2010-2024	21,240,000	17,720,000	-	1,235,000	16,485,000
Lents Town Center Urban Renewal and Redevelopment Bonds	2010B	4.25-5.00	06/16/2010	2010-2030	15,650,000	15,650,000	-	-	15,650,000
North Macadam Urban Renewal and Redevelopment Bonds	2010A	3.960-5.574	09/23/2010	2011-2022	29,645,000	22,405,000	-	2,290,000	20,115,000
North Macadam Urban Renewal and Redevelopment Bonds	2010B	3.75-5.00	09/23/2010	2011-2030	35,280,000	35,280,000	-	-	35,280,000
Interstate Corridor Urban Renewal and Redevelopment Bonds	2004A	4.00-5.25	12/09/2004	2005-2025	32,310,000	22,480,000	-	1,435,000	21,045,000
Interstate Corridor Urban Renewal and Redevelopment Bonds	2011A	3.333-6.294	08/11/2011	2012-2021	28,890,000	25,525,000	-	1,555,000	23,970,000
Interstate Corridor Urban Renewal and Redevelopment Bonds	2011B	4.50-5.00	08/11/2011	2012-2031	17,245,000	17,245,000	-	-	17,245,000
TOTAL URBAN RENEWAL & REDEVELOPMENT BONDS: Governmental Activities					604,325,000	519,785,000	-	29,050,000	490,735,000

* variable rate, see Note III.H. Long-term debt

** debt was paid off in fiscal year 2014

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City of Portland, Oregon
Schedule of Bond Principal Transactions, Continued
For the Year Ended June 30, 2014

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2013	Bonds Issued/ Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2014	
LIMITED TAX AND LIMITED TAX REVENUE BONDS:										
Governmental Activities										
	1999C	7.701	11/01/1999	2000-2022	\$ 84,292,006	\$ 71,898,226	\$ -	\$ -	\$ 71,898,226	
	1999C	7.93	11/01/1999	2000-2029	30,090,299	30,090,310	-	-	30,090,310	
	1999D	*	11/01/1999	2000-2019	56,869,511	43,467,263	-	5,194,082	38,273,181	
	1999E	*	11/01/1999	2000-2019	56,869,511	43,467,262	-	5,213,039	38,254,223	
	2008A	3.75-5.00	06/24/2008	2008-2018	17,725,000	9,640,000	-	1,780,000	7,860,000	
	2011A	5.00	10/06/2011	2012-2030	67,015,000	65,920,000	-	-	65,920,000	
	2001B	5.00-5.36	02/13/2001	2001-2022	18,058,888	12,805,684	-	1,463,112	11,342,572	
	2007A	4.25	04/24/2007	2007-2016	22,480,000	7,065,000	-	3,095,000	3,970,000	
	2009B	3.00-4.00	12/17/2009	2010-2017	9,400,000	7,705,000	-	695,000	7,010,000	
	2011B	2.00-3.00	12/15/2011	2012-2026	5,445,000	5,115,000	-	335,000	4,780,000	
	2012B	3.00-4.00	05/24/2012	2012-2022	13,305,000	12,160,000	-	1,190,000	10,970,000	
	2005C	**	06/21/2005	2005-2014	3,170,000	300,000	-	300,000	-	
	2005D	4.00-4.25	06/21/2005	2005-2025	6,975,000	6,720,000	-	165,000	6,555,000	
	2010A	3.000-3.125	04/22/2010	2010-2020	4,840,000	3,910,000	-	565,000	3,345,000	
	2011A	2.36	12/15/2011	2012-2021	1,315,000	1,060,000	-	140,000	920,000	
	2012B	3.00-4.00	05/24/2012	2012-2016	8,473,650	6,445,000	-	2,085,000	4,360,000	
	2007B	4.00-4.50	08/02/2007	2008-2017	16,860,000	7,550,000	-	1,770,000	5,780,000	
	LOC	5.75	11/20/2006	2007-2016	2,500,000	1,974,864	-	100,185	1,874,679	
	2012C	3.00-5.00	09/11/2012	2013-2032	36,160,000	36,160,000	-	715,000	35,445,000	
	2014A	4.00-5.00	06/17/2014	2015-2034	44,215,000	-	44,215,000	-	44,215,000	
	2009B	3.00-4.00	12/17/2009	2010-2017	8,210,000	4,285,000	-	1,015,000	3,270,000	
	2007C	4.00-4.50	10/11/2007	2008-2028	11,925,000	9,765,000	-	485,000	9,280,000	
	Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities					526,193,865	387,503,609	44,215,000	26,305,418	405,413,191
Business-type Activities										
	1999C	7.701	11/01/1999	2000-2022	26,678,633	22,755,991	-	-	22,755,991	
	1999C	7.93	11/01/1999	2000-2029	9,523,664	9,523,654	-	-	9,523,654	
	1999D	*	11/01/1999	2000-2019	17,999,360	13,757,511	-	1,643,942	12,113,569	
	1999E	*	11/01/1999	2000-2019	17,999,360	13,757,511	-	1,649,941	12,107,570	
	2009A	2.50-4.00	05/21/2009	2009-2024	21,450,000	16,575,000	-	1,275,000	15,300,000	
	LOC	6.14	10/25/2007	2008-2017	2,010,000	955,000	-	215,000	740,000	
	2005A	4.03-4.71	04/18/2005	2005-2035	10,480,000	9,280,000	-	255,000	9,025,000	
	2005B	4.70	04/18/2005	2005-2035	1,260,000	1,120,000	-	30,000	1,090,000	
	2005B	5.00	03/03/2005	2005-2017	17,810,000	11,730,000	-	3,015,000	8,715,000	
	2012A	3.25-3.50	04/24/2012	2012-2027	12,000,000	12,000,000	-	-	12,000,000	
	2001D	**	05/15/2001	2001-2023	35,000,000	21,710,000	-	21,710,000	-	
	2013A	3.27	12/11/2013	2014-2023	21,915,000	-	21,915,000	1,349,000	20,566,000	
	Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities					194,126,017	133,164,667	21,915,000	31,142,883	123,936,784
	TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS					720,319,882	520,668,276	66,130,000	57,448,301	529,349,975

* variable rate, see Note III.H. Long-term debt

** debt was paid off in fiscal year 2014

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City of Portland, Oregon
Schedule of Bond Principal Transactions, Continued
For the Year Ended June 30, 2014

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2013	Bonds Issued/Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2014	
REVENUE BONDS:										
Governmental Activities										
	1998A	**	06/01/1998	1999-2018	\$ 3,070,000	\$ 1,050,000	\$ -	\$ 1,050,000	\$ -	
	2005A	3.60-3.75	03/17/2005	2005-2016	4,400,000	1,435,000	-	460,000	975,000	
	2011A	3.00-5.00	11/08/2011	2012-2023	15,400,000	14,335,000	-	1,200,000	13,135,000	
	2013A	1.94	08/05/2013	2014-2018	1,073,000	-	1,073,000	209,000	864,000	
	Total Revenue Bonds: Governmental Activities				23,943,000	16,820,000	1,073,000	2,919,000	14,974,000	
Business-type Activities										
	2003A	**	04/03/2003	2004-2023	88,370,000	30,850,000	-	30,850,000	-	
	2004A	4.00-5.00	11/30/2004	2005-2024	163,500,000	116,300,000	-	7,320,000	108,980,000	
	2004B	5.00	11/30/2004	2005-2017	93,080,000	81,200,000	-	2,020,000	79,180,000	
	2005A	5.00	06/16/2005	2005-2020	144,850,000	144,850,000	-	-	144,850,000	
	2006A	4.50-5.00	05/25/2006	2006-2031	177,845,000	147,380,000	-	5,340,000	142,040,000	
	2006B	4.50-5.00	05/25/2006	2006-2031	87,135,000	72,445,000	-	2,580,000	69,865,000	
	2007A	5.00	03/08/2007	2007-2015	193,510,000	61,550,000	-	30,020,000	31,530,000	
	2008A	4.25-5.00	04/17/2008	2008-2033	333,015,000	279,315,000	-	12,975,000	266,340,000	
	2008B	5.00	04/17/2008	2008-2033	195,700,000	189,130,000	-	1,625,000	187,505,000	
	2010A	4.00-5.00	08/19/2010	2010-2035	407,850,000	371,960,000	-	9,950,000	362,010,000	
	2013A	1.00-5.00	09/17/2013	2014-2039	210,965,000	-	210,965,000	-	210,965,000	
	2004B	**	05/06/2004	2004-2023	61,900,000	2,900,000	-	2,900,000	-	
	2006B	4.00-5.00	09/21/2006	2007-2020	44,000,000	37,455,000	-	1,455,000	36,000,000	
	2008A	4.00-5.00	08/07/2008	2009-2033	79,680,000	72,245,000	-	2,085,000	70,160,000	
	2010A	4.00-5.00	02/11/2010	2010-2035	73,440,000	68,710,000	-	1,920,000	66,790,000	
	2011A	4.00-5.00	03/22/2011	2011-2036	82,835,000	79,360,000	-	2,020,000	77,340,000	
	2012A	3.00-5.00	07/24/2012	2013-2037	76,510,000	73,790,000	-	1,910,000	71,880,000	
	2013A	2.00-5.00	05/02/2013	2014-2038	253,635,000	253,635,000	-	9,395,000	244,240,000	
	2006	5.523	04/05/2006	2006-2016	21,370,000	8,905,000	-	2,270,000	6,635,000	
	Total Revenue Bonds: Business-type Activities				2,789,190,000	2,091,980,000	210,965,000	126,635,000	2,176,310,000	
	TOTAL REVENUE BONDS				2,813,133,000	2,108,800,000	212,038,000	129,554,000	2,191,284,000	
	TOTAL BONDED DEBT PRINCIPAL PRIMARY GOVERNMENT				4,353,517,882	3,262,628,276	315,348,000	242,132,301	3,335,843,975	
	Fiduciary Funds									
	1999C	7.701	11/01/1999	2000-2022	194,360	165,783	-	-	165,783	
	1999C	7.93	11/01/1999	2000-2029	69,382	69,381	-	-	69,381	
	1999D	*	11/01/1999	2000-2019	131,130	100,227	-	11,976	88,251	
	1999E	*	11/01/1999	2000-2019	131,130	100,227	-	12,020	88,207	
	Total Fiduciary Funds				526,002	435,618	-	23,996	411,622	
	TOTAL BONDED DEBT PRINCIPAL				\$ 4,354,043,884	\$ 3,263,063,894	\$ 315,348,000	\$ 242,156,297	\$ 3,336,255,597	
	SUMMARY									
							Governmental Activities	Business-type Activities	Total	
	Bonded Debt: Primary Government						\$1,035,597,191	\$2,300,246,784	\$ 3,335,843,975	
	Plus unamortized premiums						37,262,257	118,841,810	156,104,067	
	Less unamortized discounts						(357,268)	(763,380)	(1,120,648)	
	Less deferred loss on refunding						-	(120,350)	(120,350)	
	NET BONDED DEBT						\$1,072,502,180	\$2,418,204,864	\$ 3,490,707,044	

* variable rate, see Note III.H. Long-term debt
** debt was paid off in fiscal year 2014

City of Portland, Oregon
Schedule of Bond Interest Transactions
For the Year Ended June 30, 2014

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2013	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2014
GENERAL OBLIGATION BONDS:							
Governmental Activities							
General Obligation Parks Refunding Bonds	2010A	4.00	04/06/2010	\$ 510,600	\$ -	\$ 338,200	\$ 172,400
General Obligation Emergency Facilities Bonds	2004A	**	01/28/2004	2,339,125	(1,980,570)	358,555	-
General Obligation Emergency Facilities Bonds	2008A	3.50-4.75	11/18/2008	5,247,460	-	570,535	4,676,925
General Obligation Emergency Facilities Refunding Bonds	2009A	3.00-4.00	07/10/2009	1,246,900	-	321,950	924,950
General Obligation Public Safety Bonds	2011A	2.00-4.125	05/13/2011	5,763,213	-	731,775	5,031,438
General Obligation Public Safety Projects and Emergency Facilities Refunding	2014A	2.50-5.00	03/27/2014	-	9,531,723	-	9,531,723
TOTAL GENERAL OBLIGATION BONDS				15,107,298	7,551,153	2,321,015	20,337,436
LIMITED TAX IMPROVEMENT BONDS:							
Governmental Activities							
Limited Tax Improvement Bonds	2003A	**	05/22/2003	2,342,475	(2,118,341)	224,134	-
Limited Tax Improvement Bonds	2007A	5.00	06/28/2007	15,049,000	(396,875)	1,222,625	13,429,500
Limited Tax Improvement Bonds	2010A	3.000-4.125	04/29/2010	7,935,938	(33,675)	603,413	7,298,850
Limited Tax Improvement Bonds	2011A	3.00-4.00	12/13/2011	1,266,400	(85,100)	104,200	1,077,100
Limited Tax Improvement Bonds	2014A	3.00-4.00	06/26/2014	-	3,513,865	-	3,513,865
TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities				26,593,813	879,874	2,154,372	25,319,315
URBAN RENEWAL & REDEVELOPMENT BONDS:							
Governmental Activities							
South Park Blocks Urban Renewal and Redevelopment Bonds	2008A	6.031-6.081	07/01/2008	5,478,689	-	1,568,835	3,909,854
South Park Blocks Urban Renewal and Redevelopment Bonds	2008B	5.00	07/01/2008	13,850,000	-	1,601,000	12,249,000
Downtown Waterfront Urban Renewal and Redevelopment Bonds	2008A	5.11-6.30	04/23/2008	18,604,184	-	2,421,598	16,182,586
Downtown Waterfront Second Lien Urban Renewal and Redevelopment Bonds	2011A	3.00-5.00	07/09/2011	5,653,650	-	1,254,500	4,399,150
Central Eastside Urban Renewal and Redevelopment Bonds	2011A	4.15-6.246	03/31/2011	2,060,942	-	436,569	1,624,373
Central Eastside Urban Renewal and Redevelopment Bonds	2011B	4.00-5.375	03/31/2011	13,170,519	-	952,125	12,218,394
Airport Way Urban Renewal and Redevelopment Refunding Bonds	2005A	4.00-5.00	09/25/2005	6,472,250	-	1,578,750	4,893,500
Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Bonds	2012A	3.623-4.323	05/17/2012	27,753,543	-	2,792,917	24,960,626
Oregon Convention Center Senior Lien Urban Renewal and Redevelopment Refunding Bonds	2011B	4.00-5.00	07/09/2011	5,971,200	-	1,368,300	4,602,900
River District Urban Renewal and Redevelopment Bonds	2003B	4.10	06/17/2003	173,104	-	146,249	26,855
River District Urban Renewal and Redevelopment Bonds	2012A	1.912-4.430	06/27/2012	5,996,959	-	763,623	5,233,336
River District Urban Renewal and Redevelopment Bonds	2012B	3.00-5.00	06/27/2012	11,650,000	-	1,524,850	10,125,150
River District Urban Renewal and Redevelopment Bonds	2012C	3.75-5.00	06/27/2012	11,808,500	-	751,250	11,057,250
Lents Town Center Urban Renewal and Redevelopment Bonds	2010A	4.553-6.284	06/16/2010	6,977,182	-	1,028,262	5,948,920
Lents Town Center Urban Renewal and Redevelopment Bonds	2010B	4.25-5.00	06/16/2010	11,169,983	-	765,584	10,404,399
North Macadam Urban Renewal and Redevelopment Bonds	2010A	3.960-5.574	09/23/2010	5,872,259	-	1,138,167	4,734,092
North Macadam Urban Renewal and Redevelopment Bonds	2010B	3.75-5.00	09/23/2010	20,814,350	-	1,535,562	19,278,788
Interstate Corridor Urban Renewal and Redevelopment Bonds	2011A	4.00-5.25	08/11/2011	10,992,718	-	1,335,222	9,657,496
Interstate Corridor Urban Renewal and Redevelopment Bonds	2011B	3.333-6.294	08/11/2011	13,533,963	-	849,338	12,684,625
Interstate Corridor Urban Renewal and Redevelopment Bonds	2004A	4.50-5.00	12/09/2004	7,908,506	-	1,100,131	6,808,375
TOTAL URBAN RENEWAL & REDEVELOPMENT BONDS: Governmental Activities				205,912,501	-	24,912,832	180,999,669

* variable rate, see Note III.H. Long-term debt

** debt was paid off in fiscal year 2014

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City of Portland, Oregon
Schedule of Bond Interest Transactions, Continued
For the Year Ended June 30, 2014

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2013	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2014
LIMITED TAX AND LIMITED TAX REVENUE BONDS:							
Governmental Activities							
Limited Tax Pension Obligation Revenue Bonds	1999C	7.701	11/01/1999	\$ 44,730,384	\$ -	\$ 5,536,883	\$ 39,193,501
Limited Tax Pension Obligation Revenue Bonds	1999C	7.93	11/01/1999	207,309,563	-	-	207,309,563
Limited Tax Pension Obligation Revenue Bonds	1999D	*	11/01/1999	4,787,275	(1,132,272)	108,668	3,546,335
Limited Tax Pension Obligation Revenue Bonds	1999E	*	11/01/1999	4,783,674	(1,131,846)	108,668	3,543,160
Limited Tax Revenue Refunding Bonds-Development Services Building	2008A	3.75-5.00	06/24/2008	1,362,850	-	421,875	940,975
Limited Tax Revenue Refunding Bonds-Oregon Convention Center Completion Project	2011A	5.00	10/06/2011	43,299,750	-	3,296,000	40,003,750
Limited Tax Revenue Bonds-Oregon Convention Center Completion Project-Deferred Interest	2001B	5.00-5.36	02/13/2001	17,969,316	-	1,336,888	16,632,428
Limited Tax Revenue Bonds-Enterprise Business Solutions Project	2007A	4.25	04/24/2007	500,438	-	300,263	200,175
Limited Tax Revenue Bonds-Enterprise Business Solutions Project	2009B	3.00-4.00	12/17/2009	950,250	-	301,250	649,000
Limited Tax Revenue Bonds-Emergency Coordination Center Project	2011B	2.00-3.00	12/15/2011	1,061,656	-	139,956	921,700
Limited Tax Revenue and Refunding Bonds-Police Training Facility	2012B	3.00-4.00	05/24/2012	2,345,450	-	423,300	1,922,150
Limited Tax Housing Revenue Bonds-Housing Opportunity Program	2005C	**	06/21/2005	13,350	-	13,350	-
Limited Tax Housing Revenue Bonds-Housing Opportunity Program	2005D	4.00-4.25	06/21/2005	1,964,263	-	273,825	1,690,438
Limited Tax Revenue Refunding Bonds-Capital Improvement & Renovation	2010A	3.000-3.125	04/22/2010	455,631	-	117,868	337,763
Portland Center for Performing Arts Bonds	2011A	2.36	12/15/2011	120,596	-	25,016	95,580
Limited Tax Revenue and Refunding Bonds-800 MHZ	2012B	3.00-4.00	05/24/2012	390,600	-	193,350	197,250
Limited Tax Revenue Bonds-Portland Mall Revitalization Project	2007B	4.00-4.50	08/02/2007	793,675	-	315,650	478,025
Non-Revolving Credit Facility-NMI Funding Obligation	LOC	5.75	11/20/2006	366,156	-	112,135	254,021
Limited Tax Revenue Bonds-Portland-Milwaukie Light Rail Project	2012C	3.00-5.00	09/11/2012	13,954,584	-	1,791,284	12,163,300
Limited Tax Revenue Bonds-Sellwood Bridge	2014A	4.00-5.00	06/17/2014	-	23,763,719	-	23,763,719
Limited Tax Revenue Bonds-CAD Project	2009B	3.00-4.00	12/17/2009	426,450	-	161,250	265,200
Limited Tax Revenue Bonds-Archives Space Acquisition Project	2007C	4.00-4.50	10/11/2007	3,648,380	-	408,646	3,239,734
Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities				351,234,291	21,499,601	15,386,125	357,347,767
Business-type Activities							
Limited Tax Pension Obligation Revenue Bonds	1999C	7.701	11/01/1999	14,157,292	-	1,752,438	12,404,854
Limited Tax Pension Obligation Revenue Bonds	1999C	7.93	11/01/1999	65,614,074	-	-	65,614,074
Limited Tax Pension Obligation Revenue Bonds	1999D	*	11/01/1999	1,515,186	(358,367)	34,394	1,122,425
Limited Tax Pension Obligation Revenue Bonds	1999E	*	11/01/1999	1,514,046	(358,232)	34,394	1,121,420
Limited Tax Revenue Bonds-Central City Streetcar	2009A	2.50-4.00	05/21/2009	4,097,675	-	604,125	3,493,550
Taxable Non-Revolving Line of Credit-Portland International Raceway Project	LOC	6.14	10/25/2007	151,658	-	58,637	93,021
Limited Tax Housing Revenue Bonds-Headwaters Apartments	2005A	4.03-4.71	04/18/2005	6,125,784	-	458,653	5,667,131
Limited Tax Housing Revenue Bonds-Headwaters Apartments	2005B	4.70	04/18/2005	700,300	-	52,640	647,660
Arena Limited Tax Revenue Refunding Bonds	2005B	5.00	03/03/2005	1,386,500	-	586,500	800,000
Limited Tax Revenue Bonds-JELD-WEN Field Project	2012A	3.25-3.50	04/24/2012	5,100,138	-	405,488	4,694,650
Limited Tax Revenue Bonds-Civic Stadium Project	2001D	**	05/15/2001	8,911,850	(8,911,850)	\$0.00	-
Limited Tax Revenue Bonds-Civic Stadium Project	2013A	3.27	12/11/2013	-	3,944,364	338,404	3,605,960
Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities				109,274,503	(5,684,085)	4,325,673	99,264,745
TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS				460,508,794	15,815,516	19,711,798	456,612,512

* variable rate, see Note III.H. Long-term debt

** debt was paid off in fiscal year 2014

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City of Portland, Oregon
Schedule of Bond Interest Transactions, Continued
For the Year Ended June 30, 2014

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2013	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2014
REVENUE BONDS:							
Governmental Activities							
	1998A	**	06/01/1998	\$ 162,720	\$ (149,019)	\$ 13,701	\$ -
	2005A	3.60-3.75	03/17/2005	106,348	-	51,943	54,405
	2011A	3.00-5.00	11/08/2011	3,078,700	-	541,800	2,536,900
	2013A	1.94	01/00/1900	-	59,738	17,058	42,680
Total Revenue Bonds: Governmental Activities				3,347,768	(89,281)	624,502	2,633,985
Business-type Activities							
	2003A	**	04/03/2003	9,335,525	(8,711,884)	623,641	-
	2004A	4.00-5.00	11/30/2004	37,113,913	-	5,462,225	31,651,688
	2004B	5.00	11/30/2004	13,845,750	-	4,060,000	9,785,750
	2005A	5.00	06/16/2005	47,317,250	-	7,242,500	40,074,750
	2006A	4.50-5.00	05/25/2006	72,732,900	-	6,886,244	65,846,656
	2006B	4.50-5.00	05/25/2006	37,649,000	-	3,538,175	34,110,825
	2007A	5.00	03/08/2007	4,654,000	-	3,077,500	1,576,500
	2008A	4.25-5.00	04/17/2008	129,078,950	-	13,382,175	115,696,775
	2008B	5.00	04/17/2008	94,951,750	-	9,456,500	85,495,250
	2010A	4.00-5.00	08/19/2010	241,058,850	-	17,920,075	223,138,775
	2013A	1.00-5.00	09/17/2013	-	145,307,620	3,733,445	141,574,175
	2004B	**	05/06/2004	72,500	-	72,500	-
	2006B	4.00-5.00	09/21/2006	8,487,216	-	1,630,632	6,856,584
	2008A	4.00-5.00	08/07/2008	41,074,322	-	3,311,519	37,762,803
	2010A	4.00-5.00	02/11/2010	37,424,863	-	2,902,425	34,522,438
	2011A	4.00-5.00	03/22/2011	50,745,500	-	3,635,137	47,110,363
	2012A	3.00-5.00	07/24/2012	33,743,488	-	2,572,938	31,170,550
	2013A	2.00-5.00	05/02/2013	132,668,060	-	9,918,160	122,749,900
	2006	5.523	04/05/2006	942,914	-	429,137	513,777
Total Revenue Bonds: Business-type Activities				992,896,751	136,595,736	99,854,928	1,029,637,559
TOTAL REVENUE BONDS				996,244,519	136,506,454	100,479,429	1,032,271,544
TOTAL BONDED DEBT INTEREST PRIMARY GOVERNMENT				1,704,366,925	160,752,997	149,579,446	1,715,540,476
Fiduciary Funds							
	1999C	7.701	11/01/1999	103,140	-	12,767	90,373
	1999C	7.93	11/01/1999	478,017	-	-	478,017
	1999D	*	11/01/1999	11,039	(2,611)	251	8,177
	1999E	*	11/01/1999	11,030	(2,609)	251	8,170
Total Fiduciary Funds				603,226	(5,220)	13,269	584,737
TOTAL BONDED DEBT INTEREST				\$ 1,704,970,151	\$ 160,747,777	\$ 149,592,715	\$ 1,716,125,213

* variable rate, see Note III.H. Long-term debt

** debt was paid off in fiscal year 2014

City of Portland, Oregon
Schedule of Future Bond Principal Requirements
June 30, 2014

Fiscal Year Ending	General Obligation Bonds			Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Revenue Bonds			Subtotal Bonded Debt	Fiduciary Fund	Total Bonded Debt
	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total			
2015	4,310,000	5,060,000	9,370,000	1,735,000	30,640,000	30,298,331	10,644,866	40,943,197	1,925,000	105,305,000	107,230,000	189,918,197	27,362	189,945,559
2016	-	5,490,000	5,490,000	660,000	31,930,000	32,673,271	11,558,848	44,232,119	1,984,000	112,540,000	114,524,000	196,836,119	31,034	196,867,153
2017	-	5,680,000	5,680,000	4,700,000	33,455,000	33,105,640	10,501,830	43,607,470	1,553,000	117,475,000	119,028,000	206,470,470	34,968	206,505,438
2018	-	5,900,000	5,900,000	445,000	35,125,000	27,548,660	9,095,808	36,644,468	1,622,000	122,350,000	123,972,000	202,086,468	39,252	202,125,720
2019	-	6,170,000	6,170,000	430,000	40,240,000	27,722,852	10,468,787	38,191,639	1,445,000	126,565,000	128,010,000	213,041,639	43,842	213,085,481
2020	-	4,700,000	4,700,000	3,875,000	39,480,000	30,439,477	11,321,162	41,760,639	1,520,000	131,890,000	133,410,000	223,225,639	48,842	223,274,481
2021	-	4,895,000	4,895,000	-	39,755,000	33,922,653	12,328,531	46,251,184	1,595,000	138,665,000	140,260,000	231,161,184	55,066	231,216,250
2022	-	5,100,000	5,100,000	785,000	41,630,000	37,526,998	13,451,298	50,978,296	1,640,000	138,015,000	139,655,000	238,148,296	61,875	238,210,171
2023	-	5,260,000	5,260,000	-	43,600,000	16,526,293	5,889,788	22,416,081	1,690,000	144,595,000	146,285,000	217,561,081	11,094	217,572,175
2024	-	5,510,000	5,510,000	2,245,000	45,160,000	16,894,498	6,570,249	23,464,747	-	91,085,000	91,085,000	167,464,747	10,675	167,475,422
2025	-	4,810,000	4,810,000	-	24,740,000	17,279,575	4,824,886	22,104,461	-	83,330,000	83,330,000	134,984,461	10,271	134,994,732
2026	-	4,985,000	4,985,000	-	13,295,000	16,945,859	4,881,487	21,827,346	-	74,130,000	74,130,000	114,237,346	9,882	114,247,228
2027	-	2,960,000	2,960,000	19,680,000	13,925,000	16,883,626	4,960,139	21,843,765	-	77,650,000	77,650,000	136,058,765	9,508	136,068,273
2028	-	3,070,000	3,070,000	-	14,560,000	17,322,941	1,785,865	19,108,806	-	81,315,000	81,315,000	118,053,806	9,149	118,062,955
2029	-	1,950,000	1,950,000	-	15,245,000	16,997,518	1,763,240	18,760,758	-	84,980,000	84,980,000	120,935,758	8,802	120,944,560
2030	-	-	-	9,950,000	16,000,000	13,800,000	585,000	14,385,000	-	88,805,000	88,805,000	129,140,000	-	129,140,000
2031	-	-	-	-	8,825,000	5,230,000	610,000	5,840,000	-	92,890,000	92,890,000	107,555,000	-	107,555,000
2032	-	-	-	1,120,000	3,130,000	5,415,000	640,000	6,055,000	-	78,860,000	78,860,000	89,165,000	-	89,165,000
2033	-	-	-	-	-	5,610,000	665,000	6,275,000	-	77,835,000	77,835,000	84,110,000	-	84,110,000
2034	-	-	-	3,000,000	700,000	3,270,000	700,000	3,970,000	-	61,600,000	61,600,000	68,570,000	-	68,570,000
2035	-	-	-	-	-	-	690,000	690,000	-	59,005,000	59,005,000	59,695,000	-	59,695,000
2036	-	-	-	-	-	-	-	-	-	29,095,000	29,095,000	29,095,000	-	29,095,000
2037	-	-	-	-	-	-	-	-	-	24,745,000	24,745,000	24,745,000	-	24,745,000
2038	-	-	-	-	-	-	-	-	-	21,360,000	21,360,000	21,360,000	-	21,360,000
2039	-	-	-	-	-	-	-	-	-	12,225,000	12,225,000	12,225,000	-	12,225,000
Total Principal	\$ 4,310,000	\$ 71,540,000	\$ 75,850,000	\$ 48,625,000	\$ 490,735,000	\$ 405,413,191	\$ 123,936,784	\$ 529,349,975	\$ 14,974,000	\$ 2,176,310,000	\$ 2,191,284,000	\$ 3,335,843,975	\$ 411,622	\$ 3,336,255,597

Fiscal Year Ending	Parks	Emergency Facilities	Total	Limited Tax Improvement	Urban Renewal and Redevelopment	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Subtotal Bonded Debt	Fiduciary Fund	Total Bonded Debt
2015	4,310,000	5,060,000	9,370,000	1,735,000	30,640,000	30,298,331	10,644,866	40,943,197	1,925,000	105,305,000	107,230,000	189,918,197	27,362	189,945,559
2016	-	5,490,000	5,490,000	660,000	31,930,000	32,673,271	11,558,848	44,232,119	1,984,000	112,540,000	114,524,000	196,836,119	31,034	196,867,153
2017	-	5,680,000	5,680,000	4,700,000	33,455,000	33,105,640	10,501,830	43,607,470	1,553,000	117,475,000	119,028,000	206,470,470	34,968	206,505,438
2018	-	5,900,000	5,900,000	445,000	35,125,000	27,548,660	9,095,808	36,644,468	1,622,000	122,350,000	123,972,000	202,086,468	39,252	202,125,720
2019	-	6,170,000	6,170,000	430,000	40,240,000	27,722,852	10,468,787	38,191,639	1,445,000	126,565,000	128,010,000	213,041,639	43,842	213,085,481
2020-2024	-	25,465,000	25,465,000	6,905,000	209,625,000	135,309,919	49,561,028	184,870,947	6,445,000	644,250,000	650,695,000	1,077,560,947	187,552	1,077,748,499
2025-2029	-	17,775,000	17,775,000	19,680,000	81,765,000	85,429,519	18,215,617	103,645,136	-	401,405,000	401,405,000	624,270,136	47,612	624,317,748
2030-2034	-	-	-	14,070,000	27,955,000	33,325,000	3,200,000	36,525,000	-	399,990,000	399,990,000	478,540,000	-	478,540,000
2035-2039	-	-	-	-	-	-	690,000	690,000	-	146,430,000	146,430,000	147,120,000	-	147,120,000
2040-2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 4,310,000	\$ 71,540,000	\$ 75,850,000	\$ 48,625,000	\$ 490,735,000	\$ 405,413,191	\$ 123,936,784	\$ 529,349,975	\$ 14,974,000	\$ 2,176,310,000	\$ 2,191,284,000	\$ 3,335,843,975	\$ 411,622	\$ 3,336,255,597

City of Portland, Oregon
Schedule of Future Bond Interest Requirements
June 30, 2014

Fiscal Year Ending	Emergency			Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Revenue Bonds			Subtotal Bonded Debt	Fiduciary Fund	Total Bonded Debt
	Parks	Facilities	Total			Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total			
2015	172,400	3,031,733	3,204,133	2,109,903	23,708,840	17,187,489	4,686,496	21,873,985	558,405	101,812,145	102,370,550	153,267,411	14,973	153,282,384
2016	-	2,593,035	2,593,035	2,077,487	22,430,959	17,800,241	4,665,431	22,465,672	487,650	96,778,043	97,265,693	146,832,846	16,867	146,849,713
2017	-	2,390,960	2,390,960	2,057,688	20,899,747	17,592,575	4,407,756	22,000,331	413,730	91,279,419	91,693,149	139,041,875	17,194	139,059,069
2018	-	2,179,385	2,179,385	1,831,687	19,240,926	16,666,644	4,043,033	20,709,677	356,100	85,479,869	85,835,969	129,797,644	16,299	129,813,943
2019	-	1,924,185	1,924,185	1,813,888	17,430,293	15,766,019	3,706,709	19,472,728	296,000	78,343,056	78,639,056	119,280,150	14,849	119,294,999
2020	-	1,673,000	1,673,000	1,796,687	15,376,271	14,656,757	3,258,369	17,915,126	223,750	72,144,153	72,367,903	109,128,987	12,767	109,141,754
2021	-	1,479,288	1,479,288	1,680,438	13,420,148	12,123,235	2,573,422	14,696,657	147,750	65,701,877	65,849,627	97,126,158	9,006	97,135,164
2022	-	1,274,937	1,274,937	1,680,437	11,556,026	10,586,236	1,817,055	11,403,291	99,900	60,585,528	60,685,428	86,600,119	4,765	86,604,884
2023	-	1,108,513	1,108,513	1,649,038	9,587,851	8,634,467	8,972,146	39,606,613	50,700	54,055,883	54,106,583	106,058,598	58,213	106,116,811
2024	-	883,700	883,700	1,649,037	7,495,624	31,471,246	9,247,352	40,718,598	-	47,045,086	47,045,086	97,792,045	61,403	97,853,448
2025	-	645,275	645,275	1,559,238	5,247,111	32,342,158	9,511,614	41,853,772	-	43,048,346	43,048,346	92,353,742	64,691	92,418,433
2026	-	471,800	471,800	1,559,237	4,100,456	33,227,959	9,857,623	43,085,582	-	39,474,555	39,474,555	88,691,630	68,079	88,759,709
2027	-	279,563	279,563	1,559,238	3,465,689	34,160,101	10,205,730	44,365,831	-	35,932,137	35,932,137	85,602,458	71,565	85,674,023
2028	-	171,162	171,162	575,237	2,823,441	35,133,295	10,566,054	45,699,349	-	32,280,667	32,280,667	81,549,856	75,176	81,625,032
2029	-	58,500	58,500	575,238	2,139,174	36,121,420	11,049,325	47,170,745	-	28,602,957	28,602,957	78,546,614	78,890	78,625,504
2030	-	-	-	575,237	1,378,663	1,292,225	193,225	1,485,450	-	24,787,473	24,787,473	28,226,823	-	28,226,823
2031	-	-	-	164,800	573,250	674,225	164,170	838,395	-	20,690,726	20,690,726	22,267,171	-	22,267,171
2032	-	-	-	164,800	125,200	487,225	133,865	621,090	-	16,392,805	16,392,805	17,303,895	-	17,303,895
2033	-	-	-	120,000	-	293,450	102,075	395,525	-	12,771,708	12,771,708	13,287,233	-	13,287,233
2034	-	-	-	120,000	-	130,800	69,035	199,835	-	9,067,713	9,067,713	9,387,548	-	9,387,548
2035	-	-	-	-	-	-	34,260	34,260	-	6,276,351	6,276,351	6,310,611	-	6,310,611
2036	-	-	-	-	-	-	-	-	-	3,498,437	3,498,437	3,498,437	-	3,498,437
2037	-	-	-	-	-	-	-	-	-	2,186,400	2,186,400	2,186,400	-	2,186,400
2038	-	-	-	-	-	-	-	-	-	1,096,600	1,096,600	1,096,600	-	1,096,600
2039	-	-	-	-	-	-	-	-	-	305,625	305,625	305,625	-	305,625

Total Interest \$ 172,400 \$ 20,165,036 \$ 20,337,436 \$ 25,319,315 \$ 180,999,669 \$ 357,347,767 \$ 99,264,745 \$ 456,612,512 \$ 2,633,985 \$ 1,029,637,559 \$ 1,032,271,544 \$ 1,715,540,476 \$ 584,737 \$ 1,716,125,213

Fiscal Year Ending	Parks	Facilities	Total	Limited Tax Improvement	Urban Renewal and Redevelopment	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Subtotal Bonded Debt	Fiduciary Fund	Total Bonded Debt
2015	172,400	3,031,733	3,204,133	2,109,903	23,708,840	17,187,489	4,686,496	21,873,985	558,405	101,812,145	102,370,550	153,267,411	14,973	153,282,384
2016	-	2,593,035	2,593,035	2,077,487	22,430,959	17,800,241	4,665,431	22,465,672	487,650	96,778,043	97,265,693	146,832,846	16,867	146,849,713
2017	-	2,390,960	2,390,960	2,057,688	20,899,747	17,592,575	4,407,756	22,000,331	413,730	91,279,419	91,693,149	139,041,875	17,194	139,059,069
2018	-	2,179,385	2,179,385	1,831,687	19,240,926	16,666,644	4,043,033	20,709,677	356,100	85,479,869	85,835,969	129,797,644	16,299	129,813,943
2019	-	1,924,185	1,924,185	1,813,888	17,430,293	15,766,019	3,706,709	19,472,728	296,000	78,343,056	78,639,056	119,280,150	14,849	119,294,999
2020-2024	-	6,419,438	6,419,438	8,455,637	57,435,920	98,471,941	25,868,344	124,340,285	522,100	299,532,527	300,054,627	496,705,907	146,154	496,852,061
2025-2029	-	1,626,300	1,626,300	5,828,188	17,775,871	170,984,933	51,190,346	222,175,279	-	179,338,662	179,338,662	426,744,300	358,401	427,102,701
2030-2034	-	-	-	1,144,837	2,077,113	2,877,925	662,370	3,540,295	-	83,710,425	83,710,425	90,472,670	-	90,472,670
2035-2039	-	-	-	-	-	-	34,260	34,260	-	13,363,413	13,363,413	13,397,673	-	13,397,673
2040-2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\$ 172,400 \$ 20,165,036 \$ 20,337,436 \$ 25,319,315 \$ 180,999,669 \$ 357,347,767 \$ 99,264,745 \$ 456,612,512 \$ 2,633,985 \$ 1,029,637,559 \$ 1,032,271,544 \$ 1,715,540,476 \$ 584,737 \$ 1,716,125,213

City of Portland, Oregon
Schedule of Property Tax Transactions and Outstanding Balances
For the Year Ended June 30, 2014

Tax Year	Balance Receivable, July 1, 2013	Add Levy as Extended by Assessor	(Deduct) Discounts	Add Interest	(Deduct) Collections	Add (Deduct) Corrections and Adjustments	Balance Receivable, June 30, 2014
2013-14		\$ 467,516,063	\$ (11,901,691)	\$ 111,028	\$ (440,453,970)	\$ (1,269,915)	\$ 14,001,515
2012-13	\$ 14,326,538	-	-	276,914	(7,168,996)	(450,662)	6,983,794
2011-12	7,776,879	-	-	290,593	(2,336,872)	(124,083)	5,606,517
2010-11	4,839,528	-	-	425,236	(2,055,598)	(47,279)	3,161,887
2009-10	3,187,568	-	-	277,747	(1,579,847)	(37,556)	1,847,912
2008-09	247,226	-	-	29,654	(113,524)	(21,120)	142,236
2007-08	107,228	-	-	16,806	(51,660)	(9,744)	62,630
2006-07	51,436	-	-	2,621	(7,810)	(3,401)	42,846
2005-06	36,323	-	-	1,616	(4,111)	(2,640)	31,188
2004-05 and Prior	190,204	-	-	19,523	(34,966)	(8,420)	166,341
	<u>\$ 30,762,930</u>	<u>\$ 467,516,063</u>	<u>\$ (11,901,691)</u>	<u>\$ 1,451,738</u>	<u>\$ (453,807,354)</u>	<u>\$ (1,974,820)</u>	<u>\$ 32,046,866</u>

Summary by Fund and Fund Type:

General Fund		\$ 316,629,389	\$ 22,424,349
Special Revenue Funds:			
Parks Local Option Levy	2,419		12,029
Children's Investment	9,558,360		762,372
	Subtotal	9,560,779	774,401
Debt Service Funds:			
River District URA* Debt Redemption	31,641,228		2,155,058
Bonded Debt Interest and Sinking	10,465,823		762,908
Waterfront Renewal Bond Sinking	9,651,746		761,416
Interstate Corridor Debt Service	18,519,063		1,138,619
South Park Block Redemption	7,231,327		534,904
Airport Way Debt Service	5,566,169		438,435
Lents Town Center URA* Debt Redemption	11,611,898		736,888
Central Eastside Industrial District Debt Service	5,966,780		394,262
Convention Center Area Debt Service	8,879,446		765,769
North Macadam URA* Debt Redemption	12,076,311		823,193
Gateway URA* Debt Redemption	3,639,381		230,237
Willamette Industrial Urban Renewal Area Debt Service	1,170,058		68,430
Education Urban Renewal Area Debt Service	1,019,319		32,387
42nd Avenue Neighborhood Prosperity Initiative (NPI) Debt Service	39,525		1,204
Cully Boulevard Neighborhood Prosperity Initiative Debt Service	65,795		2,059
Rosewood Neighborhood Prosperity Initiative Debt Service	38,472		1,238
Division-Midway Neighborhood Prosperity Initiative Debt Service	34,845		1,109
	Subtotal	127,617,186	8,848,116
	Total	<u>\$453,807,354</u>	<u>\$32,046,866</u>

Continued next page

City of Portland, Oregon
Schedule of Property Tax Transactions and Outstanding Balances, Continued
For the Year Ended June 30, 2014

	<u>Collections</u>	<u>Changes in Property Taxes Subject to Accrual at June 30</u>	<u>Lodging Tax and Other</u>	<u>GAAP Basis Financial Statements</u>
Reconciliation to tax revenues per GAAP basis financial statements:				
General Fund	\$ 316,629,389	\$ (608,576)	\$ 23,242,642	\$ 339,263,455
Special Revenue Funds:				
Parks Local Option Levy	2,419	(661)	-	1,758
Children's Investment	9,558,360	(5,887)	-	9,552,473
Convention and Tourism	-	-	12,745,071	12,745,071
Subtotal	<u>9,560,779</u>	<u>(6,548)</u>	<u>12,745,071</u>	<u>22,299,302</u>
Debt Service Funds:				
River District URA* Debt Redemption	31,641,228	(45,495)	-	31,595,733
Bonded Debt Interest and Sinking	10,465,823	(16,213)	-	10,449,610
Waterfront Renewal Bond Sinking	9,651,746	(23,274)	-	9,628,472
Interstate Corridor Debt Service	18,519,063	(549)	-	18,518,514
South Park Block Redemption	7,231,327	(16,529)	-	7,214,798
Airport Way Debt Service	5,566,169	(10,888)	-	5,555,281
Lents Town Center URA* Debt Redemption	11,611,898	(6,840)	-	11,605,058
Central Eastside Industrial District Debt Service	5,966,780	(7,038)	-	5,959,742
Convention Center Area Debt Service	8,879,446	(35,922)	-	8,843,524
North Macadam URA* Debt Redemption	12,076,311	(8,893)	-	12,067,418
Gateway URA* Debt Redemption	3,639,381	(4,170)	-	3,635,211
Willamette Industrial Urban Renewal Area Debt Service	1,170,058	2,479	-	1,172,537
Education Urban Renewal Area Debt Service	1,019,319	7,991	-	1,027,310
42nd Avenue Neighborhood Prosperity Initiative Debt Service	39,525	310	-	39,835
Cully Boulevard Neighborhood Prosperity Initiative Debt Service	65,795	516	-	66,311
Rosewood Neighborhood Prosperity Initiative Debt Service	38,472	302	-	38,774
Division-Midway Neighborhood Prosperity Initiative Debt Service	34,845	273	-	35,118
Subtotal	<u>127,617,186</u>	<u>(163,940)</u>	<u>-</u>	<u>127,453,246</u>
Total	<u>\$ 453,807,354</u>	<u>\$ (779,064)</u>	<u>\$ 35,987,713</u>	<u>\$ 489,016,003</u>

*URA - Urban Renewal Area

City of Portland, Oregon
Schedule of Property Taxes Receivable by Levy Year by Fund
For the Year Ended June 30, 2014

Tax Year	Special Revenue Funds			Debt Service Funds							
	General	Parks Local Option Levy	Children's Investment	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Renewal Bond Sinking	Interstate Corridor Urban Renewal	South Park Block Redemption	Airport Way	Lents Town Center Urban Renewal	Central Eastside Industrial District
2013-14	\$ 9,768,327	\$ -	\$ 292,913	\$ 977,049	\$ 320,358	\$ 297,311	\$ 574,686	\$ 223,045	\$ 171,565	\$ 359,622	\$ 184,455
2012-13	4,919,346	-	158,108	483,159	167,775	150,563	251,826	111,841	88,705	162,479	85,812
2011-12	3,909,874	-	141,788	381,406	151,547	141,101	175,489	97,453	83,916	119,432	66,007
2010-11	2,220,782	-	95,656	194,629	60,021	86,186	87,086	59,381	52,667	60,582	35,614
2009-10	1,295,229	-	61,404	102,731	41,316	55,675	43,863	37,766	35,314	31,014	20,995
2008-09	99,043	(6)	8,692	5,789	3,082	6,018	2,442	4,511	1,951	(247)	1,675
2007-08	45,372	2,178	(301)	3,332	1,272	2,434	1,501	1,223	902	1,213	753
2006-07	32,051	1,545	(360)	3,346	1,004	(69)	1,294	613	53	1,142	795
2005-06	21,410	3,227	(620)	2,317	426	304	832	668	(33)	869	632
Prior & 2004-05	112,915	5,085	5,092	1,300	16,107	21,893	(400)	(1,597)	3,395	782	(2,476)
Total	\$ 22,424,349	\$ 12,029	\$ 762,372	\$ 2,155,058	\$ 762,908	\$ 761,416	\$ 1,138,619	\$ 534,904	\$ 438,435	\$ 736,888	\$ 394,262

Continued below

Tax Year	Debt Service Funds, Continued									
	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal	Willamette Industrial Urban Renewal	Education Urban Renewal Area Debt Service	42nd Avenue NPI Debt Service	Cully Boulevard NPI Debt Service	Rosewood NPI Debt Service	Division-Midway NPI Debt Service	Total
2013-14	\$ 272,420	\$ 372,855	\$ 112,501	\$ 36,411	\$ 32,387	\$ 1,204	\$ 2,059	\$ 1,238	\$ 1,109	\$ 14,001,515
2012-13	159,453	177,145	55,605	11,977	-	-	-	-	-	6,983,794
2011-12	152,529	141,280	35,567	9,128	-	-	-	-	-	5,606,517
2010-11	97,537	85,553	18,502	7,691	-	-	-	-	-	3,161,887
2009-10	68,741	42,593	8,354	2,917	-	-	-	-	-	1,847,912
2008-09	8,560	2,048	(1,549)	227	-	-	-	-	-	142,236
2007-08	1,202	1,128	358	63	-	-	-	-	-	62,630
2006-07	780	306	330	16	-	-	-	-	-	42,846
2005-06	704	252	200	-	-	-	-	-	-	31,188
Prior & 2004-05	3,843	33	369	-	-	-	-	-	-	166,341
Total	\$ 765,769	\$ 823,193	\$ 230,237	\$ 68,430	\$ 32,387	\$ 1,204	\$ 2,059	\$ 1,238	\$ 1,109	\$ 32,046,866

City of Portland, Oregon
Schedule of Property Taxes Collected by Levy Year by Fund
For the Year Ended June 30, 2014

Tax Year	Special Revenue Funds			Debt Service Funds							
	General	Parks Local Option Levy	Children's Investment	River District Urban Renewal Area Debt Redemption	Bonded Debt Interest & Sinking	Downtown Waterfront Renewal Bond Sinking	Interstate Corridor Debt Service	South Park Block Redemption	Airport Way Debt Service	Lents Town Center Urban Renewal Area Debt Redemption	Central Eastside Industrial District Debt Service
2013-14	\$ 307,235,829	\$ -	\$ 9,221,456	\$ 30,725,620	\$ 10,158,218	\$ 9,348,394	\$ 18,072,685	\$ 7,012,960	\$ 5,395,613	\$ 11,309,393	\$ 5,800,940
2012-13	5,052,892	-	162,400	496,102	169,297	154,453	258,579	114,739	90,945	166,770	88,067
2011-12	1,634,536	-	58,676	166,461	58,927	54,265	76,624	37,945	29,918	53,256	28,853
2010-11	1,443,209	-	61,557	138,041	40,295	48,950	61,877	34,392	26,408	44,752	25,221
2009-10	1,105,961	-	51,771	104,241	34,635	38,736	44,609	27,140	20,414	33,879	21,178
2008-09	84,460	2	3	6,707	2,318	3,089	2,965	2,289	1,373	2,302	1,437
2007-08	35,870	1,741	1,798	2,657	1,001	1,941	1,196	976	719	967	600
2006-07	5,332	256	265	370	165	499	144	212	122	126	95
2005-06	2,958	135	139	164	97	173	61	86	72	62	47
2004-05 and Prior	28,342	285	295	865	870	1,246	323	588	585	391	342
Total	\$ 316,629,389	\$ 2,419	\$ 9,558,360	\$ 31,641,228	\$ 10,465,823	\$ 9,651,746	\$ 18,519,063	\$ 7,231,327	\$ 5,566,169	\$ 11,611,898	\$ 5,966,780

Continued below

Debt Service Funds, Continued										
Tax Year	North Macadam Urban Convention Center Area Debt Service	North Macadam Urban Renewal Area Debt Redemption	Gateway Urban Renewal Area Debt Redemption	Willamette Industrial Renewal Area Debt Service	Education Urban Renewal Area Debt Service	42nd Avenue NPI Debt Service	Cully Boulevard NPI Debt Service	Rosewood NPI Debt Service	Division-Midway NPI Debt Service	Total
	2013-14	\$ 8,565,849	\$ 11,725,340	\$ 3,538,689	\$ 1,145,028	\$ 1,019,319	\$ 39,525	\$ 65,795	\$ 38,472	\$ 34,845
2012-13	163,467	181,877	57,066	12,342	-	-	-	-	-	7,168,996
2011-12	55,091	61,685	16,622	4,013	-	-	-	-	-	2,336,872
2010-11	49,813	60,696	14,925	5,462	-	-	-	-	-	2,055,598
2009-10	40,192	43,248	10,886	2,957	-	-	-	-	-	1,579,847
2008-09	3,262	2,362	750	205	-	-	-	-	-	113,524
2007-08	959	900	285	50	-	-	-	-	-	51,660
2006-07	153	34	36	1	-	-	-	-	-	7,810
2005-06	84	17	16	-	-	-	-	-	-	4,111
2004-05 and Prior	576	152	106	-	-	-	-	-	-	34,966
Total	\$ 8,879,446	\$ 12,076,311	\$ 3,639,381	\$ 1,170,058	\$ 1,019,319	\$ 39,525	\$ 65,795	\$ 38,472	\$ 34,845	\$ 453,807,354

STATISTICAL SECTION



Back of Tab

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Statistical Section

This part of the City of Portland's comprehensive financial annual 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	314
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	319
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	325
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	333
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	335
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									
	2014	2013	2012 ¹	2011	2010	2009 ¹	2008	2007	2006	2005
Governmental activities:										
Net investment in capital assets	\$ 2,045,982,585	\$ 2,125,382,711	\$ 2,170,541,622	\$ 2,219,412,554	\$ 2,123,435,196	\$ 2,175,464,133	\$ 2,253,119,111	\$ 2,309,556,618	\$ 2,358,468,902	\$ 2,224,370,896
Restricted	271,371,138	254,008,558	211,292,440	197,584,177	183,204,776	159,973,612	177,255,997	162,581,357	92,280,515	49,610,773
Unrestricted	<u>(2,104,923,019)</u>	<u>(2,024,224,393)</u>	<u>(1,843,957,006)</u>	<u>(1,748,535,567)</u>	<u>(1,686,820,664)</u>	<u>(1,551,207,748)</u>	<u>(1,401,339,786)</u>	<u>(1,286,157,817)</u>	<u>(1,151,782,192)</u>	<u>(849,583,790)</u>
Total governmental activities net position	<u>\$ 212,430,704</u>	<u>\$ 355,166,876</u>	<u>\$ 537,877,056</u>	<u>\$ 668,461,164</u>	<u>\$ 619,819,308</u>	<u>\$ 784,229,997</u>	<u>\$ 1,029,035,322</u>	<u>\$ 1,185,980,158</u>	<u>\$ 1,298,967,225</u>	<u>\$ 1,424,397,879</u>
Business-type activities:										
Net investment in capital assets	\$ 1,968,473,423	\$ 1,879,196,917	\$ 1,792,291,343	\$ 1,682,414,671	\$ 1,563,020,091	\$ 1,456,673,267	\$ 1,456,877,706	\$ 1,338,436,369	\$ 1,289,618,615	\$ 1,159,942,274
Restricted	14,138,244	13,855,864	14,848,536	14,716,777	110,697,822	19,033,446	18,819,068	11,087,158	10,407,271	11,482,805
Unrestricted	<u>140,902,736</u>	<u>105,676,056</u>	<u>103,946,351</u>	<u>127,233,261</u>	<u>30,210,742</u>	<u>161,146,338</u>	<u>97,018,347</u>	<u>148,627,828</u>	<u>100,607,343</u>	<u>111,605,718</u>
Total business-type activities net position	<u>\$ 2,123,514,403</u>	<u>\$ 1,998,728,837</u>	<u>\$ 1,911,086,230</u>	<u>\$ 1,824,364,709</u>	<u>\$ 1,703,928,655</u>	<u>\$ 1,636,853,051</u>	<u>\$ 1,572,715,121</u>	<u>\$ 1,498,151,355</u>	<u>\$ 1,400,633,229</u>	<u>\$ 1,283,030,797</u>
Primary government:										
Net investment in capital assets	\$ 4,014,456,008	\$ 4,004,579,628	\$ 3,962,832,965	\$ 3,901,827,225	\$ 3,686,455,287	\$ 3,632,137,400	\$ 3,709,996,817	\$ 3,647,992,987	\$ 3,648,087,517	\$ 3,384,313,170
Restricted	285,509,382	267,864,422	226,140,976	212,300,954	293,902,598	179,007,058	196,075,065	173,668,515	102,687,786	61,093,578
Unrestricted	<u>(1,964,020,283)</u>	<u>(1,918,548,337)</u>	<u>(1,740,010,655)</u>	<u>(1,621,302,306)</u>	<u>(1,656,609,922)</u>	<u>(1,390,061,410)</u>	<u>(1,304,321,439)</u>	<u>(1,137,529,989)</u>	<u>(1,051,174,849)</u>	<u>(737,978,072)</u>
Total primary government net position	<u>\$ 2,335,945,107</u>	<u>\$ 2,353,895,713</u>	<u>\$ 2,448,963,286</u>	<u>\$ 2,492,825,873</u>	<u>\$ 2,323,747,963</u>	<u>\$ 2,421,083,048</u>	<u>\$ 2,601,750,443</u>	<u>\$ 2,684,131,513</u>	<u>\$ 2,699,600,454</u>	<u>\$ 2,707,428,676</u>

¹ Data as restated

**City of Portland, Oregon
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2014	2013	2012 ¹	2011	2010	2009 ¹	2008	2007	2006	2005
Expenses										
Governmental activities:										
Public safety	\$ 524,324,725	\$ 539,582,340	\$ 486,886,299	\$ 460,750,759	\$ 444,705,167	\$ 452,067,911	\$ 398,379,565	\$ 424,132,995	\$ 402,791,253	\$ 367,555,695
Parks, recreation and culture	85,522,569	77,384,671	77,703,274	71,215,918	70,745,599	79,614,221	72,274,388	64,904,551	56,277,014	53,128,816
Community development	166,124,118	206,451,529	276,382,471	235,115,877	204,410,103	131,261,667	130,997,139	127,758,450	117,247,997	114,225,541
Transportation	321,045,231	304,095,341	247,019,675	264,399,020	276,185,628	248,914,860	241,780,135	242,619,027	232,391,159	220,406,789
Legislative / admin / support services	100,869,933	106,340,680	92,989,301	85,191,243	92,190,425	178,268,571	174,636,727	160,332,687	174,658,640	122,993,533
Environmental services	387,345	604,474	503,400	187,805	326,089	-	-	-	-	-
Water	185,404	221,364	409,074	89,336	157,563	-	-	-	-	-
Parking facilities	17,000	-	-	-	-	-	-	-	-	-
Interest on long-term debt	47,846,811	50,436,861	48,030,292	46,341,420	44,629,763	50,010,337	52,748,138	48,494,915	46,733,850	39,790,431
Total governmental activities expenses	1,246,323,136	1,285,117,260	1,229,923,786	1,163,291,378	1,133,350,337	1,140,137,567	1,070,816,092	1,068,242,625	1,030,099,913	918,100,805
Business-type activities:										
Environmental services	234,976,444	229,742,394	194,880,070	189,838,169	184,036,412	188,969,781	185,767,974	188,465,656	141,320,525	161,920,527
Water	112,388,000	120,814,693	108,344,964	103,260,628	101,965,612	98,707,471	94,367,153	86,345,164	78,612,800	78,010,156
Hydroelectric power	1,661,975	1,786,015	1,895,974	2,049,214	2,112,254	2,458,249	2,343,333	2,366,679	4,309,732	2,845,958
Parking facilities	6,872,812	6,272,155	6,858,239	6,419,814	9,372,080	9,764,605	7,923,477	7,317,105	7,343,850	7,780,324
Golf	8,890,606	8,532,476	7,704,762	7,803,648	8,023,884	8,603,692	7,358,537	5,842,717	6,024,174	5,746,381
Motor sports	1,685,405	1,745,465	1,702,924	1,730,151	1,830,052	1,811,021	1,941,127	1,837,708	1,382,360	1,450,819
Spectator facilities	6,517,715	10,232,186	8,098,517	9,412,865	8,175,758	8,698,111	8,004,713	7,079,419	6,955,608	9,391,042
Housing	721,620	763,346	967,848	1,750,675	-	-	-	-	-	-
Total business-type activities expenses	373,714,577	379,888,730	330,453,298	322,265,164	315,516,052	319,012,930	307,706,314	299,254,448	245,949,049	267,145,207
Total primary government expenses	\$ 1,620,037,713	\$ 1,665,005,990	\$ 1,560,377,084	\$ 1,485,556,542	\$ 1,448,866,389	\$ 1,459,150,497	\$ 1,378,522,406	\$ 1,367,497,073	\$ 1,276,048,962	\$ 1,185,246,012
Program Revenues										
Governmental activities:										
Fees, fines and charges for services:										
Public safety	\$ 13,932,328	\$ 9,198,789	\$ 12,351,514	\$ 10,589,711	\$ 11,350,111	\$ 29,183,131	\$ 25,855,028	\$ 28,840,004	\$ 21,428,149	\$ 20,791,106
Parks, recreation and culture	21,579,257	21,659,255	19,377,137	17,956,318	18,109,058	28,955,330	24,041,781	21,743,457	19,681,284	21,391,325
Community development	61,010,720	46,267,824	43,503,027	29,178,351	46,285,869	45,989,635	59,843,519	85,597,802	78,013,694	51,192,021
Transportation	83,482,648	81,578,019	77,531,542	61,912,494	60,397,143	71,206,830	68,101,536	149,780,434	131,036,479	124,134,875
Legislative / admin / support services	206,200,217	198,673,424	183,276,317	181,437,591	168,785,605	194,127,883	183,505,065	208,408,276	188,468,633	172,150,325
Environmental services	-	22,086	-	30,888	-	-	-	-	-	-
Operating grants and contributions	147,816,324	187,508,857	196,150,183	179,417,682	136,693,542	30,899,130	95,594,872	32,974,212	52,126,898	52,304,455
Capital grants and contributions	56,392,854	65,753,370	94,247,887	190,020,546	77,921,901	61,307,882	24,337,254	27,953,173	43,561,907	3,337,595
Total governmental activities program revenues	590,414,348	610,661,624	626,437,607	670,543,581	519,543,229	461,669,821	481,279,055	555,297,358	534,317,044	445,301,702

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City of Portland, Oregon
Changes in Net Position, Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012 ¹	2011	2010	2009 ¹	2008	2007	2006	2005
Business-type activities:										
Charges for services:										
Environmental services	316,057,459	292,754,016	268,824,936	256,570,147	239,960,866	237,136,104	228,089,453	245,630,949	210,973,349	196,236,601
Water	145,760,796	147,514,349	130,911,138	118,000,643	112,702,102	101,728,593	96,645,344	93,988,988	90,506,041	81,868,923
Hydroelectric power	4,054,750	4,060,110	4,082,287	3,650,986	3,617,879	3,363,647	3,525,956	3,677,559	4,312,950	4,642,528
Parking facilities	12,896,245	12,164,895	12,092,247	11,901,704	11,316,355	10,708,326	12,033,569	11,792,583	11,174,857	9,819,459
Golf	7,990,960	8,270,199	7,732,554	7,434,680	7,754,612	8,388,970	7,157,913	6,654,847	6,152,162	5,793,855
Motor sports	1,424,301	1,704,966	1,752,621	1,748,086	1,875,497	1,922,096	1,650,541	2,140,723	1,778,963	1,637,836
Spectator facilities	10,473,920	10,846,860	8,601,320	8,870,310	8,846,051	9,000,391	8,401,058	7,002,481	6,846,642	6,977,926
Housing	868,533	970,625	1,015,467	1,060,568	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	801,397	3,306,831	-	3,431,790
Capital grants and contributions	2,794,342	3,259,994	3,964,882	44,450,756	954,259	1,998,768	12,385,699	5,423,653	6,188,992	1,240,018
Total business-type activities program revenues	502,321,306	481,546,014	438,977,452	453,687,880	387,027,621	374,246,895	370,690,930	379,618,614	337,933,956	311,648,936
Total primary government program revenues	\$ 1,092,735,654	\$ 1,092,207,638	\$ 1,065,415,059	\$ 1,124,231,461	\$ 906,570,850	\$ 835,916,716	\$ 851,969,985	\$ 934,915,972	\$ 872,251,000	\$ 756,950,638
Net (Expense) / Revenue										
Governmental activities	\$ (655,908,788)	\$ (674,455,636)	\$ (603,486,179)	\$ (492,747,797)	\$ (613,807,108)	\$ (678,467,746)	\$ (589,537,037)	\$ (512,945,267)	\$ (495,782,869)	\$ (472,799,103)
Business-type activities	128,606,729	101,657,284	108,524,154	131,422,716	71,511,569	55,233,965	62,984,616	80,364,166	91,984,907	44,503,729
Total primary government net expense	\$ (527,302,059)	\$ (572,798,352)	\$ (494,962,025)	\$ (361,325,081)	\$ (542,295,539)	\$ (623,233,781)	\$ (526,552,421)	\$ (432,581,101)	\$ (403,797,962)	\$ (428,295,374)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	\$ 455,381,655	\$ 441,030,147	\$ 432,481,353	\$ 431,933,936	\$ 421,211,270	\$ 388,147,722	\$ 384,423,685	\$ 354,572,143	\$ 334,965,727	\$ 320,933,919
Lodging	35,063,066	28,746,920	21,359,108	19,142,687	16,511,907	23,571,670	19,647,497	17,526,682	15,963,890	14,170,141
Miscellaneous	7,062,234	7,815,970	-	-	-	-	-	-	-	-
Investment earnings	8,950,181	6,496,779	8,967,966	10,565,464	6,104,945	18,518,024	25,699,774	23,795,988	16,484,142	9,105,038
Gains (loss) on sale of capital assets	-	-	-	-	-	-	-	1,060,179	-	-
Transfers	6,715,480	7,655,640	6,398,095	15,500,817	5,568,297	3,425,005	2,821,245	2,972,910	2,938,456	3,930,251
Transfers of capital assets	-	-	-	-	-	-	-	-	-	(1,238,946)
Special item:										
Contributions from PDC	-	-	3,695,549	64,246,749	-	-	-	-	-	-
Total governmental activities	513,172,616	491,745,456	472,902,071	541,389,653	449,396,419	433,662,421	432,592,201	399,927,902	370,352,215	346,900,403
Business-type activities:										
Investment earnings	2,894,317	640,963	1,450,984	4,514,155	1,132,332	12,328,970	14,400,395	20,126,870	9,004,698	5,364,366
Transfers	(6,715,480)	(7,655,640)	(6,398,095)	(15,500,817)	(5,568,297)	(3,425,005)	(2,821,245)	(2,972,910)	(2,938,456)	(3,930,251)
Special item:										
Capital asset write-off	-	(7,000,000)	(16,855,522)	-	-	-	-	-	-	-
Total business-type activities	(3,821,163)	(14,014,677)	(21,802,633)	(10,986,662)	(4,435,965)	8,903,965	11,579,150	17,153,960	6,066,242	1,434,115
Total primary government	\$ 509,351,453	\$ 477,730,779	\$ 451,099,438	\$ 530,402,991	\$ 444,960,454	\$ 442,566,386	\$ 444,171,351	\$ 417,081,862	\$ 376,418,457	\$ 348,334,518
Change in Net Position										
Governmental activities	(142,736,172)	(182,710,180)	(130,584,108)	48,641,856	(164,410,689)	(244,805,325)	(156,944,836)	(113,017,365)	(125,430,654)	(125,898,700)
Business-type activities	124,785,566	87,642,607	86,721,521	120,436,054	67,075,604	64,137,930	74,563,766	97,518,126	98,051,149	45,937,844
Total primary government change in net position	\$ (17,950,606)	\$ (95,067,573)	\$ (43,862,587)	\$ 169,077,910	\$ (97,335,085)	\$ (180,667,395)	\$ (82,381,070)	\$ (15,499,239)	\$ (27,379,505)	\$ (79,960,856)

¹ Data as restated

City of Portland, Oregon
Fund Balances, Governmental Funds ²
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2013	2012 ¹	2011 ²	2010	2009 ¹	2008	2007	2006	2005
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,016
Unreserved	-	-	-	-	91,872,408	133,755,426	130,939,791	131,326,813	119,280,600	93,496,556
Nonspendable	545,293	531,247	555,088	234,968	-	-	-	-	-	-
Committed	60,077,408	49,930,120	48,984,519	46,294,375	-	-	-	-	-	-
Assigned	7,444,423	314,562	5,415,881	23,588,446	-	-	-	-	-	-
Unassigned	28,900,909	28,514,937	22,296,208	23,962,998	-	-	-	-	-	-
Total general fund	96,968,033	79,290,866	77,251,696	94,080,787	91,872,408	133,755,426	130,939,791	131,326,813	119,280,600	93,942,572
All other governmental funds										
Reserved	-	-	-	-	15,819,740	24,940,060	98,997,913	83,975,043	92,280,515	33,281,111
Unreserved, reported in:										
Major fund:										
Transportation Operating	-	-	-	-	10,449,909	10,596,286	21,065,188	22,568,566	16,773,455	15,433,232
Nonmajor funds:										
Special revenue funds	-	-	-	-	(12,163,792)	8,976,573	30,633,551	31,967,456	28,858,030	55,217,802
Debt service funds	-	-	-	-	62,208,494	43,489,029	77,416	73,427	64,986	-
Capital projects funds	-	-	-	-	5,295,880	6,407,173	5,596,855	5,566,240	4,272,949	20,552,392
Major funds:										
Transportation Operating:										
Nonspendable	5,725,138	5,211,250	5,467,464	2,824,446	-	-	-	-	-	-
Restricted	31,794,588	26,652,459	18,803,168	20,774,274	-	-	-	-	-	-
Assigned	33,854,289	20,578,265	14,211,840	-	-	-	-	-	-	-
Unassigned	-	-	-	(14,039,988)	-	-	-	-	-	-
Special Finance and Resource:										
Restricted	-	-	130,345	-	-	-	-	-	-	-
Grants:										
Nonspendable	-	-	-	30,900	-	-	-	-	-	-
Restricted	-	-	-	41,949,427	-	-	-	-	-	-
Unassigned	(632,801)	(7,280,204)	(7,064,264)	(63,883,869)	-	-	-	-	-	-
Nonmajor funds:										
Special revenue funds:										
Restricted	102,777,084	92,318,341	77,190,831	71,044,360	-	-	-	-	-	-
Committed	12,806,577	12,654,543	14,645,781	946,953	-	-	-	-	-	-
Assigned	12,436,525	10,367,324	8,419,112	12,665,927	-	-	-	-	-	-
Debt service funds:										
Restricted	55,647,819	51,972,200	53,907,324	50,464,778	-	-	-	-	-	-
Assigned	12,166,789	15,444,913	14,644,795	13,497,508	-	-	-	-	-	-
Capital projects funds:										
Nonspendable	-	-	-	4,100	-	-	-	-	-	-
Restricted	62,177,707	38,494,304	38,035,418	32,900,374	-	-	-	-	-	-
Committed	665,072	9,778,398	9,480,674	694,200	-	-	-	-	-	-
Assigned	5,889,770	8,044,889	8,308,021	6,235,808	-	-	-	-	-	-
Permanent fund:										
Nonspendable	162,843	163,182	163,142	162,740	-	-	-	-	-	-
Restricted	18,457	18,805	19,811	19,671	-	-	-	-	-	-
Total all other governmental funds	335,489,857	284,418,669	256,363,462	176,291,609	81,610,231	94,409,121	156,370,923	144,150,732	142,249,935	124,484,537
Total governmental funds	\$ 432,457,890	\$ 363,709,535	\$ 333,615,158	\$ 270,372,396	\$ 173,482,639	\$ 228,164,547	\$ 287,310,714	\$ 275,477,545	\$ 261,530,535	\$ 218,427,109

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)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes	\$ 495,153,590	\$ 476,378,425	\$ 448,364,391	\$ 450,618,907	\$ 439,807,189	\$ 404,648,934	\$ 400,907,347	\$ 371,089,320	\$ 350,920,250	\$ 335,755,929
Licenses and permits	208,235,312	196,568,153	185,187,374	164,940,343	163,524,368	172,412,165	185,733,671	177,594,267	163,336,697	150,908,460
Intergovernmental	165,057,000	206,179,343	262,848,347	306,470,348	179,137,795	112,420,936	130,480,681	165,818,945	163,146,678	143,173,781
Charges for services	166,089,974	152,490,691	134,729,794	118,372,143	118,727,478	127,059,236	158,624,745	163,790,312	136,456,915	115,929,942
Loan collections	-	5,822	825	472	5,504,941	8,042,680	6,616,117	1,962,568	2,717,027	2,672,429
Assessments	20,819,124	9,019,761	8,965,051	9,628,143	17,859,689	10,494,525	11,486,471	8,815,857	9,999,245	8,355,490
Investments earnings	7,810,694	6,394,758	7,997,693	8,656,961	5,940,419	14,150,878	19,196,940	18,038,418	12,612,043	7,079,381
Miscellaneous	29,365,376	24,861,439	23,024,707	18,273,085	17,599,825	18,691,693	23,933,782	16,182,024	16,872,660	22,270,616
Total revenues	1,092,531,070	1,071,898,392	1,071,118,182	1,076,960,402	948,101,704	867,921,047	936,979,754	923,291,711	856,061,515	786,146,028
Expenditures										
Current:										
Public safety	417,619,532	405,171,299	402,526,990	382,040,051	381,431,467	365,837,451	344,018,244	326,329,377	312,268,173	296,457,985
Parks, recreation and culture	68,264,016	69,159,278	70,095,137	65,553,655	65,421,722	66,513,218	69,553,194	70,774,053	59,611,313	57,749,953
Community development	170,553,693	211,030,610	299,816,445	233,452,342	216,256,817	130,498,875	135,558,800	129,505,227	115,384,409	111,498,804
Transportation	168,259,803	162,045,823	102,732,375	119,743,004	133,225,382	106,859,618	104,537,362	99,925,003	92,553,766	83,957,866
Legislative / admin / support services	89,223,214	82,597,301	73,694,282	70,316,678	71,214,023	183,391,043	182,562,975	170,658,268	167,238,732	109,982,848
Environmental services	350,203	604,474	503,400	187,805	326,089	-	-	-	-	-
Water	50,294	221,364	409,074	89,336	157,563	-	-	-	-	-
Debt service and related costs:										
Principal	133,585,244	136,765,972	271,515,940	277,450,351	71,726,634	102,210,897	109,078,563	132,458,884	61,837,018	91,863,588
Interest	43,523,677	45,186,688	41,996,682	38,899,209	37,280,438	41,451,139	44,139,283	44,837,099	37,815,058	35,207,044
Debt issuance costs	793,356	1,052,128	2,113,436	1,528,816	1,355,153	1,063,423	909,132	714,354	1,275,799	1,693,682
Capital outlay	83,233,658	69,410,696	109,842,632	140,101,129	102,014,291	60,394,581	79,737,850	101,688,256	85,419,896	68,216,783
Total expenditures	1,175,456,690	1,183,245,633	1,375,246,393	1,329,362,376	1,080,409,579	1,058,220,245	1,070,095,403	1,076,890,521	933,404,164	856,628,553
Revenues over (under) expenditures	(82,925,620)	(111,347,241)	(304,128,211)	(252,401,974)	(132,307,875)	(190,299,198)	(133,115,649)	(153,598,810)	(77,342,649)	(70,482,525)
Other Financing Sources (Uses)										
Transfers in	119,542,744	103,344,628	110,772,511	104,599,012	119,996,827	64,381,992	84,829,128	116,693,537	88,865,311	50,639,434
Transfers out	(106,382,665)	(99,832,685)	(96,610,030)	(106,727,613)	(142,667,821)	(73,645,578)	(93,054,958)	(119,714,976)	(90,802,370)	(59,221,158)
Bonds and notes issued	127,965,979	129,646,072	311,873,457	287,505,419	157,041,092	160,941,346	151,109,500	168,558,626	165,062,633	112,904,951
Bonds and note premium	9,846,162	8,189,496	18,809,162	1,203,343	3,118,769	1,390,471	198,553	1,519,900	2,974,854	1,521,458
Bonds and note discounts	-	-	(82,485)	(266,645)	(73,870)	-	-	-	-	-
Loan proceeds	-	-	900,000	4,704,000	3,421,000	1,540,000	1,600,000	376,192	1,824,000	5,565,000
Payments to refunded bond escrow agent	-	-	-	-	(63,243,022)	(24,865,000)	-	-	(47,568,215)	(4,293,832)
Proceeds from sale of capital assets	701,755	94,107	74,438	313,703	32,993	1,409,800	175,000	-	80,851	17,865
Total other financing sources (uses)	151,673,975	141,441,618	345,737,053	291,331,219	77,625,968	131,153,031	144,857,223	167,433,279	120,437,064	107,133,718
Special Item										
Contribution from the PDC	-	-	3,695,549	64,246,749	-	-	-	-	-	-
Net change in fund balances	\$ 68,748,355	\$ 30,094,377	\$ 45,304,391	\$ 103,175,994	\$ (54,681,907)	\$ (59,146,167)	\$ 11,741,574	\$ 13,834,469	\$ 43,094,415	\$ 36,651,193
Debt service as a percentage of noncapital expenditures	16.2 %	16.3 %	24.8 %	26.6 %	11.1 %	14.4 %	15.5 %	18.2 %	11.8 %	16.1 %

City of Portland, Oregon
Program Revenues by Function
Last Ten Fiscal Years
(accrual basis of accounting)

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009 ¹	2008	2007	2006	2005
Governmental activities:										
Public safety	\$ 36,944,769	\$ 34,994,419	\$ 39,996,014	\$ 36,112,027	\$ 36,579,628	\$ 37,618,789	\$ 36,040,408	\$ 40,094,279	\$ 35,679,723	\$ 33,043,577
Parks, recreation and culture	54,501,838	57,103,523	47,995,617	43,739,584	30,052,917	33,900,730	28,139,754	33,303,087	20,097,069	21,721,963
Community development	89,108,592	103,323,245	117,419,849	96,334,022	77,715,883	65,551,272	82,395,639	107,075,872	103,148,200	77,761,925
Transportation	176,603,991	181,963,408	207,660,033	284,663,629	181,040,220	128,348,190	135,732,608	166,338,862	152,929,983	136,063,241
Legislative / admin / support services	231,373,014	229,168,166	210,433,303	207,800,528	192,800,377	196,250,840	198,970,646	208,485,258	222,462,069	176,710,996
Environmental services	1,463,546	1,774,149	1,602,219	1,136,538	1,239,419	-	-	-	-	-
Water	418,598	2,334,714	1,330,572	757,253	114,785	-	-	-	-	-
Subtotal governmental activities	<u>590,414,348</u>	<u>610,661,624</u>	<u>626,437,607</u>	<u>670,543,581</u>	<u>519,543,229</u>	<u>461,669,821</u>	<u>481,279,055</u>	<u>555,297,358</u>	<u>534,317,044</u>	<u>445,301,702</u>
Business-type activities:										
Environmental services	318,323,909	295,468,918	270,144,257	258,701,515	240,915,125	239,134,872	233,741,504	250,011,948	216,030,473	200,557,147
Water	145,958,266	148,014,801	131,695,155	120,880,132	112,702,102	101,728,593	104,180,389	98,335,604	91,635,821	82,220,185
Hydroelectric power	4,054,750	4,060,110	4,082,287	3,650,986	3,617,879	3,363,647	3,525,956	3,677,559	4,312,950	4,642,528
Parking facilities	12,896,245	12,164,895	12,092,247	11,901,704	11,316,355	10,708,326	12,033,569	11,795,452	11,174,857	9,819,459
Golf	7,990,960	8,270,199	7,734,929	7,434,680	7,754,612	8,388,970	7,157,913	6,654,847	6,154,250	5,793,855
Motor sports	1,424,301	1,704,966	1,752,621	29,123,925	1,875,497	1,922,096	1,650,541	2,140,723	1,778,963	1,637,836
Spectator facilities	10,804,342	10,891,500	10,460,489	8,870,310	8,846,051	9,000,391	8,401,058	7,002,481	6,846,642	6,977,926
Housing	868,533	970,625	1,015,467	13,124,628	-	-	-	-	-	-
Subtotal business-type activities	<u>502,321,306</u>	<u>481,546,014</u>	<u>438,977,452</u>	<u>453,687,880</u>	<u>387,027,621</u>	<u>374,246,895</u>	<u>370,690,930</u>	<u>379,618,614</u>	<u>337,933,956</u>	<u>311,648,936</u>
Total primary government	<u>\$1,092,735,654</u>	<u>\$1,092,207,638</u>	<u>\$1,065,415,059</u>	<u>\$1,124,231,461</u>	<u>\$ 906,570,850</u>	<u>\$ 835,916,716</u>	<u>\$ 851,969,985</u>	<u>\$ 934,915,972</u>	<u>\$ 872,251,000</u>	<u>\$ 756,950,638</u>

¹ Data as restated

City of Portland, Oregon
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Lodging Taxes</u>	<u>Other Taxes</u>	<u>Total Taxes</u>
2014	\$ 453,028,290	\$ 35,063,066	\$ 924,647	\$ 489,016,003
2013	439,815,535	28,746,920	1,177,430	469,739,885
2012	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
2008	381,259,850	19,647,497	1,434,002	402,341,349
2007	353,562,638	17,526,682	1,259,198	372,348,518
2006	334,956,360	15,963,890	1,533,219	352,453,469
2005	321,585,788	14,170,141	821,501	336,577,430

Source: Division of Assessment and Taxation for Multnomah, Clackamas and Washington Counties

City of Portland, Oregon
Assessed Valuation and Actual Values of Taxable Property
Last Ten Fiscal Years

Fiscal Year	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
2014	\$ 44,803,583,386	\$ 1,957,482,679	\$ 2,257,891,313	\$ 49,018,957,378	7.93	\$ 84,044,895,532	58.32%
2013	43,406,553,685	1,877,327,577	2,094,956,450	47,378,837,712	7.82	79,896,235,855	59.30
2012	42,300,972,173	1,870,775,539	2,121,534,522	46,293,282,234	7.68	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	7.81	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
2008	36,475,200,791	2,105,142,882	2,081,423,119	40,661,766,792	7.90	84,290,979,378	48.24
2007	34,531,977,558	2,019,176,636	2,123,147,916	38,674,302,110	7.82	72,903,687,505	53.05
2006	33,300,593,343	1,889,115,863	1,987,779,685	37,177,488,891	7.92	65,309,180,486	56.93
2005	31,994,461,788	1,919,543,665	2,212,150,087	36,126,155,540	7.98	58,806,347,394	61.43

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

City of Portland, Oregon
Property Tax Rates - Direct and Overlapping Government
Last Ten Fiscal Years
(per \$1,000 of assessed valuation)
(unaudited)

Fiscal Year	City of Portland				Overlapping Rates						
	General	Special Revenue	Debt Service	Total	Multnomah County	Education Districts	Urban Renewal PDC ¹	Port of Portland	Metropolitan Service Districts	TriMet	Total
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
2008	6.92	0.79	0.19	7.90	5.42	7.49	0.34	0.07	0.43	0.09	21.74
2007	6.81	0.80	0.21	7.82	5.30	6.23	0.36	0.07	0.28	0.10	20.16
2006	6.90	0.80	0.22	7.92	5.31	5.72	0.38	0.07	0.28	0.12	19.80
2005	6.96	0.80	0.22	7.98	5.28	8.15	0.39	0.07	0.28	0.11	22.26

Source: Multnomah County Division of Assessment and Taxation

¹ Portland Development Commission: 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)**

Taxpayer	June 30, 2014			June 30, 2005		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 541,649,000	1	1.10 %	\$ -		- %
Portland General Electric Co	318,698,000	2	0.65	247,827,590	2	0.69
PacifiCorp (PP&L)	310,512,000	3	0.63	230,953,992	3	0.64
Weston Investment Co LLC	241,179,000	4	0.49	-		-
Comcast Corporation	229,076,000	5	0.47	-		-
Evrax Inc NA	218,521,000	6	0.45	-		-
Alaska Airlines	181,860,000	7	0.37	117,000,000	8	0.32
CenturyLink	173,565,000	8	0.35	-		-
AT&T, Inc.	164,615,000	9	0.34	-		-
CAPREF Lloyd Center LLC	157,227,000	10	0.32	-		-
LC Portland LLC	-		-	134,660,374	5	0.37
Wacker Siltronic Corporation	-		-	169,330,176	4	0.47
United Air Lines, Inc.	-		-	123,406,804	6	0.34
One Eleven Tower LLC (UNICO Properties, Inc.)	-		-	106,511,128	9	0.29
Portland Arena Management LLC	-		-	102,786,716	10	0.28
NW Natural Gas	-		-	121,439,800	7	0.34
Qwest Communications, Inc.	-		-	539,613,192	1	1.49
Total	\$ 2,536,902,000		5.17 %	\$ 1,893,529,772		5.23 %
Total assessed valuation	\$ 49,018,957,378			\$ 36,126,155,540		

Source: Multnomah County Division of Assessment and Taxation and the City of Portland 2003 CAFR

City of Portland, Oregon
Property Taxes Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year	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
2014	\$ 467,516,063	\$ 440,453,970	94.21 %	\$ -	\$ 440,453,970	94.21%
2013	452,452,709	425,290,736	94.00	7,168,996	432,459,732	95.58
2012	445,043,642	412,972,199	92.79 ²	10,108,616	423,080,815	95.07
2011	445,238,206	416,836,027	93.62	12,777,639	429,613,666	96.49
2010	436,246,475	407,939,510	93.51	15,566,736	423,506,246	97.08
2009	397,821,681	368,922,355	92.74	16,713,307	385,635,662	96.94
2008	394,491,508	369,478,250	93.66	13,719,626	383,197,876	97.14
2007	363,073,424	341,570,207	94.08	11,905,042	353,475,249	97.36
2006	346,053,142	324,530,783	93.78	11,335,684	335,866,467	97.06
2005	333,043,855	310,716,109	93.30	11,087,577	321,803,686	96.63

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
Capitalized lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,083	\$ 808,220
General obligation bonds	75,850,000	62,675,000	70,740,000	78,530,000	58,890,000	66,820,000	56,770,000	61,770,000	66,580,000	71,220,000
Limited tax improvement bonds	48,625,000	50,700,000	55,940,000	57,425,000	63,105,000	44,260,000	49,460,000	55,250,000	15,795,000	19,355,000
Urban renewal and redevelopment bonds	490,735,000	519,785,000	508,130,000	425,050,000	353,405,000	334,445,000	308,330,000	271,730,000	284,595,000	295,645,000
Limited tax and limited tax revenues bonds	405,413,191	387,503,608	376,042,730	388,347,991	420,165,722	422,137,316	439,919,759	426,681,483	416,340,215	425,870,215
Revenue bonds	14,974,000	16,820,000	18,515,000	3,715,000	4,295,000	4,865,000	5,415,000	5,940,000	6,450,000	6,935,000
Notes, loan and line of credit payable	57,526,763	71,688,388	97,914,167	124,454,570	183,116,127	194,129,708	169,416,794	155,161,651	141,934,922	57,138,759
Unamortized premiums and discounts	36,904,989	31,860,103	28,556,970	11,106,340	12,543,878	10,117,000	10,110,051	10,326,433	9,405,917	7,667,023
Total governmental activities	1,130,028,943	1,141,032,099	1,155,838,867	1,088,628,901	1,095,520,727	1,076,774,024	1,039,421,604	986,859,567	941,573,137	884,639,217
Business- type activities:										
Capitalized lease obligations	-	-	-	-	-	84,772	139,129	562,456	1,167,271	1,776,810
General obligation bonds	-	-	-	-	1,590,000	3,135,000	4,630,000	6,080,000	7,485,000	7,542,155
Limited tax and limited tax revenue bonds	123,936,784	133,164,668	142,052,566	138,179,477	134,415,413	140,815,546	146,888,088	149,854,242	153,801,017	156,891,017
Revenue bonds	2,176,310,002	2,091,980,000	1,957,895,000	2,042,696,000	1,640,956,000	1,640,114,000	1,618,758,000	1,410,071,000	1,404,041,000	1,182,447,000
Notes and loans payable	17,810,751	97,796,100	20,815,849	32,472,241	182,355,327	20,034,963	21,145,029	21,355,431	13,060,750	2,415,499
Unamortized premiums and discounts	117,958,078	115,881,875	87,643,791	96,956,081	59,228,268	64,242,224	69,738,415	52,389,763	41,908,992	39,331,164
Total business-type activities	2,436,015,615	2,438,822,643	2,208,407,206	2,310,303,799	2,018,545,008	1,868,426,505	1,861,298,661	1,640,312,892	1,621,464,030	1,390,403,645
Total primary government	\$ 3,566,044,558	\$ 3,579,854,742	\$ 3,364,246,073	\$ 3,398,932,700	\$ 3,114,065,735	\$ 2,945,200,529	\$ 2,900,720,265	\$ 2,627,172,459	\$ 2,563,037,167	\$ 2,275,042,862
Percentage of personal income	N/A	3.48 %	3.48 %	3.70 %	3.36 %	3.31 %	3.24 %	3.26 %	3.44 %	3.21 %
Per capita	\$ 5,761	\$ 5,838 *	\$ 5,544	\$ 5,637	\$ 5,226	\$ 4,985	\$ 4,963	\$ 4,557	\$ 4,514	\$ 4,047

Source: Bureau of Financial Services

N/A: Data not available for this fiscal year.

* Data was revised in FY14.

City of Portland, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Governmental Activities

Fiscal Year	General Obligation Bonds*	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2014	\$ 75,511,168	\$ 49,018,957,378	0.15 %	\$ 128	592,120
2013	62,136,842	47,378,837,712	0.13	106	587,865
2012	69,938,604	46,293,282,234	0.15	119	585,845
2011	77,789,280	44,984,332,334	0.17	133	583,775
2010	58,206,868	43,786,711,136	0.13	100	582,130
2009	66,332,480	42,358,278,975	0.16	115	575,930
2008	56,270,499	40,661,766,792	0.14	99	568,380
2007	61,050,970	38,674,302,110	0.16	108	562,690
2006	66,007,710	37,177,488,891	0.18	119	556,370
2005	70,890,199	36,126,155,540	0.20	129	550,560

Note: Represents general obligation bonded debt issued for funding parks and emergency facilities projects

* Data was revised in 2014.

Business-type Activities

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2014	\$ -	\$ 49,018,957,378	- %	\$ -	592,120
2013	-	47,378,837,712	-	-	603,106
2012	-	46,293,282,234	-	-	585,845
2011	-	44,984,332,334	-	-	583,775
2010	1,590,000	43,786,711,136	-	3	582,130
2009	3,135,000	42,358,278,975	0.01	5	575,930
2008	4,630,000	40,661,766,792	0.01	8	568,380
2007	6,080,000	38,674,302,110	0.02	11	562,690
2006	7,485,000	37,177,488,891	0.02	13	556,370
2005	7,540,000	36,126,155,540	0.02	14	550,560

Note: Represents general obligation bonded debt issued for Water infrastructure

City of Portland, Oregon
Direct and Overlapping Governmental Activities Debt
June 30, 2014
(unaudited)

Jurisdiction	Net Property Tax Backed Debt	Percentage within City of Portland	Amount Applicable to City of Portland
Clackamas Community College	\$ 24,844,737	0.19 %	\$ 47,205
Clackamas County	104,540,417	0.24	250,897
Clackamas County SD* 7J (Lake Oswego)	82,530,000	0.03	24,759
Clackamas County SD 12 (North Clackamas)	327,939,592	0.49	1,606,904
Columbia County SD 1J (Scappoose)	30,667,984	6.40	1,962,751
Metro	222,964,729	43.54	97,078,843
Mt Hood Community College	25,097,296	40.83	10,247,226
Multnomah County	183,569,510	85.47	156,896,860
Multnomah County SD 1J (Portland)	537,165,041	97.70	524,810,245
Multnomah County SD 3 (Parkrose)	60,265,858	98.31	59,247,365
Multnomah County SD 7 (Reynolds)	110,032,492	22.43	24,680,288
Multnomah County SD 51J (Riverdale)	25,214,577	4.96	1,250,643
Multnomah County SD 28J (Centennial)	28,869,368	54.08	15,612,554
Multnomah County SD 40 (David Douglas)	101,756,464	100.00	101,756,464
Multnomah County Drainage District 1	95,000	100.00	95,000
Portland Community College	188,154,066	46.46	87,416,379
Tri-Met	240,021	43.65	104,769
Tualatin Hills Park & Recreation District	107,375,000	0.02	21,475
Washington County	14,030,000	0.28	39,284
Washington County SD 23J (Tigard-Tualatin)	137,460,000	0.09	123,714
Washington County SD 48J (Beaverton)	<u>507,007,000</u>	0.30	<u>1,521,021</u>
Subtotal overlapping debt	<u>\$ 2,819,819,152</u>		1,084,794,646
City direct debt			<u>1,130,028,943</u>
Total direct and overlapping debt			<u>\$ 2,214,823,589</u>

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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt Limit	\$ 2,521,346,866	\$396,887,076	\$434,903,050	\$591,240,413	\$670,663,311	\$710,753,327	\$528,729,381	\$187,110,625	\$959,275,415	\$764,190,422
Total net debt applicable to limit	<u>75,511,168</u>	<u>62,136,842</u>	<u>69,938,604</u>	<u>77,789,280</u>	<u>58,206,868</u>	<u>66,332,480</u>	<u>56,270,499</u>	<u>61,050,970</u>	<u>66,007,710</u>	<u>70,890,199</u>
Legal debt margin	<u>\$ 2,445,835,698</u>	<u>\$334,750,234</u>	<u>\$364,964,446</u>	<u>\$513,451,133</u>	<u>\$612,456,443</u>	<u>\$644,420,847</u>	<u>\$472,458,882</u>	<u>\$126,059,655</u>	<u>\$893,267,705</u>	<u>\$693,300,223</u>
Total net debt applicable to limit as a percentage of legal debt margin	3.09 %	2.66 %	2.96 %	3.09 %	2.23 %	2.51 %	2.28 %	2.87 %	3.49 %	4.19 %

Legal Debt Margin Calculation for Fiscal Year 2014

Real market value	\$ 84,044,895,532
Debt limit (3% of real market value)	<u>2,521,346,866</u>
Debt applicable to limit:	
General obligation bonds	75,850,000
Less: Amount set aside for repayment of general obligation debt	<u>(338,832)</u>
Total net debt applicable to limit	<u>75,511,168</u>
Legal debt margin	<u>\$ 2,445,835,698</u>

Note: Oregon Revised Statutes Section 287.004 provides a debt limit of 3% of real market value of all taxable property within City boundaries for general obligation debt.

**City of Portland, Oregon
Pledged-Revenue Coverage
Sewer System
Last Ten Fiscal Years**

First Lien Sewer System Revenue Bonds¹

Fiscal Year	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 Lien Bond			Non-Stabilized Coverage	Stabilized Coverage
						Debt Service Requirements		Total		
						Principal	Interest			
2014	\$ 310,133,578	\$ 98,734,741	\$ 211,398,837	\$ (21,375,000)	\$ 190,023,837	\$ 57,675,000	\$ 40,110,644	\$ 97,785,644	2.16	1.94
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
2008	225,984,310	81,477,760	144,506,550	(16,882,000)	127,624,550	32,300,000	40,042,644	72,342,644	2.00	1.76
2007	247,913,130	79,468,846	168,444,284	(7,000,000)	161,444,284	31,770,000	42,619,653	74,389,653	2.26	2.17
2006	208,771,380	72,220,503	136,550,877	(23,000,000)	113,550,877	26,585,000	35,346,556	61,931,556	2.20	1.83
2005	191,771,991	72,071,539	119,700,452	(6,100,000)	113,600,452	20,605,000	32,841,698	53,446,698	2.24	2.13
								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

Second Lien Sewer System Revenue Bonds ¹										
Fiscal Year	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		Total	Non-Stabilized Coverage	Stabilized Coverage
						Principal	Interest ⁴			
2014	\$ 310,133,578	\$ 98,734,741	\$ 211,398,837	\$ (21,375,000)	\$ 190,023,837	\$ 71,830,000	\$ 74,758,838	\$ 146,588,838	1.44	1.30
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
2008	225,984,310	81,477,760	144,506,550	(16,882,000)	127,624,550	42,425,000	52,222,706	94,647,706	1.53	1.35
2007	247,913,130	79,468,846	168,444,284	(7,000,000)	161,444,284	41,190,000	55,523,990	96,713,990	1.74	1.67
2006	208,771,380	72,220,503	136,550,877	(23,000,000)	113,550,877	34,020,000	42,169,809	76,189,809	1.79	1.49
2005	191,771,991	72,071,539	119,700,452	(6,100,000)	113,600,452	27,195,000	39,219,147	66,414,147	1.80	1.71
								Required	1.00	1.10
								Bureau Goal	1.00	1.30

Subordinate Lien Sewer System State Revolving Fund Loans ¹														
Fiscal Year	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			Subordinate Lien SRF Loan Debt Service Requirements			135% of Subord. Lien Debt Service	Non-Stabilized Coverage	Stabilized Coverage
						Principal	Interest ³	Total	Principal	Interest	Total			
2014	\$310,133,578	\$ 98,734,741	\$211,398,837	\$(21,375,000)	\$190,023,837	\$ 71,830,000	\$ 74,758,838	\$146,588,838	\$ 1,325,584	\$ 187,450	\$ 1,513,034	\$ 2,042,596	1.42	1.28
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	18,531,000	188,743,483	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	535,805	1,688,947	2,280,079	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
2008	225,984,310	81,477,760	144,506,550	(16,882,000)	127,624,550	42,425,000	52,148,041	94,573,041	1,074,387	200,533	1,274,920	1,721,142	1.50	1.33
2007*	247,913,130	79,468,846	168,444,284	(7,000,000)	161,444,284	41,190,000	55,914,051	97,104,051	89,582	117,702	207,284	279,833	1.73	1.66
2006	208,771,380	72,220,503	136,550,877	(23,000,000)	113,550,877	34,020,000	43,336,274	77,356,274	37,421	4,012	41,433	55,935	1.76	1.47
												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.

* Data was revised in 2014.

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	Gross Revenues ¹	Direct Operating Expense ¹	Net Revenues Available for Debt Service	First Lien Bond Debt Service Requirements			Debt Service Coverage (x)
				Principal	Interest	Total	
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
2008	103,261	64,430	38,831	6,155	6,112	12,267	3.17
2007	103,268	55,640	47,628	5,760	6,643	12,403	3.84
2006	93,600	50,055	43,545	5,505	7,029	12,534	3.47
2005	85,161	46,180	38,981	6,200	6,857	13,057	2.99

Source: Portland Water Bureau

Note: Other Postemployment Retirement Benefits (OPEB) cost is included as operating expense.

There was no OPEB expense prior to FY 2007-2008.

¹ Amounts in schedule are calculated in accordance with applicable bond ordinances.

City of Portland, Oregon
Schedule of Revenue Bond Coverage
Second Lien Water System Revenue Bonds
(unaudited)
(amounts expressed in thousands)

Fiscal Year	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 (x)	Stabilized Coverage (x) ³
						Principal	Interest	Total		
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
2008	103,261	64,430	38,831	(3,500)	35,331	7,675	9,143	16,818	2.31	2.10
2007	103,268	55,640	47,628	(2,000)	45,628	5,760	8,262	14,022	3.40	3.25

Source: Portland Water Bureau

Note: Other Postemployment Retirement Benefits (OPEB) cost is included as operating expense. There was no OPEB expense prior to FY 2007-2008.

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.

³ The Second Lien Rate Stabilization Account was created with the issuance of the 2006 Series A Bonds. There were no Second Lien Bonds prior to FY 2006-07

**City of Portland, Oregon
Demographic Statistics
Last Ten Fiscal Years
(unaudited)**

<u>Fiscal Year</u>	<u>City of Portland Population¹</u>	<u>Metropolitan Statistical Area Population²</u>	<u>Personal Income (expressed in thousands)²</u>	<u>Per Capita Personal Income²</u>	<u>Portland Public Schools Enrollment³</u>	<u>Unemployment Rate⁴</u>
2014	592,120	N/A	N/A	N/A	48,745	6.1%
2013	587,865	2,289,800	\$ 98,698,029	\$ 43,103	48,098	7.6
2012	585,845	2,262,605	93,449,170	41,302	47,505	8.5
2011	583,775	2,232,896	88,964,975	39,843	47,288	9.4
2010	582,130	2,233,417	90,653,694	40,590	46,803	10.2
2009	575,930	2,241,841	86,822,197	38,728	46,046	11.5
2008	568,380	2,207,462	87,052,644	39,436	46,088	4.9
2007	562,690	2,133,775	78,618,336	36,845	46,348	5.1
2006	556,370	2,092,906	73,086,912	34,921	47,008	5.8
2005	550,560	2,059,861	69,328,033	33,657	47,656	8.3

NA: Data not available for this fiscal year

¹ Portland State University Research Center, Department of Commerce, Bureau of Economic Analysis (PSURC updated April 2013 new estimates for 2010; revised estimates for 2000-2009).

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).

³ Portland Public Schools, Data and Policy Analysis Fall Membership 2013

⁴ U.S. Department of Labor, Bureau of Labor Statistics

**City of Portland, Oregon
Principal Employers
Current Year and Nine Years Ago
(unaudited)**

Employer	2014			2005		
	Employees ¹	Rank	Percentage of Total Metropolitan Statistical Area Employment ²	Employees ³	Rank	Percentage of Total Metropolitan Statistical Area Employment ²
Intel Corporation	16,700	1	1.51%	14,890	1	1.45%
Providence Health System	14,132	2	1.27	13,496	2	1.32
Oregon Health and Science University	14,106	3	1.27	11,400	3	1.11
U.S. Federal Government	13,900	4	1.25	-	N/A	-
Fred Meyer Stores	10,176	5	0.92	10,500	4	1.02
Kaiser Permanente NW	9,896	6	0.89	6,731	6	0.66
Legacy Health System	9,835	7	0.89	7,972	5	0.78
City of Portland	9,318	8	0.84	-	N/A	-
State of Oregon	7,559	9	0.68	-	N/A	-
Nike, Inc.	7,000	10	0.63	5,742	8	0.56
Safeway Inc.	-	N/A	-	6,000	7	0.59
Albertsons Food Centers	-	N/A	-	5,600	9	0.55
U.S. Bank	-	N/A	-	4,138	10	0.40
Total	112,622		10.15%	86,469		8.44%
Total MSA ² employment	1,109,348			1,024,414		

Sources:

¹ Portland Business Journal; Book Of Lists 2014

² U.S. Department of Labor, Bureau of Labor Statistics and Oregon Employment Department, calendar year end figure used for following June 30 fiscal year end. Portland-Vancouver-Beaverton, Oregon-Washington Metropolitan Survey Area or MSA is defined as Multnomah, Washington, Clackamas, Columbia and Yamhill Counties of Oregon, and Clark and Skamania Counties of Washington State. Prior year figures revised by source as MSA previously reported as Primary Metropolitan Statistical Area.

³ Portland Business Journal; Book Of Lists 2005, Portland Economy.html

City of Portland, Oregon
Full-Time Equivalent Employees by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Full-time Equivalent Employees as of June 30, ¹									
	2014 ⁶	2013 ⁵	2012 ³	2011 ²	2010	2009	2008	2007	2006	2005
Public safety	2,059	2,117	2,159	2,163	2,178	2,212	2,216	2,190	2,112	2,147
Parks, recreation and culture	433	411	441	445	447	434	413	408	414	425
Community development	448	402	393	390	505	562	546	503	474	464
Transportation	734	738	761	751	743	802	788	768	757	770
Legislative / admin / support services	817	833	865	858	852	832	821	834	931	916
Environmental services	521	533	539	548	541	524	504	484	479	486
Water	579	617	626	638	627	666	664	658	487	434
Hydroelectric power ⁴	2	2	2	3	3	3	3	3	3	3
Total employees	5,593	5,653	5,786	5,796	5,896	6,035	5,955	5,848	5,657	5,645

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2013-2014, 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 2088.

² Amount represents revised FY10-11 amount as published in the Adopted Budget FY 2011-12.

³ Amount represents year-end estimate as published in the Adopted Budget FY 2011-12.

⁴ Hydroelectric power employees are part of the Water Bureau.

⁵ Amount represents year-end estimate as published in the Adopted Budget FY 2012-13.

⁶ Amount represents revised FY 2013-14 amount as published in the Adopted Budget FY2014-15.

City of Portland, Oregon
Operating Indicators by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year									
	2014 ¹	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public safety:										
Number of crimes (parts 1 and 2)	63,247	62,646	64,000	66,878	64,919	70,715	76,377	80,771	87,219	90,285
Number of police incidents (dispatched / reported / initiated)	491,272	507,203	504,509	489,983	473,789	424,817	444,349	450,729	464,415	458,416
Number of fire, medical and other incidents	72,020	65,912	68,979	67,212	65,912	67,238	65,721	65,304	61,466	59,696
Fire loss per capita, adjusted	\$ 43	\$ 49	\$ 33	\$ 24	\$ 52	\$ 53	\$ 33	\$ 41	\$ 47	\$ 51
Numbers of calls on emergency 9-1-1 lines	402,430	468,738	374,053	363,440	355,963	464,084	486,759	503,842	495,800	549,691
Calls per capita, emergency and non-emergency	1	1	1	1	1	1	1	1	1	1
Disaster exercises conducted	12.00	3	4	4	4	4	5	5	5	5
Parks, recreation and culture:										
Estimated attendance counts (millions)	5	5	4	4	6	5	6	6	6	6
Number of acres maintained (including golf courses and PIR)	11,656	11,546	11,415	11,209	10,940	10,795	10,763	10,685	10,613	10,481
Numbers of hours volunteered	464,473	475,324	474,709	453,941	460,746	465,353	462,877	461,274	457,307	454,777
Community development:										
Construction inspections	141,847	134,391	109,495	124,094	131,011	176,626	209,916	217,138	191,347	161,274
Building permits	9,889	9,013	8,017	7,490	7,410	8,843	10,621	11,437	11,031	10,238
Tons of recycling collected (thousands)	-	880	N/A	N/A	600	720	680	645	553	572
One night shelter count of homeless	2,546	2,546	3,112	2,727	4,448	4,187	3,529	3,018	2,840	2,752
Adults served in homeless programs	12,048	8,716	7,559	9,288	14,524	12,196	10,446	10,622	10,091	10,016
Transportation and parking:										
Unimproved streets (centerline miles):	56	56.8	60	N/A	61	N/A	N/A	N/A	627	597
Miles resurfaced/sealed/rehabilitated (lane miles):	50	33.8	35	42	43	38	N/A	120	59	79
Streets swept (curb miles)	26,366	28,222	38,773	40,005	40,290	35,386	44,941	45,525	49,482	51,616
Legislative / admin / support services:										
Litigation cases	1,450	1,500	2,100	2,000	2,110	1,975	2,100	2,103	2,074	1,789
Number of audit services reports issued	12	12	12	12	12	12	12	12	14	4
Number of active grants - all types	475	475	475	475	475	328	281	231	264	250
Percentage of availability of all vehicles	90 %	90 %	90 %	90 %	90 %	90 %	90 %	90 %	85 %	95 %
Number of duplicating work orders completed	18,000	18,500	20,000	22,000	22,000	33,000	30,000	37,934	26,845	25,353

Continued next page

City of Portland, Oregon
Operating Indicators by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year									
	2014 ¹	2013	2012	2011	2010	2009	2008	2007	2006	2005
Environmental services:										
Wastewater treated (billions of gallons)	28	29	28	30	28	25	29	30	29	27
Miles of pipe cleaned	312	361	256	257	220	216	213	190	263	228
Water:										
Population served with water	956,200	938,600	934,800	932,400	915,800	884,300	879,900	860,000	801,900	770,241
Annual per capita water usage (gallons)	33,500	35,200	34,700	35,300	37,600	39,800	40,500	42,000	42,300	40,754
Water delivered (billions of gallons)	32	33	33	33	34	35	35	36	34	33
Hydroelectric power:										
Power sold to PGE (mwh)	83,100	50,400	85,200	85,000	77,570	85,825	103,548	79,413	83,969	65,612

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2014-15, Volume 1 City of Portland, Bureau of Transportation, Asset Status and Condition Report

NA: Data not available for this fiscal year

¹ Amount represents year-end estimates as published in the most recent Adopted Budget

² Centerline miles are the actual length of a roadway in one direction of travel.

³ Lane miles are computed by multiplying street length by number of lanes in the street. (One mile of 4-lane streets = 4 lane miles).

City of Portland, Oregon
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year									
	2014	2013	2012 ¹	2011	2010	2009	2008	2007	2006	2005
Public safety:										
Number of front-line emergency vehicles	82	81	81	80	73	80	68	68	65	63
Fire stations	30	30	30	30	30	30	30	30	30	29
Police precincts	3	3	3	3	3	3	5	5	5	5
Police vehicles	644	627	688	673	653	659	644	645	652	600
Parks, recreation and culture:										
Developed parks	212	203	203	196	187	186	187	181	180	178
Sports fields ²	234	232	225	225	351	351	326	326	333	365
Arts and community centers	18	18	18	18	18	18	18	18	18	18
Pools	13	13	13	13	13	13	13	13	13	13
Golf courses	6	5	5	5	5	5	5	5	5	5
Transportation:										
Lane miles of streets	4,835	4,829	4,907	4,931	4,776	4,804	3,949	3,949	3,941	3,949
Miles of bikeways	338	331	328	328	324	277	272	266	262	260
Number of street lights	55,654	55,477	55,055	54,911	54,755	54,963	54,588	55,977	54,011	53,614
Unpaved streets	56	57	60	31	61	-	-	-	-	-
Environmental services:										
Sanitary, storm and combined pipeline (miles)	3,006	2,300	2,336	2,330	2,330	2,333	2,324	2,308	2,287	2,284
Water:										
Miles of water mains	2,253	2,250	2,200	2,100	2,100	2,090	2,089	2,088	2,083	1,963
Fire hydrants	14,326	14,200	14,200	14,000	14,000	14,228	14,263	14,197	14,045	13,336
Local water storage (millions of gallons)	288	289	301	220	220	295	298	298	298	300
Hydroelectric power:										
Utility plants	2	2	2	2	2	2	2	2	2	2

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2012-2013, Volume 1
Previous years of the City of Portland, Oregon Comprehensive Annual Financial Reports
2012 City-wide Assets Report, Portland Bureau of Planning and Sustainability
Portland Police Bureau
Portland Parks & Recreation Bureau
Portland Bureau of Transportation

¹ Amount represents year-end estimate as published in the most recent Adopted Budget.

² From 2012 and on, the amounts represents sports fields owned by the City of Portland. Amounts prior to 2012 include fields that the City of Portland permits.

Audit Comments and Disclosures



Skidmore Fountain, 1888

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**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, 2014 and have issued our report thereon dated December 19, 2014. 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 basic financial statements are free from 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 162-010-0000 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	Introduction	None Noted
162-010-0030	General Requirements	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
162-010-0160	Schedule of Bonded or Long-Term Debt Transactions	None Noted
162-010-0170	Schedule of Future Requirements for Retirement of Bonded or Long-Term Debt	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

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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 test disclosed no instances of noncompliance 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 three funds, which are described in Note II.C. of the City's financial statements.
- Our single audit over the City's federal grant programs identified instances of noncompliance and related internal control weaknesses that will be reported in the Schedule of Findings and Questioned Costs included in a separately issued report.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. 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 over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control over financial reporting, described in a separately issued schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. The finding identified as number 2014-001 is related to capital asset reporting in the City's financial statements.

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 intended solely for the information of City of Portland, Oregon's management, and State of Oregon and is not intended to be and should not be used by anyone other than those specified parties. 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
Eugene, Oregon
December 19, 2014