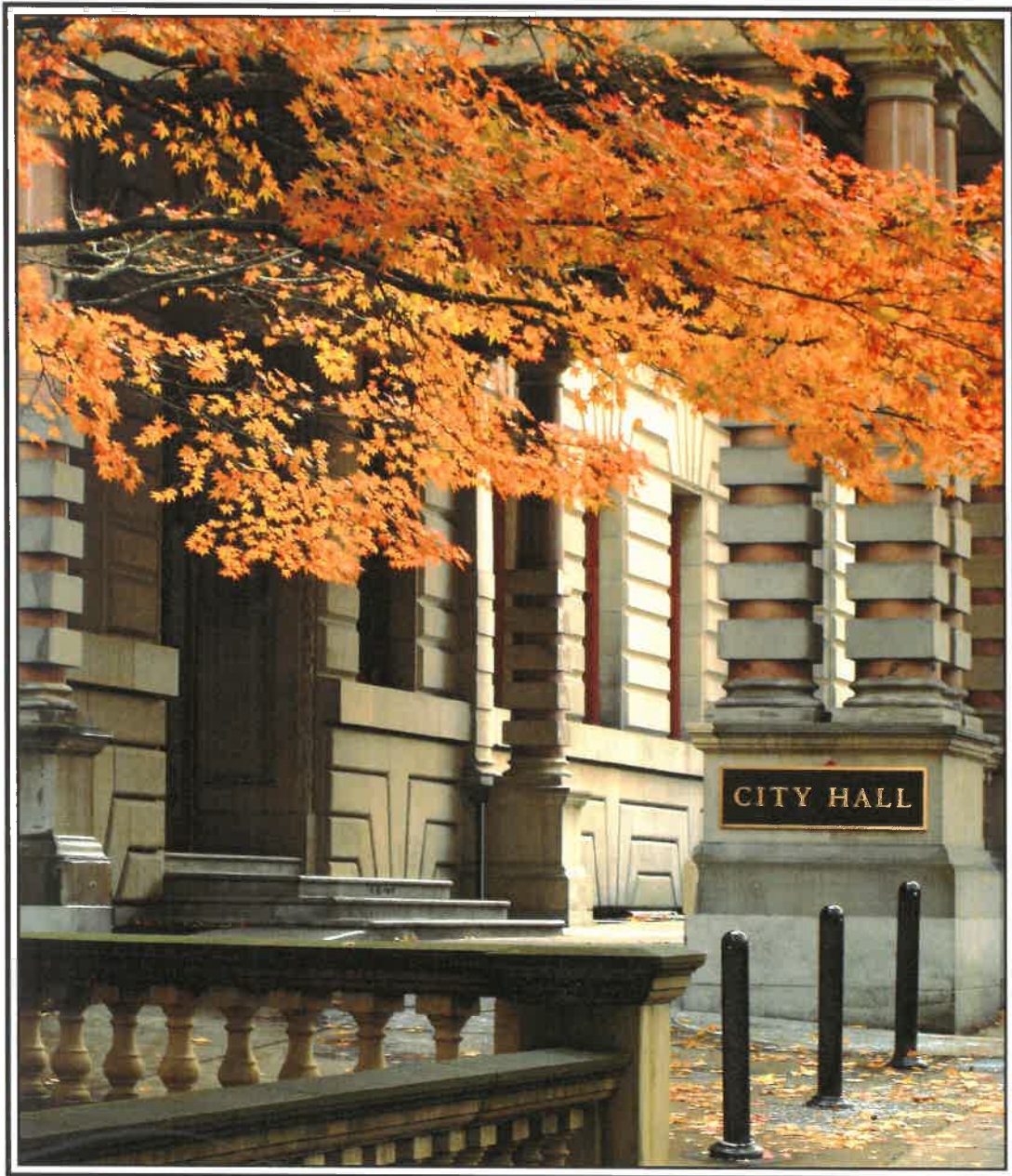


The City of
Portland, Oregon



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2006



"City Hall in Autumn"

Cover Photographer: Lois Summers, Accounting Compliance Manager

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CITY OF PORTLAND, OREGON

Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2006



Office of Management and Finance
Timothy Grewe, Chief Administrative Officer



PORTLAND BUILDING

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Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2006
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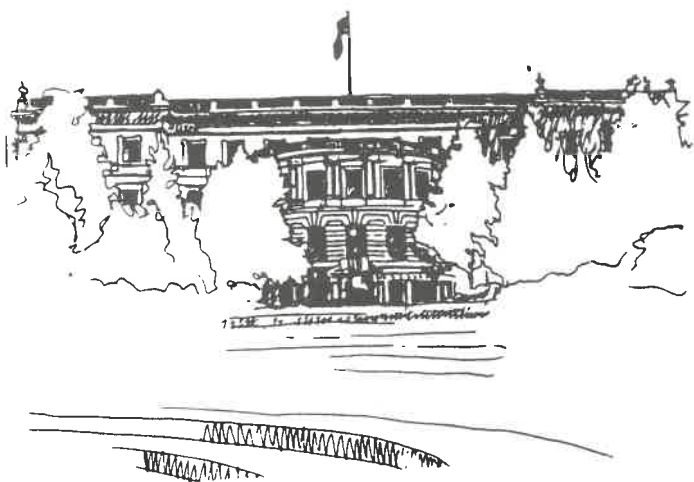
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SPANISH-AMERICAN WAR MEMORIAL

INTRODUCTORY SECTION



Portland City Hall, 1895



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Tom Potter, Mayor
Ken Rust, Interim Chief Administrative Officer

Bureau of Financial Services
Jennifer Sims, Interim Director & CFO
1120 S.W. Fifth Avenue, Rm. 1250
Portland, Oregon 97204-1912
(503) 823-5288
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TDD (503) 823-6868

December 20, 2006

Mayor Tom Potter, City Commissioners,
City Auditor, and Citizens of the
City of Portland, Oregon

The Bureau of 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, 2006.

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 sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a list of principal officials, organizational charts, and the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

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 auditors, the basic financial statements and combining and individual fund statements and schedules, as well as the independent auditor's report and required supplementary information.

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with the transmittal letter. The basic financial statements include the government-wide financial statements that present an overview of the City's entire operations, while the fund level statements present the financial information of each of the City's major funds, as well as 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 550,000, 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 metropolitan area of over 2 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, incorporated in 1851, 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 Charter and City Code, which are consistent with the Oregon Constitution and State law (the Oregon Revised Statutes). 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: buildings review, 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, technology, printing, and risk management
- Parks, recreational and cultural services
- Utilities: water and sewer
- Other operations: refuse disposal and environmental remediation

REPORTING ENTITY

This report includes all funds of the City including those 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 the separately commissioned audit reports to conform to City reporting formats.

ECONOMIC CONDITIONS AND OUTLOOK

A. Recent economic performance

The Portland metropolitan area's economy fully recovered from recession and started to expand beyond pre-recession employment peaks during FY2005-06. Published Bureau of Labor Statistics (BLS) data for both the State and regional economies clearly show a continued return of more normal economic growth patterns. Regional employment measured by place of work grew solidly throughout FY2005-06 and on into the first quarter of FY2006-07. During the second quarter of FY2005-06 employment by place of work reached about 989,800 surpassing the previous peak set during the second quarter of FY2000-01. As of the first quarter of FY2006-07 employment by place of work was a solid 3.7 percent ahead of first quarter FY2005-06. The local area's unemployment rate also improved throughout FY2005-06. For all of FY2004-05 the Portland area's unemployment rate averaged 6.4 percent. By the first quarter of FY2006-07 the unemployment rate registered 5.1 percent, with a preliminary FY2005-06 average at 5.4 percent. Oregon's economy, taken as a whole, also did well during FY2005-06. Oregon's economy registered consistent employment gains throughout FY2005-06, and as of the first quarter of FY2006-07 employment by place of work was 3.4 percent ahead of the prior year. Both Oregon and the local area economy continued, throughout the course of FY2005-06, to register declining unemployment rates accompanied by solid job growth.

Local area inflation was relatively subdued during calendar 2005 with the Portland Consumer Price Index – All Urban Wage Earners (CPI-W) up a modest 2.6 percent. For the first half of calendar 2006, CPI-W growth annualizes to about 2.6 percent. BLS reports for most other west coast cities show inflation generally between 3 and 4 percent. Energy costs increases have abated somewhat but remain a problem area, both nationally and locally, particularly for natural gas. Healthcare cost increases, however, remain well above local area price increases as measured by the local area consumer price index for medical care services. Continued improvement in the economic environment during FY2005-06 translated directly into very strong General Fund discretionary revenue growth.

B. Outlook

The economic outlook for FY2006-07 as well as the FY2007-08 budget cycle looks promising for the first time in several years. Although the General Fund's revenue outlook is improved, cost pressures, particularly in the healthcare area continue to challenge City and General Fund finances. The national economy continues to show good growth, albeit at a slower pace, despite the two devastating gulf coast hurricanes, increased energy related inflation, and now a slowing housing market. Most observers believe that national economic growth will slow without stalling out into recession. The local economy appears set to continue expanding for the remainder of FY2006-07 and on through FY2007-08. The City's current economic and revenue forecast is based on this economic framework and recent employment data continue to support this viewpoint.

The City stabilized General Fund current service levels in the FY2006-07 budget without any broad reductions to General Fund ongoing and programmatic budgets. The FY2006-07 budget begins the process of incorporating expected large increases in healthcare expenditures into funding requirements beginning with the FY2006-07 budget without reductions in current service levels. Recovery from recession and better revenue growth is helping blunt increased healthcare funding requirements. The most recent five-year financial forecast continues to show that current service levels can be supported over the next two budget cycles and five-year financial plan as long as the economy continues the upward trend.

C. Long-term financial planning

The City maintains a five-year financial planning horizon. The City was able to maintain current service levels in the FY2006-07 budget and expects to be able to continue to do so throughout the next five years. The greatest ongoing threat to maintenance of service levels continues to be the rapid escalation of health care costs. However, the revenue projection in the latest five year forecast indicates that steady revenue growth will enable those costs to be absorbed without further service level reductions.

The Council is maintaining its policy direction to maintain General Fund reserves at prescribed levels, to guard against a significant economic downturn. It also distinguishes between ongoing and one-time revenue, and does not fund ongoing programs with revenues that are not projected to continue through the planning horizon. If program reductions are required, due to higher costs and/or revenue shortfalls, the Council has shown it is willing to make reductions as needed to preserve the City's long-term fiscal health and stability.

Non-General Fund bureaus face resource challenges necessary to fund major capital project and maintenance requirements. The Bureau of Environmental Services anticipates a 5.9% annual increase in the average family sewer/stormwater bill for each of the next five years to fund the massive combined sewer overflow project. This project responds to a state mandate to separate sewer discharges and stormwater run-off. The Water Bureau has imposed an average retail rate increase of 2.5% for FY2006-07. The budget includes a renewed focus on infrastructure maintenance and replacement, with additional staffing budgeted to implement this focus. The overall Capital Improvement Program is reduced from prior years, to both reflect the emphasis on maintenance and acknowledge historic underspending on planned capital projects, all while maintaining funding for critical long-term improvements. Transportation continues to face a funding gap and growing maintenance backlog. Discretionary funds were allocated in FY2006-07 to add \$1.6 million for maintenance and planning efforts, but other reductions were required largely due to lack of growth in gas tax revenues over the past decade.

D. Major initiatives

Highlights of specific decisions and initiatives in the FY2006-07 Budget are as follows:

- Addition of 32 permanent positions in the Police Bureau, including 18 positions for officers with light-duty restrictions.
- Addition of 12 emergency communications operator trainee positions, to reduce emergency call times.
- \$1.8 million for provision of jail beds and treatment programs through agreement with Multnomah County.
- One-time funding of \$5.7 million to the Bureau of Housing & Community Development for programs to reduce homelessness, increase affordable housing for low-income families, enhance economic opportunities that lead to family-wage jobs, and help make up for reductions in federal funding through Community Development Block Grants.
- Continue the second year of a two-year community visioning and strategic planning program. This work will give guidance to the City's budgeting and future resource allocation decisions.
- Provide \$500,000 to implement watershed management projects to help create a more sustainable long-term solution to improving water quality.
- Reduction of \$8.3 million and 18 full-time equivalent positions in Transportation, largely due to stagnant gas tax revenue received from the State of Oregon.
- Work will continue on the Combined Sewer Overflow (CSO) project with \$164.6 million budgeted for related projects in FY2006-07.
- Redirection of \$412,000 in the Parks Bureau budget to support major ongoing maintenance needs, and another \$650,000 to begin funding a new maintenance facility to renovate or replace the deteriorating existing facility.
- Funding to continue review of the City's charter that will include an evaluation of the City's governing structure and several service delivery issues. Consideration of proposed reforms is expected in the spring of 2007.
- Economic development efforts related to renewable energy, with special emphasis on promoting local biofuel utilization and development.
- Implementation of a new management information system was approved, the cost of which will be spread over an eight year period.

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 and public hearings.

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 fund.

Council has set the level of appropriations under Oregon Budget Law at the organizational unit level, generally by bureau. Additionally transfers between major object categories are allowed with approval of the Commissioner-in-Charge. The Council conducts three major 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 FY2005-06 pursuant to OMB Circular A-133.

B. Certificate of Achievement

The GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the last twenty-four consecutive fiscal years.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents 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 major bureaus, City Council, City Auditor, and the many City managers whose leadership and commitment are vital to the health and vitality of Portland.

Respectfully submitted,



Kenneth L. Rust
Interim Chief Administrative Officer
Office of Management & Finance



Jennifer Sims
Interim Chief Financial Officer
Bureau of Financial Services

ELECTED OFFICIALS OF THE CITY OF PORTLAND



Tom Potter
Mayor



Dan Saltzman
Commissioner of Public Affairs



Randy Leonard
Commissioner of Public Safety



Erik Sten
Commissioner of Public Works

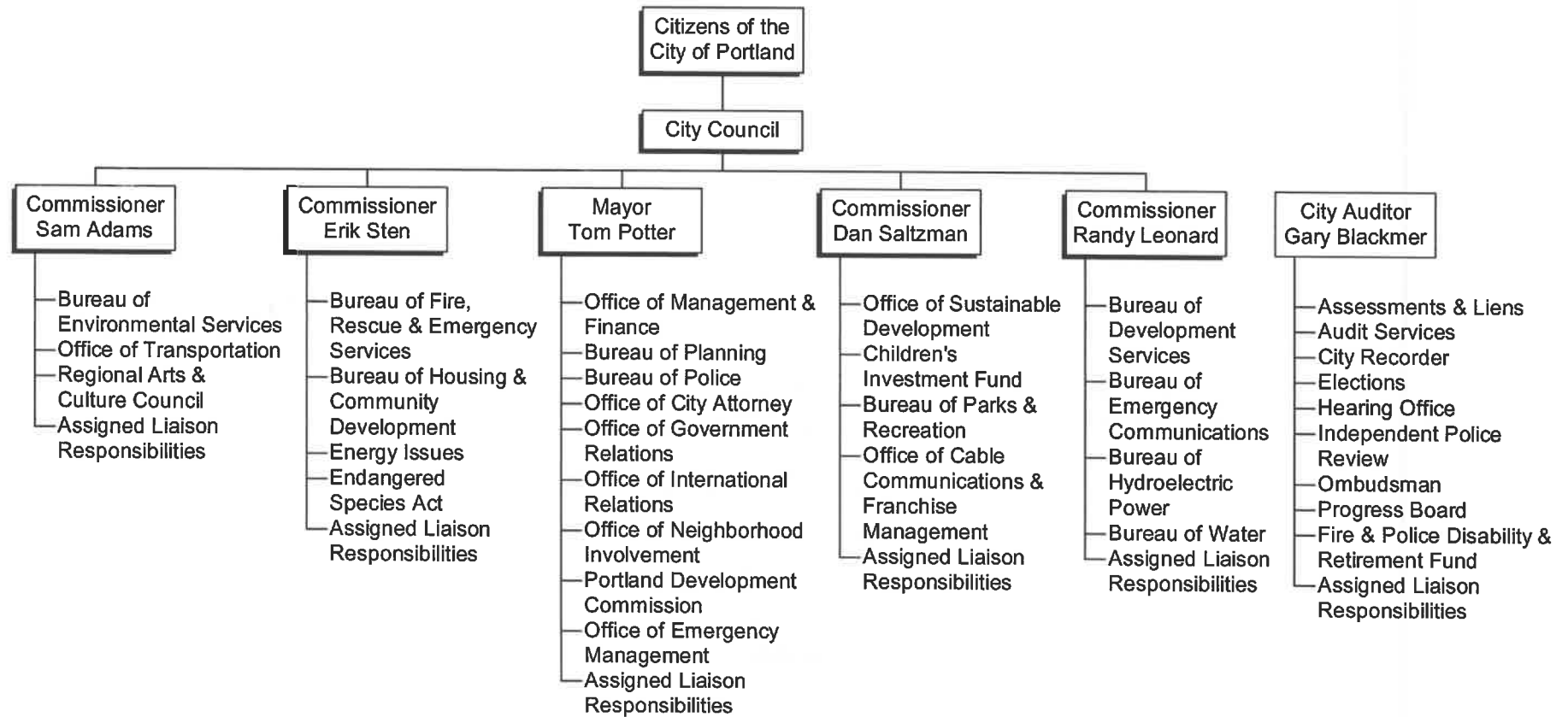


Sam Adams
Commissioner of Public Utilities

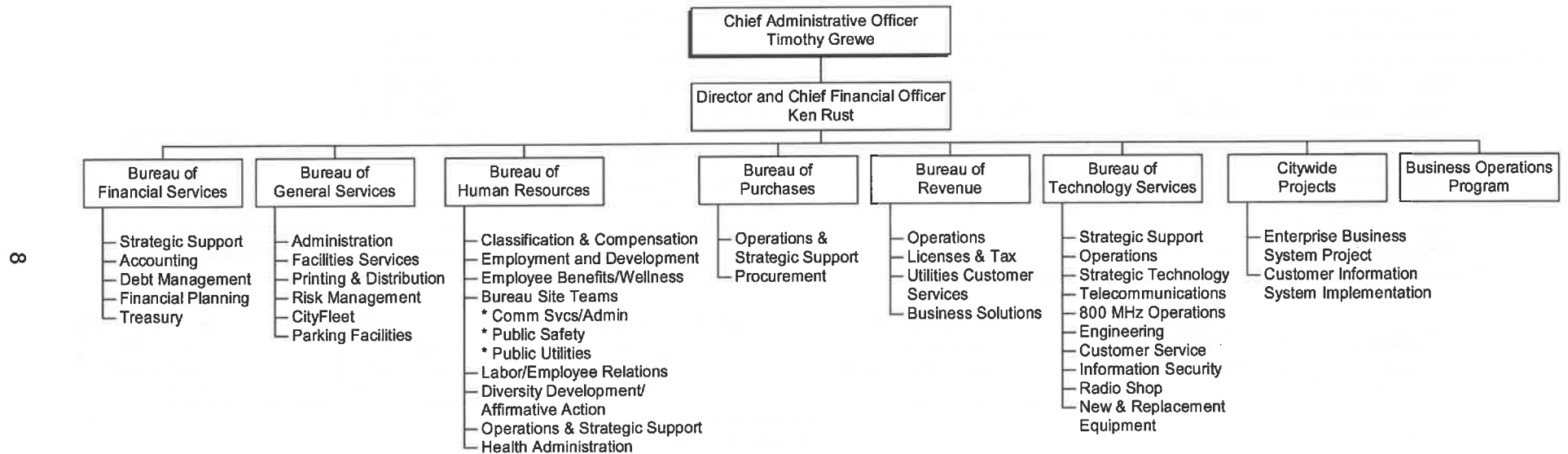


Gary Blackmer
City Auditor

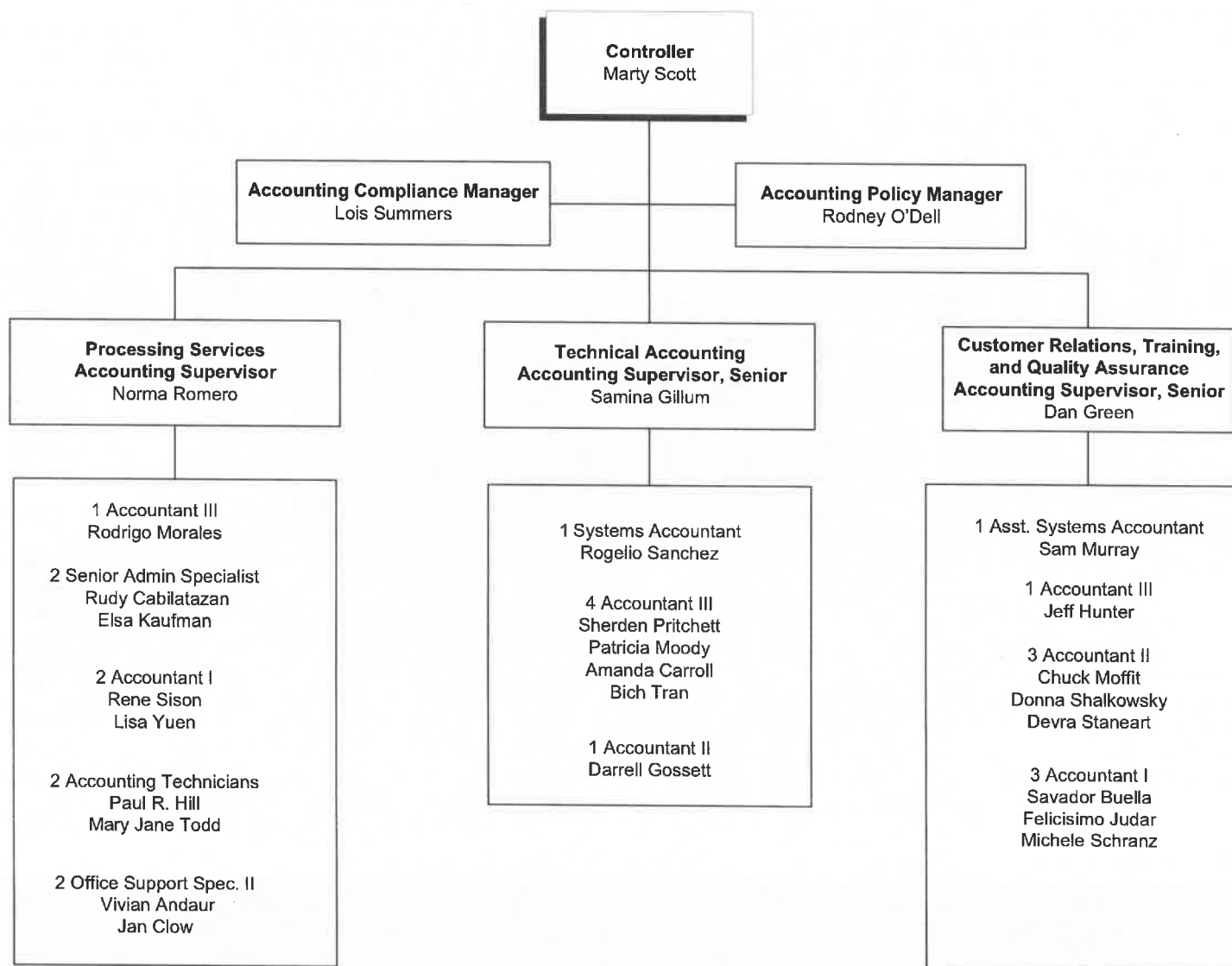
City of Portland, Oregon



**City of Portland, Oregon
Office of Management and Finance**



**City of Portland, Oregon
Office of Management and Finance
Bureau of Financial Services
Accounting Division**



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Portland
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



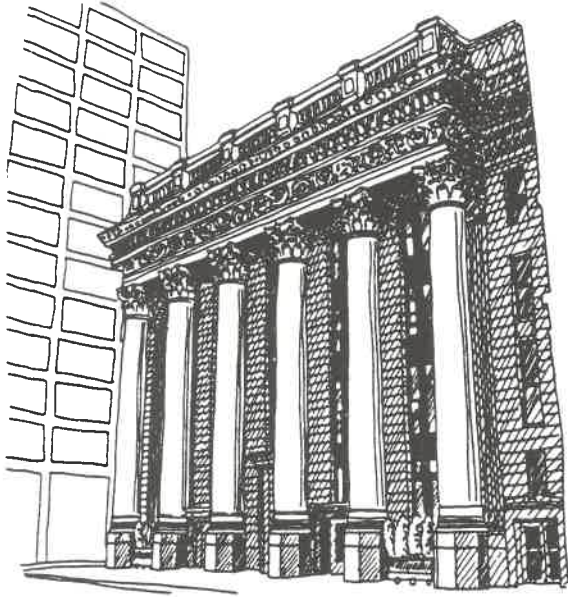
A handwritten signature in black ink, appearing to read "Ronald H. Hain".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director

FINANCIAL SECTION



U.S. National Bank, c 1917

INDEPENDENT AUDITOR'S REPORT

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

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 remaining fund information of the City of Portland, Oregon, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Portland's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Portland Development Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Portland Development Commission, is based on the report of the other auditors.

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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 remaining fund information of City of Portland, Oregon, as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

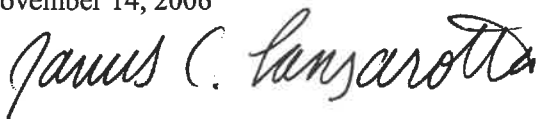
In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2006 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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 and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 13 through 30 and 95 through 101 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The schedules of revenues and expenditures – budget and actual, on pages 95 through 101 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in relation to the basic financial statements taken as a whole.

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, combining and individual fund statements and schedules, schedules of revenues and expenditures - budget and actual, other financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules, schedules of revenues and expenditures - budget and actual, and other financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

November 14, 2006



James C. Lanzarotta, Partner

For Moss Adams LLP
Certified Public Accountants
Eugene, Oregon

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, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found starting on page 1 of this report.

FINANCIAL HIGHLIGHTS

Following are the City's financial highlights for fiscal year ending June 30, 2006:

- The assets of the City exceeded its liabilities at the close of FY2005-06 by \$2,699,600,454 (*net assets*), while *unrestricted net assets* totaled (\$1,051,174,849) as shown on table 1-C on page 17. 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 16.
- The City's total net assets decreased by \$7,828,222 from FY2004-05 as shown on table 2-C on page 20. This decrease results primarily from the increase in the pension trust obligation liability of \$86,099,105 and impact of depreciation totaling \$156,168,429 which was offset by increases in business-type activities.
- The City's governmental funds reported combined ending fund balances of \$261,530,535, an increase of \$43,103,426 in comparison to FY2004-05 as shown on page 37. This increase in fund balance was almost entirely attributed to an increase of \$43,094,415 resulting from operations. Of the combined ending governmental fund balances, \$169,250,020 is available for spending at the City's discretion subject to Council approved policies (*unreserved fund balance*).
- The unreserved fund balance for the General Fund was \$169,250,020 or 37.7 percent of total General Fund expenditures.
- The City's total bonded debt increased by \$189,181,845 or 8 percent over FY2004-05 as shown on page 28. The key factors in this change were increases of \$221,109,000 in revenue bonds. General obligation bonds decreased by \$4,697,155, limited tax improvement bonds decreased by \$3,560,000, urban renewal bonds decreased by \$11,050,000 and limited tax revenue bonds decreased by \$12,620,000.

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 supplementary 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 assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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*). The governmental activities include Public Safety, Parks/Recreation/Culture, Community Development, Transportation, Legislative/Administration/ Support Services, and Interest on long-term debt. The business-type activities of the City include Environmental Services, Water, Hydroelectric Power, Parking, Golf, Motor Sports, and Spectator Facilities.

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 itself. Additionally, the Fire and Police Disability and Retirement Fund (FPD&R), also legally separate, functions for all practical purposes as a bureau of the City and, therefore, has been blended with the information of the primary government.

The government-wide financial statements can be found on pages 32-34 of this report.

B. Fund financial statements

A *fund* is a grouping of related accounts that is 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 forty-one governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Transportation Operating Fund, both of which are considered to be *major funds*. Data from the other thirty-nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *nonmajor* governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City's major governmental funds, the General Fund and Transportation Operating 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 document is a series of other financial and statistical schedules as required by statute.

The basic governmental fund financial statements can be found on pages 35-38 of this report.

- **Proprietary funds.** The City maintains seventeen proprietary funds.

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health insurance, facilities, fleet, printing and distribution, general liability and self-insurance, workers' compensation self-insurance, and technology services. 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 seventeen proprietary funds, eight are *internal service funds*.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system operations, both of which are considered to be 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 39-43 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 statement 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 44-45 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 47-94 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, as well as its employees. Required supplementary information can be found on pages 95-101 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 103-152 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceed liabilities by \$2,699,600,454 at the close of FY2005-06.

A. Analysis of net assets

The largest portion of the City's net assets reflects an investment of \$3,648,087,517 or 135.1 percent, in capital assets (i.e. land, buildings, and equipment) less any related outstanding debt used to acquire those assets as shown on table 1-C on page 17. 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, since the capital assets themselves cannot be liquidated to pay for these liabilities.

An additional portion of the City's net assets, \$102,687,786 or approximately 3.8 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in *unrestricted net assets* totaling \$1,051,174,849.

At the end of FY2005-06, the City is able to report positive balances in two categories of net assets for the government as a whole: (1) *invested in capital assets, net of related debt*, and (2) *restricted net assets*. *Unrestricted net assets*, the third category of net assets, had a negative balance due to governmental activities, which is comprised of outstanding debt with no offsetting asset. Business-type activities have a positive balance for all three categories of net assets.

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

	Governmental Activities		
	FY 2005-06	FY 2004-05	Change
ASSETS			
Current and other assets	\$ 652,978,697	\$ 589,321,678	\$ 63,657,019
Capital assets	<u>2,485,502,028</u>	<u>2,508,584,319</u>	<u>(23,082,291)</u>
Total assets	<u>3,138,480,725</u>	<u>3,097,905,997</u>	<u>40,574,728</u>
LIABILITIES			
Long-term liabilities outstanding	1,649,655,118	1,521,427,446	128,227,672
Other liabilities	<u>189,858,382</u>	<u>152,080,672</u>	<u>37,777,710</u>
Total liabilities	<u>1,839,513,500</u>	<u>1,673,508,118</u>	<u>166,005,382</u>
NET ASSETS			
Invested in capital assets, net of related debt:	2,358,468,902	2,224,370,896	134,098,006
Restricted	92,280,515	49,610,773	42,669,742
Unrestricted	<u>(1,151,782,192)</u>	<u>(849,583,790)</u>	<u>(302,198,402)</u>
Total net assets	<u>\$ 1,298,967,225</u>	<u>\$ 1,424,397,879</u>	<u>\$ (125,430,654)</u>

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

	Business-type Activities		
	FY 2005-06	FY 2004-05	Change
ASSETS			
Current and other assets	\$ 506,822,457	\$ 338,308,732	\$ 168,513,725
Capital assets	<u>2,576,378,643</u>	<u>2,384,087,050</u>	<u>192,291,593</u>
Total assets	<u>3,083,201,100</u>	<u>2,722,395,782</u>	<u>360,805,318</u>
LIABILITIES			
Long-term liabilities outstanding	1,571,244,909	1,346,934,059	224,310,850
Other liabilities	<u>111,322,962</u>	<u>92,430,926</u>	<u>18,892,036</u>
Total liabilities	<u>1,682,567,871</u>	<u>1,439,364,985</u>	<u>243,202,886</u>
NET ASSETS			
Invested in capital assets, net of related debt:			
Restricted	1,289,618,615	1,159,942,274	129,676,341
Unrestricted	<u>10,407,271</u>	<u>11,482,805</u>	<u>(1,075,534)</u>
	<u>100,607,343</u>	<u>111,605,718</u>	<u>(10,998,375)</u>
Total net assets	<u>\$ 1,400,633,229</u>	<u>\$ 1,283,030,797</u>	<u>\$ 117,602,432</u>

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

	Total Net Assets		
	FY 2005-06	FY 2004-05	Change
ASSETS			
Current and other assets	\$ 1,159,801,154	\$ 927,630,410	\$ 232,170,744
Capital assets	<u>5,061,880,671</u>	<u>4,892,671,369</u>	<u>169,209,302</u>
Total assets	<u>6,221,681,825</u>	<u>5,820,301,779</u>	<u>401,380,046</u>
LIABILITIES			
Long-term liabilities outstanding	3,220,900,027	2,868,361,505	352,538,522
Other liabilities	<u>301,181,344</u>	<u>244,511,598</u>	<u>56,669,746</u>
Total liabilities	<u>3,522,081,371</u>	<u>3,112,873,103</u>	<u>409,208,268</u>
NET ASSETS			
Invested in capital assets, net of related debt:			
Restricted	3,648,087,517	3,384,313,170	263,774,347
Unrestricted	<u>102,687,786</u>	<u>61,093,578</u>	<u>41,594,208</u>
	<u>(1,051,174,849)</u>	<u>(737,978,072)</u>	<u>(313,196,777)</u>
Total net assets	<u>\$ 2,699,600,454</u>	<u>\$ 2,707,428,676</u>	<u>\$ (7,828,222)</u>

B. Analysis of changes in net assets

As noted above, the City's overall net assets decreased by \$7,828,222 during FY2005-06. This decrease is explained in the governmental and business-type activities discussion beginning on page 21.

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

	Governmental Activities		
	FY 2005-06	FY 2004-05	Change
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 438,628,239	\$ 389,659,652	\$ 48,968,587
Operating grants and contributions	52,126,898	52,304,455	(177,557)
Capital grants and contributions	43,561,907	3,337,595	40,224,312
<i>General revenues:</i>			
Property taxes	334,965,727	320,933,919	14,031,808
Lodging taxes	15,963,890	14,170,141	1,793,749
Investment earnings	16,484,142	9,105,038	7,379,104
Total revenues	901,730,803	789,510,800	112,220,003
Expenses			
Public safety	402,791,253	367,555,695	35,235,558
Parks, recreation and culture	56,277,014	53,128,816	3,148,198
Community development	117,247,997	114,225,541	3,022,456
Transportation and metered parking	232,391,159	220,406,789	11,984,370
Legislative/Admin/Support services	174,658,640	122,993,533	51,665,107
Interest on long-term debt	46,733,850	39,790,431	6,943,419
Total expenses	1,030,099,913	918,100,805	111,999,108
Revenues over (under) expenses	(128,369,110)	(128,590,005)	220,895
Transfers	2,938,456	2,691,305	247,151
Change in net assets	(125,430,654)	(125,898,700)	468,046
Net assets -- beginning	1,424,397,879	1,550,296,579	(125,898,700)
Net assets -- ending	\$ 1,298,967,225	\$ 1,424,397,879	\$ (125,430,654)

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

	Business-type Activities		
	FY 2005-06	FY 2004-05	Change
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 331,744,964	\$ 306,977,128	\$ 24,767,836
Operating grants and contributions	-	3,431,790	(3,431,790)
Capital grants and contributions	6,188,992	1,240,018	4,948,974
<i>General revenues:</i>			
Investment earnings	9,004,698	5,364,366	3,640,332
Total revenues	<u>346,938,654</u>	<u>317,013,302</u>	<u>29,925,352</u>
Expenses			
Environmental services	141,320,525	161,920,527	(20,600,002)
Water	78,612,800	78,010,156	602,644
Hydroelectric power	4,309,732	2,845,958	1,463,774
Parking facilities	7,343,850	7,780,324	(436,474)
Golf	6,024,174	5,746,381	277,793
Motor sports	1,382,360	1,450,819	(68,459)
Spectator facilities	6,955,608	9,391,042	(2,435,434)
Total expenses	<u>245,949,049</u>	<u>267,145,207</u>	<u>(21,196,158)</u>
Revenues over (under) expenses	100,989,605	49,868,095	51,121,510
Transfers	(2,938,456)	(3,930,251)	991,795
Change in net assets	<u>98,051,149</u>	<u>45,937,844</u>	<u>52,113,305</u>
Net assets -- beginning	1,283,030,797	1,237,092,953	45,937,844
Powell Valley Road Water District annexation	19,551,283	-	19,551,283
Net assets -- beginning, as restated	<u>1,302,582,080</u>	<u>1,237,092,953</u>	<u>65,489,127</u>
Net assets -- ending	<u>\$ 1,400,633,229</u>	<u>\$ 1,283,030,797</u>	<u>\$ 117,602,432</u>

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

	Total Net Assets		
	FY 2005-06	FY 2004-05	Change
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 770,373,203	\$ 696,636,780	\$ 73,736,423
Operating grants and contributions	52,126,898	55,736,245	(3,609,347)
Capital grants and contributions	49,750,899	4,577,613	45,173,286
<i>General revenues:</i>			
Property taxes	334,965,727	320,933,919	14,031,808
Lodging taxes	15,963,890	14,170,141	1,793,749
Investment earnings	25,488,840	14,469,404	11,019,436
Loss - sale of property held for resale	-	-	-
Total revenues	1,248,669,457	1,106,524,102	142,145,355
Expenses			
Public safety	402,791,253	367,555,695	35,235,558
Parks, recreation and culture	56,277,014	53,128,816	3,148,198
Community development	117,247,997	114,225,541	3,022,456
Transportation and metered parking	232,391,159	220,406,789	11,984,370
Legislative/Admin/Support services	174,658,640	122,993,533	51,665,107
Interest on long-term debt	46,733,850	39,790,431	6,943,419
Environmental services	141,320,525	161,920,527	(20,600,002)
Water	78,612,800	78,010,156	602,644
Hydroelectric power	4,309,732	2,845,958	1,463,774
Parking facilities	7,343,850	7,780,324	(436,474)
Golf	6,024,174	5,746,381	277,793
Motor sports	1,382,360	1,450,819	(68,459)
Spectator facilities	6,955,608	9,391,042	(2,435,434)
Total expenses	1,276,048,962	1,185,246,012	90,802,950
Revenues over (under) expenses	(27,379,505)	(78,721,910)	51,342,405
Transfers	-	(1,238,946)	1,238,946
Change in net assets	(27,379,505)	(79,960,856)	52,581,351
Net assets -- beginning	2,707,428,676	2,787,389,532	(79,960,856)
Powell Valley Road Water District annexation	19,551,283	-	19,551,283
Net assets -- beginning, as restated	2,726,979,959	2,787,389,532	(60,409,573)
Net assets -- ending	\$ 2,699,600,454	\$ 2,707,428,676	\$ (7,828,222)

Governmental activities. Governmental activities reduced the City's net assets by \$125,430,654. The key factors giving rise to this decrease were the increase in the pension trust obligation liability of \$86,099,105, and depreciation expense which totaled \$156,168,429 but is not funded as incurred by the City. Transportation system infrastructure and equipment accounted for \$139,542,512 of the governmental depreciation expense.

The following charts provide a visual representation of the expenses and revenues for governmental activities for FY2005-06. Legislative, Administrative and Support services increased \$51.7 million due primarily to providing increased funding for urban renewal projects. Increases in other governmental activities closely paralleled inflation and growth in demand for services.

Chart 1
Expenses and Program Revenues - Governmental Activities

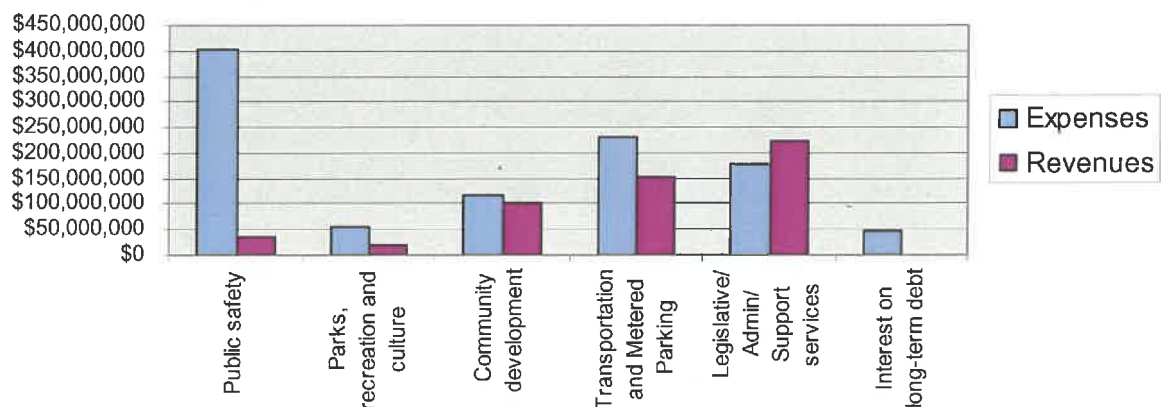
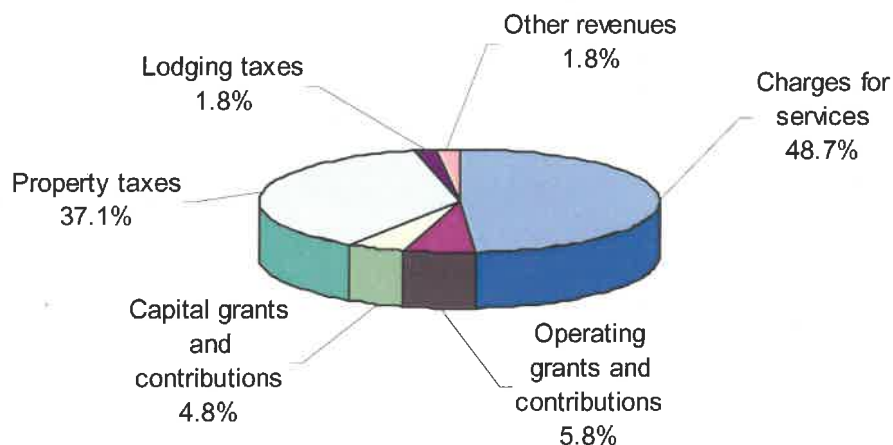
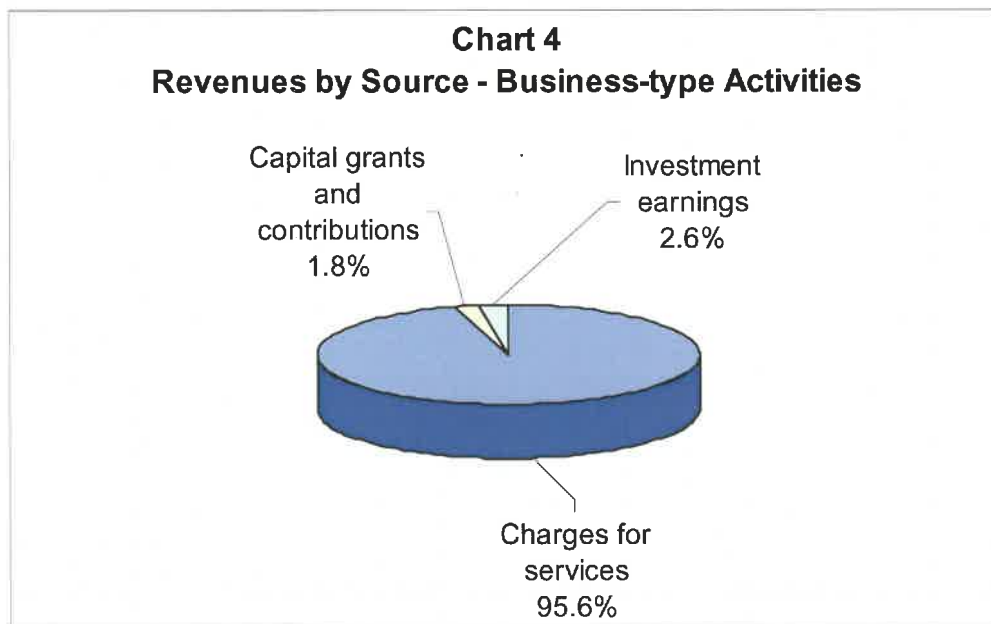
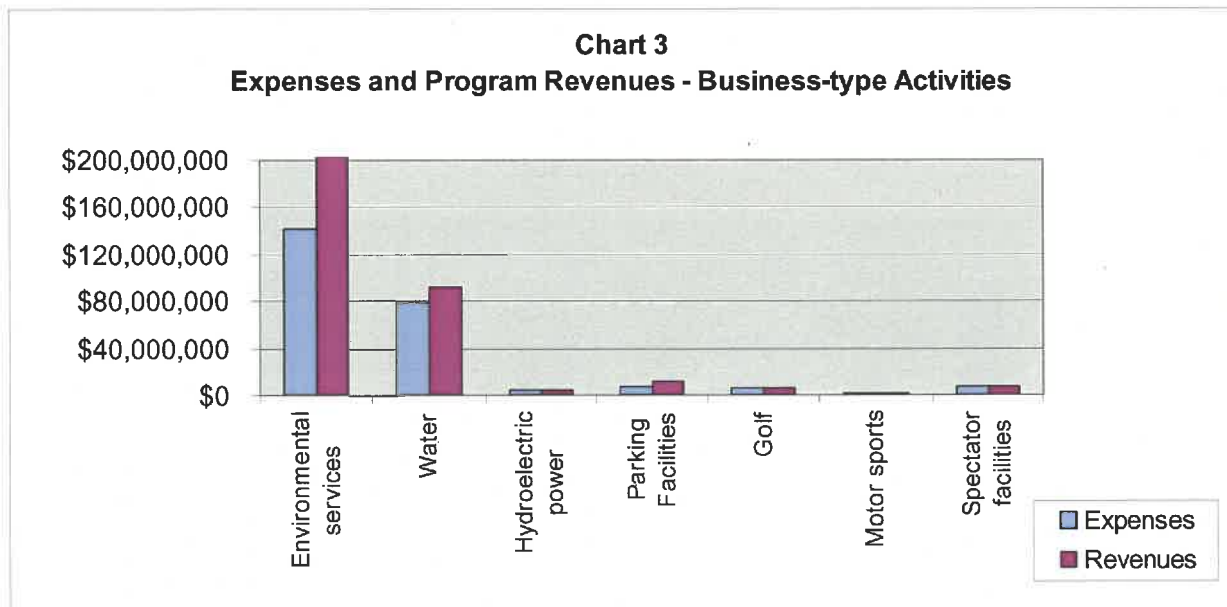


Chart 2
Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the City's net assets by \$98,051,149. In addition, the beginning net asset balance was increased by \$19,551,283 to reflect the acquisition of assets related to a prior annexation of Powell Valley Road Water District. Other key factors were revenue increases of \$14,723,945 from Sewer rate increases and reduced Sewer expenses which included a decrease in interest expenses of \$22,255,220 due to a return to more normal levels after unusually high interest expenses in FY2004-05 related to bond refundings.

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, *unreserved 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 \$261,530,535, an increase of \$43,103,426 as shown on page 37. Of the combined ending fund balances, \$169,250,020 or 64.7 percent constitutes *unreserved fund balance*, which is available for spending at the government's discretion, subject to Council-approved policies, in the appropriate fund type as shown on page 35. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *total fund balance* was \$119,280,600, all of which is unreserved as shown on page 35. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 26.6 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$25,338,028 during FY2005-06. The key factors in the growth from current year activity were business and public utility license revenues which increased \$13,996,698 and property tax revenues which increased \$6,529,597 during FY2005-06.

The Transportation Operating Fund had a total fund balance of \$29,450,421, of which \$16,773,455 was unreserved as shown on page 35. The primary difference between the unreserved fund balance and the total fund balance is a reserve for inventories and Transportation's system development charges. Fund Balance represents 18.1 percent of total Transportation Operating Fund expenditures.

The fund balance of the Transportation Operating Fund increased by \$12,350,780 during FY2005-06. Key factors in this increase were increased intergovernmental revenues due to revenues related to the Marquam Hill Tram project.

See pages 103-152 for greater detail on Combining Statements for governmental funds.

B. Proprietary funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail as shown on pages 39-43.

Unrestricted net assets of the Sewage Disposal Fund and the Water Fund at the end of the year amounted to \$53,653,673 and \$29,648,460, respectively. The total growth in net assets for the Sewage Disposal Fund and the Water Fund was \$82,837,186 and \$34,243,701, respectively.

The unrestricted net assets for other enterprise funds totaled \$17,305,210, while the change in net assets for other enterprise funds equaled \$521,545. 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 budget and the final amended budget totaled approximately \$17,500,624 and can be briefly summarized as follows:

- \$12,297,267 increase in personal services. This budgetary increase resulted primarily from the City's Budget Monitoring Process (BMP) and included \$2.8 million for the Fire Bureau for salary increases resulting from new labor contracts, \$4.2 million for the Police Bureau due to budgeted but unrealized salary savings and increased overtime costs, and \$1.6 million for new Police Bureau grants.
- \$6,891,476 increase in materials and services. This budgetary increase resulted primarily from the City's BMP and included increases of \$5.8 for the Bureau of Housing and Community Development, \$3.4 million for the Office of Emergency Management, \$1.7 million for the Police Bureau and \$2.9 million for the Fire Bureau. These increases were primarily due to grant carryovers and additional appropriations and were offset by decreases of \$5.2 million to the compensation set aside, a \$1.1 million reduction in Revenue Bureau operating costs, and \$.8 million re-appropriated to personal service by the Bureau of Licenses. The remaining decrease represents the aggregate of other less significant decreases for other bureaus.
- \$5,067,619 increase in capital outlay. This budgetary increase resulted primarily from the City's BMP and included carryovers of unused grants appropriations for the Police and Fire Bureaus.
- \$7,122,831 decrease in general operating contingencies. This budgetary decrease resulted primarily from the transfer of budget capacity from contingency to General Fund bureaus for encumbrance carryovers from the prior year.
- \$367,093 increase in debt service.

Actual revenues were \$21,848,620 above the final amended budget, primarily due to increased business license revenues due to improved economic conditions in the region. Actual expenditures were \$43,040,737 less than the final amended budget, primarily due to underexpenditures in materials and supplies of over \$23.8 million and underexpenditures of over \$11.1 million in general operating contingencies. These under-expenditures were primarily due to:

- \$14.4 million in multi-year grant expenditures in the Police Bureau, Fire Bureau, Bureau of Emergency Management, Office of Sustainable Development and Bureau of Housing and Community Development that were carried forward to FY2006-07.
- \$4.5 million underexpended in the compensation set aside due to cost of living increases below original estimates which resulted from lower than expected inflation rates.

Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. During FY2005-06, General Fund revenues exceeded budgetary estimates and expenditures by \$18,651,008, thus eliminating the need to draw upon existing fund balance. Major factors attributing to this favorable net change are as follows:

- Total revenues of \$387,344,427 were \$21.8 million over budgeted revenues, primarily due to business license and public utility license revenues which came in over budget \$17.8 million and \$4.9 million, respectively.
- Total expenditures of \$367,795,518 were \$43.0 million below budget as discussed above.
- Other financing uses of \$897,901 were \$12.7 million below budget due to grant revenues which were delayed until FY2006-07.

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, 2006, amounts to \$5,061,880,671 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements to land, equipment, infrastructure, and capitalized leases. The total increase in the City's investment in capital assets for the current fiscal year was \$151,522,732 or 3 percent (a 0.9 percent decrease for governmental activities and a 6.8 percent increase for business-type activities).

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

- Governmental construction in progress grew by 36.4 percent or \$30,868,766 and land increased by 19.6 percent or \$19,522,340, but this and other increases were overshadowed by the decrease of \$85,148,571, or 4.3 percent in infrastructure. The increase in governmental construction in progress was primarily due to on-going work on the Marquam Hill Tram. The governmental land increase was primarily Parks and Recreation's acceptance of several donations totaling over \$14.1 million. The decrease in governmental infrastructure was due to Transportation depreciation expense in excess of new construction.
- Business-type activities beginning capital asset balances were increased by \$17,686,569 net of accumulated depreciation to reflect the acquisition of capital assets related to a prior annexation of Powell Valley Road Water District. Additional information on this annexation can be found in Note I.D.14., pages 55-56. Business-type activities construction in progress increased 21.5 percent or \$124,499,037 and infrastructure increased 2.2 percent or \$38,435,162. Sewer projects accounted for most of the increase in construction in progress and infrastructure primarily due to the Combined Sewer Overflow project with new water main and service installations and ground water improvements by the Water Bureau also contributing to the increase in infrastructure.

Management's Discussion and Analysis, continued

The following table provides comparative information on the City's capital assets for FY2005-06 and FY2004-05:

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

Governmental Activities			
Asset Category	FY 2005-06	FY 2004-05 As Restated	Change
Land	\$ 99,782,124	\$ 80,259,784	\$ 19,522,340
Construction in progress	84,728,664	53,859,898	30,868,766
Buildings	196,357,149	194,122,622	2,234,527
Improvements to land	79,792,268	72,978,738	6,813,530
Equipment	64,497,345	61,402,144	3,095,201
Infrastructure	1,959,616,348	2,044,764,919	(85,148,571)
Capital leases	728,130	1,196,214	(468,084)
Total	\$ 2,485,502,028	\$ 2,508,584,319	\$ (23,082,291)
Business-type Activities			
Land	\$ 75,630,867	\$ 73,246,019	\$ 2,384,848
Construction in progress	578,891,562	454,392,525	124,499,037
Buildings	124,740,202	125,196,931	(456,729)
Improvements to land	15,560,900	16,654,820	(1,093,920)
Equipment	34,195,593	22,986,679	11,208,914
Infrastructure	1,744,197,089	1,705,761,927	38,435,162
Capital leases	3,162,430	3,534,719	(372,289)
Total	\$ 2,576,378,643	\$ 2,401,773,620	\$ 174,605,023
Total Net Capital Assets			
Land	\$ 175,412,991	\$ 153,505,803	\$ 21,907,188
Construction in progress	663,620,226	508,252,423	155,367,803
Buildings	321,097,351	319,319,553	1,777,798
Improvements to land	95,353,168	89,633,558	5,719,610
Equipment	98,692,938	84,388,823	14,304,115
Infrastructure	3,703,813,437	3,750,526,846	(46,713,409)
Capital leases	3,890,560	4,730,933	(840,373)
Total	\$ 5,061,880,671	\$ 4,910,357,939	\$ 151,522,732

Additional information on the City's capital assets can be found in note III.E on pages 64-68 of this report. See additional capital lease details in note III.G on page 71.

B. Debt administration

As of June 30, 2006, the City had total bonded debt outstanding of \$2,355,087,232. Unamortized premiums and discounts for governmental activities net to \$9,405,917, while premiums, discounts and loss on refunding for business-type activities net to \$41,908,992. Of the total bonded debt outstanding, \$74,065,000 is general obligation debt, which is backed by the full faith and credit and unlimited taxing power of the City, a decrease of \$4,697,155 from FY2004-05. This reduction was primarily due to scheduled principal payments on outstanding bonds. A significant portion of the general obligation debt for business-type activities is funded by water revenues; the balance is funded by property taxes.

The City has \$570,141,232 of limited tax revenue bonds outstanding, a decrease of \$12,620,000 from FY2004-05. These bonds are secured by the full faith and credit of the City and have been issued for a variety of purposes ranging from funding pension liabilities to funding renovations to City Hall and the expansion of the Oregon Convention Center. This reduction was primarily due to scheduled principal payments on outstanding bonds. While these bonds are secured by the full faith and credit of the City, a significant portion of these bonds will be repaid from specific revenue sources.

An additional \$284,595,000 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. This decrease of \$11,050,000 from FY2004-05 resulted from \$45.4 million in new issues that were partially offset by scheduled principal payments on outstanding bonds. New bonds issued during FY2005-06 were used to refund Airport Way bonds with new bonds at a lower rate.

The City had \$15,795,000 of outstanding limited tax improvement bonds as of June 30, 2006, a decrease of \$3,560,000 from FY2004-05. This reduction was due to scheduled principal payments on outstanding bonds.

The remainder of the City's debt is revenue bonds, totaling approximately \$1,410,491,000, an increase of \$221,109,000 over FY2004-05. This increase was primarily due to new bond issues that were partially offset by scheduled principal payments and a refunding of outstanding Hydroelectric Power bonds. Revenue bonds are secured solely by specified revenue sources such as water, sewer, parking, golf and gas tax revenues. Proceeds from new bonds issued during FY2005-06 will be used primarily to fund capital improvements related to the Combined Sewer Overflow project.

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

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

Governmental Activities			
	FY 2005-06	FY 2004-05	Change
General Obligation Bonds	\$ 66,580,000	\$ 71,220,000	\$ (4,640,000)
Limited Tax Improvement Bonds	15,795,000	19,355,000	(3,560,000)
Urban Renewal Bonds	284,595,000	295,645,000	(11,050,000)
Limited Tax Revenue Bonds	416,340,215	425,870,215	(9,530,000)
Revenue Bonds	6,450,000	6,935,000	(485,000)
Total	789,760,215	819,025,215	(29,265,000)
Business-type Activities			
General Obligation Bonds	7,485,000	7,542,155	(57,155)
Limited Tax Revenue Bonds	153,801,017	156,891,017	(3,090,000)
Revenue Bonds	1,404,041,000	1,182,447,000	221,594,000
Total	1,565,327,017	1,346,880,172	218,446,845
Total Outstanding Debt			
General Obligation Bonds	74,065,000	78,762,155	(4,697,155)
Limited Tax Improvement Bonds	15,795,000	19,355,000	(3,560,000)
Urban Renewal Bonds	284,595,000	295,645,000	(11,050,000)
Limited Tax Revenue Bonds	570,141,232	582,761,232	(12,620,000)
Revenue Bonds	1,410,491,000	1,189,382,000	221,109,000
Total	\$ 2,355,087,232	\$ 2,165,905,387	\$ 189,181,845

The City's total debt increased by \$189,181,845 (8.7 percent) during the FY2005-06. Debt for governmental activities decreased by \$29,265,000, while debt for business-type activities increased by \$218,446,845. The primary reason for the decrease in debt relating to governmental activities was scheduled principal payments on outstanding bonds while the primary reason for the increase in debt relating to business-type activities was the issuance of new revenue bonds.

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 3 percent of the real market value of all taxable property within the City's boundaries. Based on the City's FY2005-06 real market value, this debt limitation is \$1,959,275,415. The amount of outstanding City debt subject to this limitation is \$66,580,000.

Management's Discussion and Analysis, continued

- **Debt ratings.** The City's unlimited tax general obligation debt is rated "Aaa" by Moody's Investors Service. This rating was confirmed in February 2005. The various credit ratings of City debt are listed below, which are unchanged from the prior year except for the upgrade by Moody's Investors Service, on March 22, 2006, of the City's Hydroelectric Revenue Bonds from Baa2 to Baa1.

Type of Debt	Rating
Unlimited Tax G.O. Bonds	Aaa
Water Revenue Bonds	Aa1
Limited Tax Revenue Bonds	Aa2
Limited Tax Improvement Bonds	Aa2
Limited Tax Pension Obligation Revenue Bonds	Aa2
Limited Tax Housing Revenue Bonds	Aa2
Gas Tax Revenue Bonds	Aa3
Sewer Revenue Bonds	A1 / A+ (S&P)
Second Lien Sewer Revenue Bonds	A1 / A+ (S&P)
Parking Revenue Bonds	A1
Arena Gas Tax Revenue Bonds	A1
Airport Way Urban Renewal Bonds	A1
Convention Center Urban Renewal Bonds	A1
Downtown Waterfront Urban Renewal Bonds	A1
South Park Blocks Urban Renewal Bonds	A1
River District Urban Renewal Bonds	A3
Interstate Corridor Urban Renewal Bonds	A3
Hydroelectric Revenue Bonds (PGE)	Baa1 / BBB+ (S&P)

Debt ratios. The City's debt ratios, as of June 30, 2006, are shown below:

	Amount	Per Capita	Real Market Valuation	Assessed Valuation
Population July 1, 2005	556,370	--	--	
2005-06 Real Market Value	\$65,309,180,486	\$117,384	--	
2005-06 Assessed Value	\$39,956,788,073	\$71,817		
 Gross Bonded Debt (1)	 \$793,269,060	 \$1,426	 1.21%	 1.99%
 Net Direct Debt (2)	 \$66,580,000	 \$120	 0.10%	 0.17%
Net Overlapping Debt	\$264,070,310	\$475	0.40%	0.66%
Net Direct and Overlapping Debt	\$330,650,310	\$595	0.51%	0.83%

(1) 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.

(2) Includes all 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.H. pages 73-80 of this report.

REQUESTS FOR INFORMATION

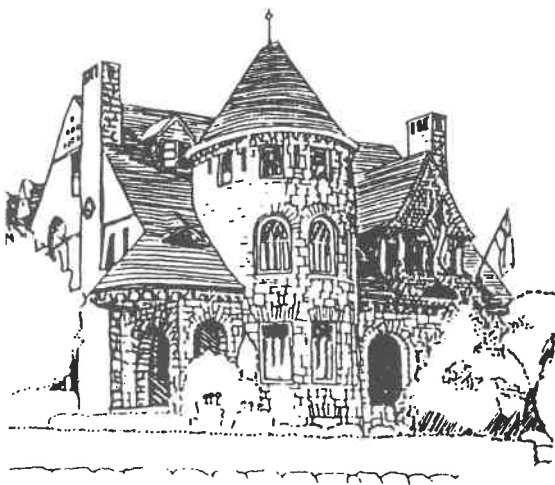
This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Portland's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

Basic Financial Statements



E.K. Haseltine Residence, 1880

Government-wide Financial Statements



K.A.J. Mackenzie Residence, 1892



JUSTICE CENTER

City of Portland, Oregon
Statement of Net Assets
June 30, 2006

	Primary Government			Component Unit
	Governmental	Business-type	Total	Portland Development Commission
	Activities	Activities		
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 266,361,280	\$ 135,762,936	\$ 402,124,216	\$ 94,913,351
Receivables:				
Taxes	13,220,703	-	13,220,703	-
Accounts, net	69,531,636	28,293,142	97,824,778	1,315,487
Assessments	8,308,813	3,461,867	11,770,680	-
Loans, net	-	-	-	9,575,373
Contracts and mortgages	-	449,988	449,988	-
Grants	4,076	-	4,076	-
Advances	399,740	60,000	459,740	486,967
Accrued interest	2,019,998	2,054,022	4,074,020	-
Due from primary government	-	-	-	1,606,650
Due from component unit-	5,250,000	-	5,250,000	-
Internal balances	(5,106,550)	5,106,550	-	-
Internal loans receivable	(8,306,000)	8,306,000	-	-
Inventories	2,910,480	2,506,734	5,417,214	-
Property held for resale	-	-	-	97,325,067
Prepaid expense	4,011,801	1,140	4,012,941	479,898
Current assets (restricted):				
Cash and investments	85,159,299	260,881,282	346,040,581	-
Receivables:				
Taxes	4,927,138	-	4,927,138	-
Assessments	22,813,015	-	22,813,015	-
Grants	18,031,977	-	18,031,977	-
Advances	838,692	-	838,692	-
Accrued interest	478,641	69,870	548,511	-
Due from component unit	17,572,483	-	17,572,483	-
Total current assets	<u>508,427,222</u>	<u>446,953,531</u>	<u>955,380,753</u>	<u>205,702,793</u>
Noncurrent assets:				
Capital assets not being depreciated:				
Land	99,782,124	75,630,867	175,412,991	8,434,616
Construction in progress	84,728,664	578,891,562	663,620,226	-
Capital assets net of accumulated depreciation:				
Buildings	196,357,149	124,740,202	321,097,351	4,629,822
Improvements to land	79,792,268	15,560,900	95,353,168	-
Equipment	64,497,345	34,195,593	98,692,938	124,215
Infrastructure	1,959,616,348	1,744,197,089	3,703,813,437	-
Capital leases	728,130	3,162,430	3,890,560	-
Net capital assets	<u>2,485,502,028</u>	<u>2,576,378,643</u>	<u>5,061,880,671</u>	<u>13,188,653</u>
Receivables:				
Loans, net	-	-	-	54,087,031
Prepaid expense	144,551,475	59,796,620	204,348,095	-
Water rights	-	72,306	72,306	-
Total noncurrent assets	<u>2,630,053,503</u>	<u>2,636,247,569</u>	<u>5,266,301,072</u>	<u>67,275,684</u>
Total assets	<u>3,138,480,725</u>	<u>3,083,201,100</u>	<u>6,221,681,825</u>	<u>272,978,477</u>

Continued next page

City of Portland, Oregon
Statement of Net Assets
June 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Portland Development Commission
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	22,947,698	20,012,795	42,960,493	15,930,317
Self insurance claims	12,392,694	-	12,392,694	-
Compensated absences	38,891,307	5,427,342	44,318,649	-
Bonds payable	31,423,732	52,949,567	84,373,299	-
Notes and loans payable	17,723,017	294,370	18,017,387	366,400
Capital leases payable	442,617	605,998	1,048,615	-
Accrued interest payable	7,295,185	10,897,233	18,192,418	-
Unearned revenue	23,235,215	938,013	24,173,228	-
Due to component unit	1,404,925	34,967	1,439,892	-
Due to primary government	-	-	-	22,822,483
Other liabilities	10,116,356	18,781,960	28,898,316	2,333,602
Current liabilities (payable from restricted assets):				
Accounts payable	3,731,140	-	3,731,140	-
Bonds payable	-	1,092,208	1,092,208	-
Due to component unit	166,758	-	166,758	-
Accrued interest payable	-	288,509	288,509	-
Unearned revenue	20,087,738	-	20,087,738	-
Noncurrent liabilities:				
Compensated absences	11,850,025	342,202	12,192,227	-
Bonds payable	767,742,400	1,553,194,234	2,320,936,634	-
Notes and loans payable	124,211,905	12,766,380	136,978,285	3,250,950
Capital leases payable	29,466	561,273	590,739	-
Accrued Interest payable	25,609,441	4,268,573	29,878,014	-
Net pension obligation -- pension trust fund	702,651,000	-	702,651,000	-
Prepaid sewer assessment	-	112,247	112,247	-
Self insurance claims	17,560,881	-	17,560,881	-
Total liabilities	1,839,513,500	1,682,567,871	3,522,081,371	44,703,752
NET ASSETS				
Invested in capital assets, net of related debt	2,358,468,902	1,289,618,615	3,648,087,517	13,188,653
Restricted for:				
Parks, recreation and culture	10,140,260	-	10,140,260	-
Community development	20,924,110	-	20,924,110	-
Transportation and metered parking	12,676,966	-	12,676,966	-
Legislative/ Admin/ Support services	14,547	-	14,547	-
Debt service	33,769,310	10,407,271	44,176,581	-
Capital projects	14,588,316	-	14,588,316	197,188,290
Parks endowment fund:				
Nonexpendable	167,006	-	167,006	-
Unrestricted	(1,151,782,192)	100,607,343	(1,051,174,849)	17,897,782
Total net assets	\$ 1,298,967,225	\$ 1,400,633,229	\$ 2,699,600,454	\$ 228,274,725

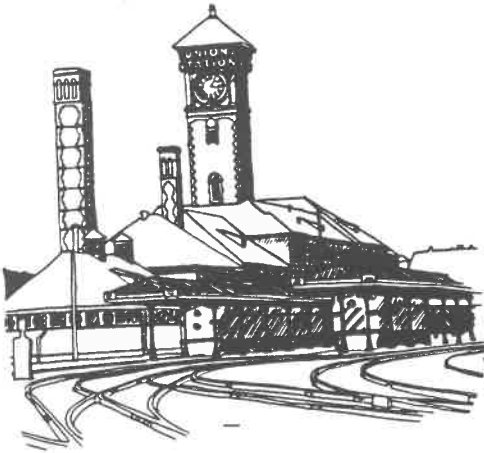
The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Statement of Activities
For the Year Ended June 30, 2006

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Portland Development Commission
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Public safety	\$ 402,791,253	\$ 21,428,149	\$ 14,016,556	\$ 235,018	\$ (367,111,530)	\$ -	\$ (367,111,530)	\$ -
Parks, recreation and culture	56,277,014	19,681,284	319,113	96,672	(36,179,945)	-	(36,179,945)	-
Community development	117,247,997	78,013,694	22,201,730	2,932,776	(14,099,797)	-	(14,099,797)	-
Transportation and metered parking	232,391,159	131,036,479	3,958,384	17,935,120	(79,461,176)	-	(79,461,176)	-
Legislative/ Admin/ Support services	174,658,640	188,468,633	11,631,115	22,362,321	47,803,429	-	47,803,429	-
Interest on long-term debt	46,733,850	-	-	-	(46,733,850)	-	(46,733,850)	-
Total governmental activities	1,030,099,913	438,628,239	52,126,898	43,561,907	(495,782,869)	-	(495,782,869)	-
Business-type activities:								
Environmental services	141,320,525	210,973,349	-	5,057,124	-	74,709,948	74,709,948	-
Water	78,612,800	90,506,041	-	1,129,780	-	13,023,021	13,023,021	-
Hydroelectric power	4,309,732	4,312,950	-	-	-	3,218	3,218	-
Parking facilities	7,343,850	11,174,857	-	-	-	3,831,007	3,831,007	-
Golf	6,024,174	6,152,162	-	2,088	-	130,076	130,076	-
Motor sports	1,382,360	1,778,963	-	-	-	396,603	396,603	-
Spectator facilities	6,955,608	6,846,842	-	-	-	(108,966)	(108,966)	-
Total business-type activities:	245,949,049	331,744,964	-	6,188,992	-	91,984,907	91,984,907	-
Total primary government	\$ 1,276,048,962	\$ 770,373,203	\$ 52,126,898	\$ 49,750,899	(495,782,869)	91,984,907	(403,797,962)	-
Component unit:								
Portland Development Commission	\$ 101,685,965	\$ 10,428,693	\$ 16,386,221	\$ -	-	-	-	(74,871,051)
General revenues:								
Property taxes					334,965,727	-	334,965,727	-
Lodging taxes					15,963,890	-	15,963,890	-
Payments from the City					-	-	-	82,974,088
Investment earnings					16,484,142	9,004,698	25,488,840	3,002,685
Miscellaneous revenues (primarily sale of property held for sale)					-	-	-	10,301,905
Transfers					2,938,456	(2,938,456)	-	-
Total general revenues and transfers					370,352,215	6,066,242	376,418,457	96,278,678
Change in net assets					(125,430,654)	98,051,149	(27,379,505)	21,407,627
Net assets -- beginning					1,424,397,879	1,283,030,797	2,707,428,676	206,867,098
Powell Valley Road Water District annexation					-	19,551,283	19,551,283	-
Net assets -- beginning, as restated					1,424,397,879	1,302,582,080	2,726,979,959	206,867,098
Net assets -- ending					\$ 1,298,967,225	\$ 1,400,633,229	\$ 2,699,600,454	\$ 228,274,725

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

Fund Financial Statements



Union Station, 1890

City of Portland, Oregon
Balance Sheet
Governmental Funds
June 30, 2006

	General	Transportation Operating	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 117,244,053	\$ 1,993,681	\$ 44,239,465	\$ 163,477,199
Receivables:				
Taxes	13,220,703	-	-	13,220,703
Accounts, net	18,974,163	24,960,493	24,132,041	68,066,697
Assessments	3,746,001	1,287,515	3,275,297	8,308,813
Advances	252,226	-	147,514	399,740
Accrued interest	905,314	37,856	438,674	1,381,844
Due from other funds	8,196,748	5,001,529	121,075	13,319,352
Due from component unit	-	-	5,250,000	5,250,000
Inventories	-	2,066,094	-	2,066,094
Prepaid items	6,692	3,856,466	-	3,863,158
Restricted:				
Cash and investments	-	12,676,966	72,482,333	85,159,299
Receivables:				
Taxes	-	-	4,927,138	4,927,138
Assessments	-	-	22,813,015	22,813,015
Grants	-	-	18,031,977	18,031,977
Advances	-	-	838,692	838,692
Accrued interest	-	-	478,641	478,641
Due from component unit	-	-	17,572,483	17,572,483
Total assets	\$ 162,545,900	\$ 51,880,600	\$ 214,748,345	\$ 429,174,845
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,048,037	\$ 9,084,938	\$ 2,119,129	\$ 17,252,104
Due to other funds	19,360	-	2,449,293	2,468,653
Due to fiduciary fund	4,488,226	-	-	4,488,226
Due to component unit	523,780	-	881,145	1,404,925
Internal loans payable	-	6,000,000	-	6,000,000
Deferred revenue	10,062,193	1,287,515	29,545,750	40,895,458
Unearned revenue	18,179,533	4,636,574	244,386	23,060,493
Other accrued liabilities	3,944,171	1,421,152	186,812	5,552,135
Liabilities from restricted assets:				
Accounts payable	-	-	3,731,140	3,731,140
Due to other funds	-	-	16,155,625	16,155,625
Due to component unit	-	-	166,758	166,758
Deferred revenue	-	-	26,381,055	26,381,055
Unearned revenue	-	-	20,087,738	20,087,738
Total liabilities	43,265,300	22,430,179	101,948,831	167,644,310
Fund Balances:				
Reserved for:				
Parks, recreation and culture	-	-	10,140,260	10,140,260
Community development	-	-	20,924,110	20,924,110
Transportation and metered parking	-	12,676,966	-	12,676,966
Legislative/ Admin/ Support services	-	-	14,547	14,547
Debt service	-	-	33,769,310	33,769,310
Capital projects	-	-	14,588,316	14,588,316
Parks endowment fund:				
Nonexpendable	-	-	167,006	167,006
Unreserved, reported in:				
Major funds	119,280,600	16,773,455	-	136,054,055
Special revenue funds	-	-	28,858,030	28,858,030
Debt service funds	-	-	64,986	64,986
Capital projects funds	-	-	4,272,949	4,272,949
Total fund balances	119,280,600	29,450,421	112,799,514	261,530,535
Total liabilities and fund balances	\$ 162,545,900	\$ 51,880,600	\$ 214,748,345	\$ 429,174,845

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 Assets
June 30, 2006

Fund balances - total governmental funds	\$	261,530,535
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		2,334,260,305
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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		131,483,597
Deferred items eliminated for government-wide (See III.C., Unearned revenue)		67,276,513

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 assets.		154,224,686
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Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds.		(724,604,229)
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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 IV.C., the Employee retirement systems and pension plans section of the Notes to the Financial Statements.)		(702,651,000)
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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		(48,784,430)
Notes and loans payable		(141,934,922)
Capitalized leases		(472,083)
Accrued interest		(31,361,747)

Net assets of governmental activities	\$	<u>1,298,967,225</u>
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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, 2006

	General	Transportation Operating	Other Governmental Funds	Total
REVENUES				
Taxes:				
Property	\$ 241,137,526	\$ -	\$ 93,818,834	\$ 334,956,360
Lodging	13,303,241	-	2,660,649	15,963,890
Licenses and fees	127,432,687	1,129,603	34,774,407	163,336,697
Intergovernmental	26,419,859	77,349,396	59,377,423	163,146,678
Charges for services	65,579,384	30,798,006	19,143,514	115,520,904
Parking fees	-	14,513,028	-	14,513,028
Parking fines	-	3,326,982	-	3,326,982
Concessions	11,294	-	5,967	17,261
Rents and reimbursements	2,380,112	124,766	573,862	3,078,740
Miscellaneous service charges	2,444,824	2,042,609	10,282,594	14,770,027
Loan collections	19,525	-	2,697,502	2,717,027
Assessments	1,223,050	1,351,784	7,424,411	9,999,245
Investment earnings	4,860,587	492,696	7,258,760	12,612,043
Payments in lieu of taxes	1,533,219	-	-	1,533,219
Miscellaneous	569,414	-	-	569,414
Total revenues	<u>486,914,722</u>	<u>131,128,870</u>	<u>238,017,923</u>	<u>856,061,515</u>
EXPENDITURES				
Current:				
Public safety	298,035,413	-	14,232,760	312,268,173
Parks, recreation and culture	50,398,732	-	9,212,581	59,611,313
Community development	30,623,452	-	84,760,957	115,384,409
Transportation and metered parking	-	92,540,824	12,942	92,553,766
Legislative/admin/support services	65,736,351	-	101,502,381	167,238,732
Debt service and related costs:				
Principal	51,463	294,585	61,490,970	61,837,018
Interest	217,756	337,955	37,259,347	37,815,058
Debt issuance costs	-	1,734	1,274,065	1,275,799
Capital outlay	3,701,346	69,660,142	12,058,408	85,419,896
Total expenditures	<u>448,764,513</u>	<u>162,835,240</u>	<u>321,804,411</u>	<u>933,404,164</u>
Revenues over (under) expenditures	<u>38,150,209</u>	<u>(31,706,370)</u>	<u>(83,786,488)</u>	<u>(77,342,649)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,849,891	35,073,870	32,941,550	88,865,311
Transfers out	(35,162,749)	(4,048,254)	(51,591,367)	(90,802,370)
Proceeds from sale of capital assets	76,351	4,500	-	80,851
Bonds and notes issued	-	12,618,349	107,850,923	120,469,272
Refunding bonds issued	-	-	44,593,361	44,593,361
Refunding bonds premium	-	-	2,974,854	2,974,854
Loans issued	1,824,000	-	-	1,824,000
Payments to refunded bond escrow agent	-	-	(47,568,215)	(47,568,215)
Total other financing sources and uses	<u>(12,412,507)</u>	<u>43,648,465</u>	<u>89,201,106</u>	<u>120,437,064</u>
Net change in fund balances	25,737,702	11,942,095	5,414,618	43,094,415
Fund balances -- beginning	93,942,572	17,099,641	107,384,896	218,427,109
Change in inventory	<u>(399,674)</u>	<u>408,685</u>	<u>-</u>	<u>9,011</u>
Fund balances -- ending	<u>\$ 119,280,600</u>	<u>\$ 29,450,421</u>	<u>\$ 112,799,514</u>	<u>\$ 261,530,535</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, 2006

Net change in fund balances - total governmental fund	\$ 43,094,415
Amounts reported for governmental activities in the statement of activities are different because:	
The net effect of various miscellaneous transactions involving capital assets is to increase net assets.	40,696,128
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 III.D., the capital assets section of the Notes to the Financial Statements for a breakdown of depreciation expense by function.)	(61,423,886)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	17,152,834
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.	(518,140)
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 assets. This is the amount by which bond proceeds exceeded principal retirement in the current period.	(64,979,470)
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	(7,746,593)
Accrual of net pension liability which is not reported as an expenditure in governmental funds	(91,714,063)
Change in inventory	8,121
Net change in net assets - governmental activities:	\$ <u>(125,430,654)</u>

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

City of Portland, Oregon
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
ASSETS					
Current assets (unrestricted):					
Cash and investments	\$ 81,006,622	\$ 37,078,579	\$ 17,677,735	\$ 135,762,936	\$ 102,884,081
Receivables:					
Accounts, net	19,075,520	7,660,823	1,556,799	28,293,142	1,464,939
Assessments	3,461,867	-	-	3,461,867	-
Contracts and mortgages	-	-	449,988	449,988	-
Grants	-	-	-	-	4,076
Advances	-	-	60,000	60,000	-
Accrued interest	1,676,337	245,704	131,981	2,054,022	638,154
Due from other funds	2,039,637	3,066,913	-	5,106,550	198,375
Internal loans	6,000,000	-	2,306,000	8,306,000	-
Inventories	1,051,032	1,455,702	-	2,506,734	844,386
Prepaid expenses	-	-	1,140	1,140	148,643
Total current assets (unrestricted)	114,311,015	49,507,721	22,183,643	186,002,379	106,182,654
Current assets (restricted):					
Cash and investments	249,163,164	-	11,718,118	260,881,282	-
Accrued interest	-	-	69,870	69,870	-
Total current assets (restricted)	249,163,164	-	11,787,988	260,951,152	-
Total current assets	363,474,179	49,507,721	33,971,631	446,953,531	106,182,654
Noncurrent assets:					
Capital assets:					
Land	41,420,491	16,723,365	17,487,011	75,630,867	7,735,063
Construction in progress	558,757,198	17,853,135	2,281,229	578,891,562	-
Buildings	15,880,516	23,405,199	143,443,253	182,728,968	143,869,714
Improvements to land	1,565,265	1,778,872	18,101,752	21,445,889	10,668,456
Equipment	24,921,521	28,430,198	4,860,491	58,212,210	78,746,607
Infrastructure	1,480,375,655	635,171,439	44,123,225	2,159,670,319	17,900
Capital leases	4,143,081	3,134,128	-	7,277,209	-
Accumulated depreciation and amortization	(193,126,403)	(243,441,168)	(70,910,810)	(507,478,381)	(89,796,016)
Capital assets net of accumulated depreciation and amortization	1,933,937,324	483,055,168	159,386,151	2,576,378,643	151,241,724
Prepaid expenses	29,764,260	27,340,892	2,691,468	59,796,620	13,067,878
Water rights	-	72,306	-	72,306	-
Total noncurrent assets	1,963,701,584	510,468,366	162,077,619	2,636,247,569	164,309,602
Total assets	2,327,175,763	559,976,087	196,049,250	3,083,201,100	270,492,256

Continued next page

City of Portland, Oregon
Statement of Net Assets
Proprietary Funds, Continued
June 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
LIABILITIES					
Current liabilities (payable from unrestricted assets):					
Accounts payable	15,238,116	3,558,685	1,215,994	20,012,795	5,695,594
Compensated absences	2,655,261	2,416,195	355,886	5,427,342	1,626,688
Due to component unit	34,967	-	-	34,967	-
Self insurance claims	-	-	-	-	12,392,694
Internal loans payable	-	-	-	-	2,306,000
Capital leases payable	397,282	208,716	-	605,998	-
Notes payable within 1 year	294,370	-	-	294,370	-
Unearned revenue	731,650	206,363	-	938,013	174,722
General obligation bonds payable	-	1,405,000	-	1,405,000	-
Bonds payable	40,768,097	6,059,223	4,717,247	51,544,567	7,583,015
Accrued interest payable	7,828,180	2,353,207	715,846	10,897,233	316,476
Other liabilities	15,367,920	1,485,280	1,928,760	18,781,960	75,995
Total current liabilities (unrestricted)	83,315,843	17,692,669	8,933,733	109,942,245	30,171,184
Current liabilities (payable from restricted assets):					
Bonds payable	-	-	1,092,208	1,092,208	-
Accrued interest payable	-	-	288,509	288,509	-
Total current liabilities (restricted)	-	-	1,380,717	1,380,717	-
Total current liabilities	83,315,843	17,692,669	10,314,450	111,322,962	30,171,184
Noncurrent liabilities:					
Compensated absences	167,721	154,362	20,119	342,202	330,214
General obligation bonds payable	-	6,080,000	-	6,080,000	-
Revenue bonds payable	1,264,236,541	171,664,460	111,213,233	1,547,114,234	66,978,888
Notes and loans payable	12,766,380	-	-	12,766,380	-
Capital leases payable	561,273	-	-	561,273	-
Self insurance claims	-	-	-	-	17,560,881
Prepaid sewer assessment	112,247	-	-	112,247	-
Accrued interest payable	1,993,870	2,070,887	203,816	4,268,573	1,226,403
Total noncurrent liabilities	1,279,838,032	179,969,709	111,437,168	1,571,244,909	86,096,386
Total liabilities	1,363,153,875	197,662,378	121,751,618	1,682,567,871	116,267,570
NET ASSETS					
Invested in capital assets, net of related debt	910,368,215	332,665,249	46,585,151	1,289,618,615	93,421,594
Restricted for debt service	-	-	10,407,271	10,407,271	-
Unrestricted	53,653,673	29,648,460	17,305,210	100,607,343	60,803,092
Total net assets	\$ 964,021,888	\$ 362,313,709	\$ 74,297,632	\$ 1,400,633,229	\$ 154,224,686

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 Assets
Proprietary Funds
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	Funds
Operating revenues:					
Service charges and fees	\$ 200,718,890	\$ 86,617,945	\$ 10,237,982	\$ 297,574,817	\$ 134,067,276
Licenses and permits	733,870	-	1,857,929	2,591,799	-
Rents and reimbursements	57,446	-	6,552,636	6,610,082	1,940,221
Concessions	-	-	411,970	411,970	-
Parking fees	-	-	10,422,283	10,422,283	12,632
Miscellaneous	3,181,610	-	6,804,286	9,985,896	4,657,545
Total operating revenues	204,691,816	86,617,945	36,287,086	327,596,847	140,677,674
Operating expenses:					
Salaries and wages	28,151,119	23,516,402	4,837,483	56,505,004	30,689,030
Operating supplies	2,573,596	3,019,261	806,168	6,399,025	12,408,871
Professional services	34,938,849	13,448,996	12,640,206	61,028,051	25,814,343
Utilities	5,694,511	2,528,500	378,982	8,601,993	3,296,776
Claims	-	-	-	-	41,766,372
Miscellaneous	468,680	5,634,021	3,653,268	9,755,969	21,810,152
Utility license fees	12,314,131	4,163,400	-	16,477,531	-
Depreciation and amortization	18,036,474	17,508,387	5,039,463	40,584,324	9,324,648
Total operating expenses	102,177,360	69,818,967	27,355,570	199,351,897	145,110,192
Operating income (loss)	102,514,456	16,798,978	8,931,516	128,244,950	(4,432,518)
Nonoperating revenues (expenses):					
Investment earnings	5,910,254	1,753,930	1,340,514	9,004,698	3,852,579
Interest expense	(28,202,659)	(8,756,258)	(6,884,097)	(43,843,014)	(3,469,252)
Debt issuance costs	(2,089,712)	-	(649,530)	(2,739,242)	-
Gain (loss) on sale of capital assets	(403,673)	(295,052)	509,872	(188,853)	181,734
Miscellaneous	326,994	4,183,148	(114,938)	4,395,204	(558,060)
Total nonoperating revenues (expenses)	(24,458,796)	(3,114,232)	(5,798,179)	(33,371,207)	7,001
Income (loss) before contributions and transfers	78,055,660	13,684,746	3,133,337	94,873,743	(4,425,517)
Transfers in	-	-	-	-	5,394,046
Transfers out	(275,598)	(122,108)	(2,613,880)	(3,011,586)	(442,475)
Capital contributions	5,057,124	1,129,780	2,088	6,188,992	-
Change in net assets	82,837,186	14,692,418	521,545	98,051,149	526,054
Total net assets - beginning	881,184,702	328,070,008	73,776,087	1,283,030,797	153,698,632
Powell Valley Road Water District annexation	-	19,551,283	-	19,551,283	-
Total net assets - beginning, as restated	881,184,702	347,621,291	73,776,087	1,302,582,080	153,698,632
Total net assets -- ending	\$ 964,021,888	\$ 362,313,709	\$ 74,297,632	\$ 1,400,633,229	\$ 154,224,686

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

**City of Portland, Oregon
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2006**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 195,003,202	\$ 82,067,314	\$ 33,628,607	\$ 310,699,123	\$ 43,305,095
Receipts from interfund services provided	(708,292)	1,128,960	957,210	1,377,878	96,531,541
Payments to suppliers	(23,915,098)	(16,193,938)	(12,484,602)	(52,593,638)	(51,327,959)
Payments to employees	(27,946,158)	(23,295,136)	(4,762,931)	(56,004,225)	(30,386,866)
Payments for interfund services used	(27,303,062)	(12,334,139)	(2,413,306)	(42,050,507)	(10,857,331)
Other receipts (payments)	51,835	(4,557)	-	47,278	-
Claims paid	-	-	-	-	(37,599,589)
Net cash provided by operating activities	115,182,427	31,368,504	14,924,978	161,475,909	9,664,891
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Miscellaneous revenues (expenses)	1,451,174	7,221,673	-	8,672,847	-
Transfers in	-	-	-	-	5,394,046
Transfers out	(275,598)	(122,108)	(2,613,880)	(3,011,586)	(442,475)
Net cash provided (used) by noncapital financing activities	1,175,576	7,099,565	(2,613,880)	5,661,261	4,951,571
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of bonds and notes	275,692,796	-	21,370,000	297,062,796	-
Premium on bonds and notes issued	5,017,847	-	-	5,017,847	-
Sale of capital assets	179,878	111,500	204,449	495,827	626,826
Acquisition of capital assets	(173,240,059)	(35,705,841)	(739,136)	(209,685,036)	(8,857,890)
Principal paid on bonds, notes and capital leases	(34,461,939)	(5,754,902)	(28,363,398)	(68,580,239)	(4,474,000)
Interest paid on bonds, notes and capital leases	(26,300,750)	(8,695,019)	(7,098,350)	(42,094,119)	(3,641,017)
Debt issuance costs	(2,089,712)	-	(649,530)	(2,739,242)	-
Net cash provided (used) by capital related financing activities	44,798,061	(50,044,262)	(15,275,965)	(20,522,166)	(16,346,081)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	5,024,665	1,747,998	1,273,303	8,045,966	3,640,641
Net increase (decrease) in cash and cash equivalents	166,180,729	(9,828,195)	(1,691,564)	154,660,970	1,911,022
CASH AND CASH EQUIVALENTS, July 1, 2005	163,989,057	46,906,774	31,087,417	241,983,248	100,973,059
CASH AND CASH EQUIVALENTS, June 30, 2006	\$ 330,169,786	\$ 37,078,579	\$ 29,395,853	\$ 396,644,218	\$ 102,884,081

Continued next page

**City of Portland, Oregon
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2006**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 102,514,455	\$ 16,798,978	\$ 8,931,516	\$ 128,244,949	\$ (4,432,518)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization of capital assets	18,036,474	17,508,387	5,039,463	40,584,324	9,324,648
Provision for uncollectible accounts	(37,781)	388,007	-	350,226	55,483
Change in assets and liabilities:					
Accounts and contracts receivable	(7,311,033)	(2,294,771)	(1,707,254)	(11,313,058)	(742,628)
Inventories	(104,391)	57,295	-	(47,096)	(29,531)
Checks and accounts payable	2,762,016	801,285	689,358	4,252,659	1,257,881
Accrued compensated absences	204,961	305,240	74,553	584,754	302,165
Due from (to) other funds	(875,993)	(543,036)	7,120	(1,411,909)	(153,889)
Internal loans receivable	(2,800,000)	-	-	(2,800,000)	-
Other assets	-	-	(1,140)	(1,140)	-
Deferred revenue	723,206	(583,864)	-	139,342	-
Accrued claims	-	-	-	-	4,083,323
Other accrued liabilities	2,070,513	(1,069,017)	1,891,362	2,892,858	(43)
Net cash provided by operating activities	\$ 115,182,427	\$ 31,368,504	\$ 14,924,978	\$ 161,475,909	\$ 9,664,891
Noncash information					
Non-operating prepaid PERS amortization	1,124,180	1,167,583	114,938	2,406,701	558,060
Capital contribution	4,963,572	1,129,780	2,088	6,095,440	-

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

City of Portland, Oregon
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

	<u>Pension Trust</u>	<u>Agency</u>
ASSETS		
Current assets (unrestricted):		
Cash and investments	\$ 17,800,470	\$ 42,796,147
Receivables:		
Accounts, net	-	108,764
Accrued interest	221,951	16,289
Due from other funds	4,488,226	-
Prepaid expenses	411,187	-
	<u>22,921,834</u>	<u>42,921,200</u>
Total current assets		
Capital assets:		
Equipment	35,346	-
Accumulated depreciation and amortization	(31,335)	-
	<u>4,011</u>	<u>-</u>
Net capital assets		
Total assets	<u>22,925,845</u>	<u>\$ 42,921,200</u>
LIABILITIES		
Accounts payable	6,726,769	\$ 13,212,569
Salaries and withholding taxes	-	21,016,934
Accrued interest payable	32,334	-
Other liabilities	300,000	1,374,614
Liabilities - amounts held in trust	-	7,317,083
Revenue bonds payable	526,002	-
	<u>7,585,105</u>	<u>\$ 42,921,200</u>
Total liabilities		
NET ASSETS		
Invested in capital assets, net of related debt	4,011	
Held in trust for pension benefits	15,336,729	
	<u>15,340,740</u>	
Total net assets	<u>\$ 15,340,740</u>	

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

City of Portland, Oregon
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2006

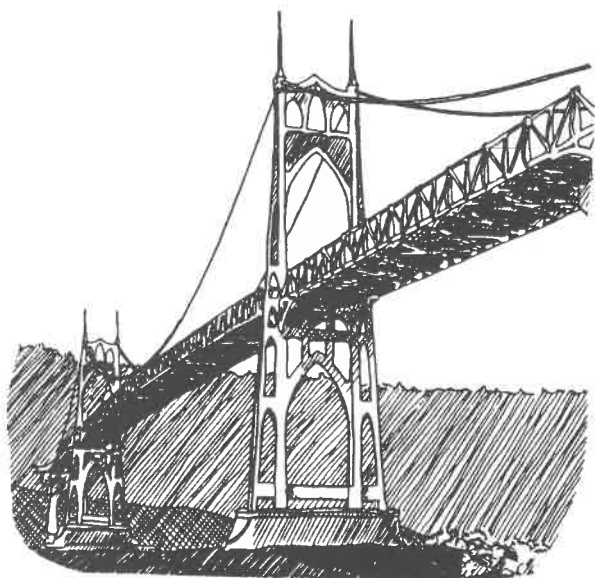
	<u>Pension Trust</u>
ADDITIONS	
Contributions:	
Employer	\$ 81,221,695
Plan member	92,534
Other	80,171
Total contributions	<u>81,394,400</u>
Investment earnings	1,394,695
Bond and note premium	-
Total additions	<u>82,789,095</u>
 DEDUCTIONS	
Benefits and refunds paid to plan members and beneficiaries	79,726,905
Refunds	62,222
Administrative expenses	2,859,419
Total deductions	<u>82,648,546</u>
Change in net assets	140,549
Net assets - beginning	<u>15,200,191</u>
Net assets - ending	\$ <u><u>15,340,740</u></u>

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



STREETCAR

Notes to the Financial Statements



St. John's Bridge, 1931

City of Portland, Oregon
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2006

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 Council and an elected City Auditor manage City departments.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Criteria indicating financial accountability include, but are not limited to, the following:

- Appointment by the City of a majority of voting members of the governing body of an organization, and 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; or to make other substantive decisions; or provision by the organization of specific financial benefits to the City; or imposition by an organization of specific financial burdens on the City, such as assumption of deficits or provision of support; or
- Fiscal dependency by 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.

Although *blended component units* are legally separate entities, in substance they are part of the government's operations and their sole purpose is to provide services entirely to or exclusively for the City or the City Council is the governing body. The *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 Fund (FPD&R) was established by adoption of Chapter 5 of the City Charter by voters in a general election held on November 2, 1948. Voters have made seven subsequent amendments, the last one being November 7, 2006. The FPD&R provides "for the benefit of the members employed by the Bureau of Fire, Rescue, and Emergency Services or by the Bureau of Police of the City of Portland and for the benefit of the surviving spouses and dependent minor children of deceased members" (Section 5-101).

The FPD&R's Board of Trustees also administers the FPD&R 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 Fire and Police Disability and Retirement 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 Office of Management and Finance administers the Fire and Police Supplemental Reserve Fund under a provision in City Ordinance No. 138016. The supplemental reserve fund provides for supplemental retirement benefits to certain members of the Fire and Police Bureaus. The FPD&R is reported as a pension trust fund, 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@ci.portland.or.us, URL: <http://www.portlandonline.com/auditor/index.cfm?c=41134> or by telephone: (503) 823-6823.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

A. Reporting entity, Continued:

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. Its principal activities are business retention, employment creation, and real estate acquisition to remove or prevent blight, construction improvements, and rehabilitation/restoration lending.

Based upon criteria established by the Governmental Accounting Standards Board (GASB), assets, liabilities, revenues and expenses related to PDC are included in the component unit column of the City's government-wide financial statements. 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/pubs/>, or by telephone: (503) 823-3200.

B. Government-wide and fund financial statements:

The government-wide financial statements, which include the statement of net assets and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent, on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Segments are identified as individual enterprise funds. *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*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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, though agency funds have no measurement focus. 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 have been met.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the City considers revenues to be available if they are collected within *sixty days* of the end of the current fiscal period, with the exception of federal and state grants.

Significant revenues, measurable and available for the fiscal year ended June 30, 2006, 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
- 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 government's primary operating fund. It accounts for all financial resources 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 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:

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. Internal service funds account for the activities of health insurance, facilities, fleet, printing and distribution, liability insurance, workers' compensation insurance, communication and technology.

Pension trust funds account for pension and benefits for members of the Fire and Police Bureaus, their widows and surviving children.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

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

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. Clearing funds are used to account for amounts previously expensed to operating funds and transferred to the clearing funds until paid.

Permanent funds account for 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.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

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 functions 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 allocated based on a full-cost allocation approach, thereby allocating indirect expenses among functions with the objective of allocating all expenses. This allocation is done 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 properly included as program revenues are reported instead 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 and internal service funds are charges for customer services including water and sewer charges, printing fees, telecommunication charges, vehicle use and maintenance fees, insurance fees, facility rents and information system support charges. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 apply to increase the trust reserve.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

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

Specific fund changes

To improve the financial management and accounting of the City through proper tracking of activity, several changes were made to individual funds. Two internal service funds were merged, the Information Technology Fund and the Communications Services Operating Fund and renamed as the Technology Services Fund. The Communications Services Fund was closed.

The Planning and Development Review Fund, a special revenue fund, was renamed the Development Services Fund. The Parks Construction Fund, a capital projects fund, was renamed as the Parks Capital Construction and Maintenance Fund.

Two new funds were established during the fiscal year ending June 30, 2006. The Campaign Finance Fund, a special revenue fund, was established to provide for the financing of campaigns of certified candidates for City office and the payment of related administrative and enforcement activities. The Willamette Industrial Urban Renewal Area Debt Service Fund was established to achieve a proper matching of revenues and expenses related to the newly created Willamette Industrial Urban Renewal Area and to achieve compliance with Oregon Revised Statutes 457.440 (6)(b) which require that a separate fund be created for each urban renewal area. Though a budget was established for this fund, property taxes were not assessed, therefore no current year activity was initiated.

The Washington County Supply Bond Redemption Fund was established to pay the debt service for a special bond issue that financed the Washington County Gravity Supply Line and the debt service has been terminated. This fund was closed effective June 30, 2005 and is no longer reported.

D. Assets, liabilities, and net assets or equity

1. Deposits 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.

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, and details of these transactions are not reported in the Statement 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.

State statutes authorize the City and component units to invest primarily in general obligations of the U.S. Government and its agencies, 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 Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

D. Assets, liabilities, and net assets or equity, Continued:

2. Receivables and Payables

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

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.

3. Inventories and property held for resale

Inventories are stated at average cost. Inventories of governmental funds are offset by a reservation of fund balance. Expenditures are recognized in governmental funds when inventories are purchased. Inventories of proprietary funds are expensed as used. Property held for resale is recorded at the lower of cost or estimated fair market value.

4. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Amortization of Public Employees Retirement System (PERS) expenditures applicable to future accounting periods are recorded as noncurrent prepaid items in both the government-wide and proprietary fund financial statements.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

D. Assets, liabilities, and net assets or equity, Continued:

5. 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.

6. Capital assets

Capital assets, which include land, buildings, improvements to land, equipment, infrastructure, construction in progress, and capital leases, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

All land and buildings are capital assets with no minimum cost threshold. Infrastructure and land improvements are capitalized with total costs of \$10,000 or more. Equipment 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.

Capital assets 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 meet 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.

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.

The estimated useful lives of capital assets are:

- Buildings & building improvements – 10 to 50 years
- Improvements to land – 20 to 50 years
- Equipment – 3 to 20 years
- Infrastructure – 10 to 100 years

Works of art and historical treasures held for public exhibit rather than financial gain are not capitalized. These items are owned by the City but protected and maintained by the Regional Arts and Culture Council, a nonprofit corporation.

7. Capitalized interest

Interest costs of tax exempt 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. Total interest costs incurred in business-type activities in fiscal year 2006 were \$63.4 million, of which \$19.6 million was capitalized for a net interest expense of \$43.8 million.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

D. Assets, liabilities, and net assets or equity, Continued:

8. Leases

In accordance with Financial Accounting Standards Board (FASB) Statement No. 13, 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.

9. Compensated absences

City employees accumulate earned but unused vacation and sick leave benefits in accordance with applicable bargaining agreements. Vacation leave is recorded in government-wide, proprietary, and fiduciary fund financial statements when earned by employees. Compensated absences are reported in governmental funds only if they have matured. Collective bargaining agreements for Fire and Police Bureau employees require they be paid 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. Historically, compensated absences are paid by the individual funds as they become due.

10. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities or proprietary fund type statement of net assets. 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 reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. A portion of retained earnings for proprietary funds has been segregated from unreserved retained earnings for amounts legally required to be set aside to pay bonded debt service, in accordance with revenue bond and general obligation water bond ordinances. Other reservations for petty cash, inventories, debt service and the parks endowments have been segregated from unreserved fund balance to indicate that this amount does not represent available expendable resources.

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 in that they may deposit and withdraw cash at any time without prior notice or penalty. This treatment is in conformity with GASB Statement No. 9, which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

D. Assets, liabilities, and net assets or equity, Continued:

13. Use of estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Annexation of Powell Valley Road Water District

On July 1, 2005 the City of Portland's Bureau of Water Works assumed Powell Valley Road Water District (PVRWD) operations. In accordance with its intergovernmental agreement with the PVRWD dated May 23, 1991, and as amended February 1, 1994, upon the dissolution of the District, its water service responsibilities were transitioned to the City. This annexation resulted in the Bureau of Water Works adding about 11,000 retail customer accounts. In accordance with *Accounting Principles Bulletin 16: Business Combinations*, the City combined PVRWD's net assets with the City of Portland's Water Fund, a major business-type activity. Beginning balances for the Water Fund have been restated to reflect this combination. Minor adjustments were made to reclassify utility plant in service items to the appropriate City capital asset classifications. The net effect of the PVRWD annexation increases the City's net assets in the Water Fund by \$19,551,283.

The final statement of net assets for the Powell Valley Road Water District for fiscal year ending June 30, 2005 is as follows:

POWELL VALLEY ROAD WATER DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2005

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 782,404
Accounts receivable	116,405
Other receivables	7,533
Inventories	69,241
TOTAL CURRENT ASSETS	975,583
RESTRICTED ASSETS:	
Expendable Trust Fund	
Deferred compensation benefits funded	473,380
Construction Fund:	
Cash and cash equivalents	330,952
Bond Debt Service Fund:	
Cash and cash equivalents	651,841
TOTAL RESTRICTED ASSETS	1,456,173

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

D. Assets, liabilities, and net assets or equity, Continued:

14. Annexation of Powell Valley Road Water District, Continued:

UTILITY PLANT IN SERVICE	
Land	592,862
Water distribution system	18,491,750
Office building	4,027,735
Equipment	800,394
Utility plant in service	23,912,741
Less accumulated depreciation	(6,939,829)
UTILITY PLANT IN SERVICE, NET	16,972,912
CONSTRUCTION IN PROGRESS	722,162
TOTAL ASSETS	\$ 20,126,830
LIABILITIES & NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable	\$ 8,722
TOTAL CURRENT LIABILITIES	8,722
CURRENT LIABILITIES (Payable from Restricted Assets):	
General Fund:	
Expendable Trust Fund	
Deferred compensation benefits funded	473,380
Construction Fund:	
Accounts payable	9,472
TOTAL CURRENT LIABILITIES (Payable from Restricted Assets)	482,852
TOTAL CURRENT LIABILITIES	491,574
ESTIMATED SICK LEAVE LIABILITY	83,975
TOTAL LIABILITIES	575,549
NET ASSETS:	
Invested in capital assets, net of related debt	17,695,074
Restricted	973,321
Unrestricted	882,886
TOTAL NET ASSETS	19,551,281
TOTAL LIABILITIES AND NET ASSETS	\$ 20,126,830

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

E. Adoption of new GASB pronouncements:

For the fiscal year ended June 30, 2006, the City implemented the following GASB Pronouncements:

GASB Statement No. 42: Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries

Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. This statement also clarifies and establishes accounting requirements for insurance recoveries. The changes that result from implementing this statement improve financial reporting for several reasons, including: 1) reporting when the impairments occur rather than as part of ongoing depreciation expense or when disposed of; 2) users will better understand when impairments have occurred and what the financial impact is; and 3) it enhances comparability between governments. These changes have been incorporated in the Capital Assets section of the Notes to the Basic Financial Statements (Note III.E.).

GASB Statement No. 44: Economic Condition Reporting: The Statistical Section, an Amendment of NCGA Statement 1

Statement No. 44 enhances and updates the statistical section of the Comprehensive Annual Financial Report (CAFR). The statistical schedules provide a more comprehensive government-wide look at financial information contained in the CAFR. The changes to the required statistical schedules will standardize reporting for all governments, increase comparability and consistent application, make use of the new information available as a result of GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments*, and will assist users with understanding the information provided in the financial statements, notes, and required supplementary information. The primary changes aid in the assessment of the economic condition through additional historic detail, and include: financial trends, revenue capacity, debt capacity, economic and demographic information, and operating indicators. These changes have been incorporated into the Statistical Section.

GASB Statement No. 46: Net Assets Restricted by Enabling Legislation, an Amendment of GASB Statement No. 34

Statement No. 46 clarifies the definitions of restricted net assets and enabling legislation, and specifies the accounting and financial reporting requirement of such. Net assets can be considered restricted if the restrictions are imposed by legally enforceable legislation that requires a government to honor, from external parties such as citizens, public interest groups, or the judiciary. Enabling legislation must give the government authorization to raise resources, and there must be a legally enforceable requirement that those resources be used for the purpose to which the resources were raised. Reserved or designated assets or resources, by the City or within the City, do not qualify as restricted. These changes have been incorporated in the Restricted Net Assets section of the Notes to the Basic Financial Statements (Note III.D.).

GASB Statement No. 47: Accounting for Termination Benefits

Statement No. 47 establishes accounting standards for voluntary and involuntary termination benefits. An example of voluntary termination benefits is an early-retirement incentive, where the offer has been accepted and the amount can be estimated. An example of involuntary termination benefits would be severance benefits (specific plan definitions are required). Benefits can include health care-related and non health care-related benefits and will be measured using discounted present values on projected total claim costs and expected future benefit payments, respectively. Though the City of Portland has a formal targeted severance program process in place when needed, as of June 30, 2006, this program was not being utilized.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

I. Summary of significant accounting policies, Continued:

F. Future adoption of GASB pronouncements:

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2006:

- GASB Statement No. 43 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*
- GASB Statement No. 48 *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*

The City of Portland will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City has not yet determined if the above listed new GASB pronouncements will have a significant financial impact to the City or in issuing its financial statements.

II. Stewardship, compliance, and accountability:

A. Budgetary information:

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

The City legally adopts its budget annually for all funds prior to July 1 through passage of an ordinance. The annual budget ordinance authorizes positions and establishes appropriations for the fiscal year for each fund. The General Fund is adopted by bureau appropriation units and all other funds at the fund level.

Budgets may be modified during the fiscal year through different means. Bureau managers, without City Council's approval, may transfer 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.

Intrafund activity has been eliminated from the Schedules of Revenues and Expenditures – Budget and Actual. The City has plans to discontinue budgeting these since they are neither resources nor requirements for purposes of local budget law.

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 when cumulative transfers from a fund's operating contingency during a fiscal year reach 15 percent or more of a fund's authorized appropriations. The supplemental budget process requires a public hearing, advance notice by newspaper publication, and City Council approval. If the supplemental budget is greater than 10 percent of a fund's expenditures, as defined by Oregon Revised Statutes (ORS) 294, or includes contingency transfers that have reached more than 15 percent of the fund's authorized appropriations, the supplemental budget also requires certification by the Tax Supervising and Conservation Commission and a more extensive public notification process. The City adopted two supplemental budgets and made a number of appropriation transfers requiring approval by the City Council during the year ended June 30, 2006.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

II. Stewardship, compliance, and accountability, Continued:

B. Expenditures in excess of appropriations, Continued:

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. However, local budget law exempts reporting of over appropriations that result from bond refundings. Funds reported with a negative variance for total expenditures that are a result from bond refundings include: Airport Way Debt Service Fund, Bancroft Bond Interest and Sinking Fund, and Hydroelectric Power Operating Fund.

For the fiscal year ended June 30, 2006, the following funds had total expenditures in excess of budgeted appropriations:

Primary Government

General Fund:

Legislative/Admin/Support Services:	
Commissioner of Public Utilities	\$ 3,949

Enterprise Funds:

Environmental Services:	
Environmental Remediation	564,551

All expenditures in excess of budgeted appropriations in the fiscal year ended June 30, 2006 were funded by additional revenue or available fund balance.

Component Unit - Portland Development Commission

For the fiscal year ended June 30, 2006, expenditures exceeded appropriations in the Housing Acquisitions Fund, a special revenue fund, in the amount of \$522,530. These were expenditures incurred for the City Lights Housing Program being reimbursed by the City.

C. Deficit Fund Equity:

Oregon state law requires fund disclosure of deficit fund balances/total net assets. Future resources will be used to clear these deficits.

Primary Government

At June 30, 2006, the Environmental Remediation Fund, an enterprise fund, had a deficit balance of \$992,675 in the Schedule of Revenues and Expenditures - Budget and Actual. The activity for this fund is reported in the environmental services fund on the statement of activities. This deficit was the result of expenditures for the Portland Harbor, a superfund site.

Additionally, the Insurance and Claims Operating Fund, an internal service fund, had a deficit GAAP fund balance of \$523,918. This was the result of an increase in the claims accrual for reserves per the Actuarial Analysis of the Liability Program as of June 30, 2006. Note IV. A. Risk Management provides additional information on unpaid claims balances.

Component Unit - Portland Development Commission

The Housing Acquisitions Fund, a special revenue fund, had a deficit Budgetary/GAAP fund balance of \$3,790 as of June 30, 2006. The fund incurred construction costs for the City Lights Housing Program that will be reimbursed from the City of Portland in fiscal year 2007.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes:

A. Cash and investments:

Cash and investments for the primary government are comprised of governmental and business-type activities. The balances at June 30, 2006 are:

	Primary Government	Component Unit (PDC)	Total
Cash on hand	\$ 3,261	\$ 1,000	\$ 4,261
Deposits with financial institutions	31,612,565	223,850	31,836,415
Investments	716,548,971	94,688,501	811,237,472
Total primary government	748,164,797	94,913,351	843,078,148
Fiduciary	60,596,617	82,373	60,678,990
Total Government	\$ 808,761,414	\$ 94,995,724	\$ 903,757,138

	Governmental Activities	Business-type Activities	Total Primary Government	Fiduciary Activities	Total Government	Component Unit (PDC)
Unrestricted	\$ 266,361,280	\$ 135,762,936	402,124,216	\$ 60,596,617	\$ 462,720,833	\$ 94,913,351
Restricted	85,159,299	260,881,282	346,040,581	-	346,040,581	-
Total	\$ 351,520,579	\$ 396,644,218	\$ 748,164,797	\$ 60,596,617	\$ 808,761,414	\$ 94,913,351

Restricted cash and investments

Cash and investments at June 30, 2006 that are restricted by legal or contractual requirements are comprised of the following:

Governmental activities	
Nonmajor governmental funds	
Debt service	\$ 32,379,271
Federal and state grants	2,447,272
Voter approved special operations	21,004,398
Capital projects	29,162,289
Permanent endowment	166,069
Total governmental activities	85,159,299
Business-type activities	
Sewer operations enterprise funds	
Reserved for capital projects	249,163,164
Hydroelectric power enterprise funds	
Debt service	3,631,102
Renewal and replacement	8,087,016
Total hydroelectric power enterprise funds	11,718,118
Total business-type activities	260,881,282
Total restricted cash and investments	\$ 346,040,581

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

A. Cash and investments, Continued:

Deposits:

Primary government

Custodial credit risk—deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in accordance with ORS 295.015, all deposits are collateralized with eligible securities in amounts equal to at least 25 percent of the book value of the deposits. The City's deposit policy also requires that all deposits were covered by federal depository insurance and/or were collateralized at no less than 25 percent by securities as required by and in compliance with ORS 294.035. As of June 30, 2006, the book value of all the City's deposits was \$255 million. All collateral securities were held by third parties in the City's name, and were not exposed to custodial credit risk.

Component Unit - Portland Development Commission:

Total deposits for PDC were \$223,850 of which \$115,000 was covered by federal depository insurance and the remaining \$108,850 was collateralized by securities held by the Federal Home Loan Bank of Seattle.

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.

City Treasury assesses a management fee that is deducted from investment income before distributions are made to all City funds. This fee is based on City Treasury's net operating expenses and totaled \$377,886 for fiscal year ended June 30, 2006.

The City's investment policy, developed annually by the Office of Management and Finance after consulting with the City's Investment Advisory Committee (IAC), is adopted annually by the City Council and forwarded to the Oregon Short-Term Fund Board for review. The IAC is established pursuant to City Code section 3.88.010 and is comprised of the City Treasurer and three to four citizens who are not employed with the City and who have industry experience in areas of finance, investment or economics. These citizens are appointed by the Mayor, approved by City Council and serve two-year terms. The Oregon Short-Term Fund Board consists of the State Treasurer and six members appointed by the Governor and the State Treasurer.

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 member banks of the Federal Reserve System or broker/dealers approved by the Chief Administrative Officer or designee in consultation with the City Treasurer and the IAC.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

A. Cash and investments, Continued:

Investments, Continued:

Investments in the 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. 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 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
- Bankers' Acceptances
- Commercial Paper Issued by U.S. Corporations
- Interest Bearing Deposits in State of Oregon Financial Institutions Collateralized 25% by Securities as required by Oregon Revised Statutes
- State of Oregon Local Government Investment Pool
- Repurchase Agreements Secured by United States Treasury Debt Obligations

Interest rate risk. As of June 30, 2006, the weighted average maturity of the City's investment portfolio was .33 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% 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 and must meet the City's cash flow requirements. Investments with maturities greater than two years may be purchased only with the approval of the IAC.

Credit risk. The City's investments in FFCB, FHLB, FNMA and FHLMC Coupon Notes were rated AAA by Standard & Poor's and Aaa by Moody's Investor Services. The City's investments in FFCB have a short-term rating of P-1 by Moody's Investor Services. The City's investments in FHLMC and FNMA have a short-term credit rating of A-1 by Standard & Poor's and F1+ by Fitch. All of the City's Commercial Paper investments had a minimum credit rating of A-1 by Standard & Poor's and P-1 by Moody's. As of June 30, 2006, the LGIP was not rated.

Concentration of credit risk. Of the City's total investments as of June 30, 2006, 16.87% were FHLMC Notes or short-term investments, 16.69% were FHLB Notes. All other investments not explicitly guaranteed by the U.S. Government were less than 5% of the City's total investments. 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. These portfolio restrictions vary based upon the investment type and issuer. These restrictions as well as other information contained in the City's investment policy located at: <http://www.portlandonline.com/auditor/index.cfm?a=8811&c=27440>.

Custodial credit risk-investments. 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. The City's investment policy complies with ORS 294.035 and ORS 294.810 that lists acceptable investments that are identified below. At June 30, 2006, the City has no investments that are held by either a counterparty or the counterparty's trust department agent. Therefore, the City has no outstanding investments that were exposed to custodial credit risk.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

A. Cash and investments, Continued:

Investments, Continued:

As of June 30, 2006, the City had the following investments and maturities:

Investment Type	Fair Value	Non Maturity Rated	Investment Maturity (Years)		Weighted Average Maturity (Years)
			Less Than 1	1 - 5	
U.S. Treasuries	\$ 59,786,719	\$ -	\$ 59,786,719	\$ -	0.15
U.S. agencies	367,987,740	-	298,443,217	69,544,523	0.73
Bankers' acceptances	-	-	-	-	0.00
Commercial paper	165,016,834	-	165,016,834	-	0.02
Time/interest bearing deposits	254,975,000	-	254,975,000	-	0.02
Local government pool	12,438,008	12,438,008	-	-	0.00
Total fair value	\$ 860,204,301	\$ 12,438,008	\$ 778,221,770	\$ 69,544,523	

Portfolio weighted average maturity

0.33

B. Receivables and payables:

Special assessments in the Transportation, other Nonmajor Governmental and Sewage Disposal Funds are not expected to be collected within one year. Receivables as of June 30, 2006, were as follows:

	Governmental Activities					Business-type Activities			
	General	Trans- portation	Nonmajor Funds	Internal Service	Total	Sewage Disposal	Water	Nonmajor Funds	Total
Taxes	\$ 13,220,703	\$ -	\$ 4,927,138	\$ -	\$ 18,147,841	\$ -	\$ -	\$ -	\$ -
Accounts	19,000,428	24,981,365	24,132,041	1,520,821	69,634,655	24,634,823	9,515,629	1,556,799	35,707,251
Assessments	3,746,001	1,287,515	26,088,312	-	31,121,828	3,461,867	-	-	3,461,867
Contracts	-	-	-	-	-	-	-	449,988	449,988
Grants	-	-	18,031,977	4,076	18,036,053	-	-	-	-
Advances	252,226	-	986,206	-	1,238,432	-	-	60,000	60,000
Interest	905,314	37,856	917,315	638,154	2,498,639	1,676,337	245,704	201,851	2,123,892
Total receivables	37,124,672	26,306,736	75,082,989	2,163,051	140,677,448	29,773,027	9,761,333	2,268,638	41,802,998
Allowance for doubtful accounts	(26,265)	(20,872)	-	(55,882)	(103,019)	(5,559,303)	(1,854,806)	-	(7,414,108)
Receivables, net	\$ 37,098,407	\$ 26,285,864	\$ 75,082,989	\$ 2,107,169	\$ 140,574,429	\$ 24,213,724	\$ 7,906,527	\$ 2,268,638	\$ 34,388,890
Not scheduled for collection during the subsequent year	\$ -	\$ 887,533	\$ 22,316,618	\$ -	\$ 23,204,151	\$ 3,235,772	\$ -	\$ -	\$ 3,235,772

Payables at June 30, 2006, were as follows:

	Governmental Activities						Business-type Activities			
	General	Trans- portation	Nonmajor Funds	Internal Service	Unallocated Governmental	Total	Sewage Disposal	Water	Nonmajor Funds	Total
Accounts to vendors and contractors	\$ 9,992,208	\$ 10,506,090	\$ 6,037,081	\$ 5,771,589	\$ 4,488,226	\$ 36,795,194	\$ 30,606,036	\$ 5,043,965	\$ 3,144,754	\$ 38,794,755
Interest on bonds and notes	-	-	-	1,542,879	31,361,747	32,904,626	9,822,050	4,424,094	1,208,171	15,454,315
Total payables	\$ 9,992,208	\$ 10,506,090	\$ 6,037,081	\$ 7,314,468	\$ 35,849,973	\$ 69,699,820	\$ 40,428,086	\$ 9,468,059	\$ 4,352,925	\$ 54,249,070

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

C. Deferred 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." Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Governmental Activities			
	General	Transportation Operating	Nonmajor Funds	Total
Due from component unit	\$ -	\$ -	\$ 5,250,000	\$ 5,250,000
Accounts	10,166	-	-	10,166
Liens - LID	-	-	21,020,454	21,020,454
Liens	3,746,000	1,287,515	26,088,311	31,121,826
Taxes	6,306,027	-	3,568,040	9,874,067
Total fund level deferred revenue	<u>\$ 10,062,193</u>	<u>\$ 1,287,515</u>	<u>\$ 55,926,805</u>	<u>\$ 67,276,513</u>

	Governmental Activities					Business-type Activities		
	General	Transportation Operating	Nonmajor Funds	Internal Service	Total	Sewage Disposal	Water	Total
Grants	\$ -	\$ -	\$ 20,087,738	\$ -	\$ 20,087,738	\$ -	\$ -	\$ -
Accounts	254,494	4,636,574	244,386	174,722	5,310,176	731,650	206,363	938,013
License Tax Prepayments	17,925,039	-	-	-	17,925,039	-	-	-
Total unearned revenue	<u>\$ 18,179,533</u>	<u>\$ 4,636,574</u>	<u>\$ 20,332,124</u>	<u>\$ 174,722</u>	<u>\$ 43,322,953</u>	<u>\$ 731,650</u>	<u>\$ 206,363</u>	<u>\$ 938,013</u>

D. Restricted assets:

Certain assets are classified on the Statement of Net Assets as restricted assets because their use is limited by applicable bond indentures or other legal provisions. As summarized below, the government-wide statement of net assets reports \$102.7 million of restricted net assets, of which \$167,006 is restricted by a permanent endowment and the remaining \$102,520,780 is restricted by enabling legislation.

Governmental activities	\$ 92,280,515
Business-type activities	10,407,271
	<u>\$ 102,687,786</u>

E. Capital assets:

In the governmental activities column of the statement of activities, capital asset reclassification or transfers between governmental funds and internal service funds have been eliminated. In a like manner, capital asset transfers between enterprise funds have been eliminated in the business-type activities column. The remaining transfers shown on the statement of activities consist of \$433,983 in capital asset transfers from governmental activities to business-type activities.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

E. Capital assets, Continued:

In 2006, during the course of the City's strategic review of operations, the City recorded a permanent impairment write-down in public safety, a governmental activity in the amount of \$850,986, net of accumulated depreciation. This impairment was the result of technological obsolescence of the emergency response software and is being replaced with new Homeland Security compliant technology.

Business type-activities beginning capital asset balances were increased by \$17.6 million net of accumulated depreciation to reflect the acquisition of capital assets related to a prior annexation of Powell Valley Road Water District (PVRWD). A detailed statement of net assets for PVRWD is provided in Note I.D. 14. Capital asset activity for the primary government, which excludes fiduciary activities, for the year ended June 30, 2006, was as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 80,259,784	\$ 19,511,623	\$ (8,773)	\$ 19,490	\$ 99,782,124
Construction in progress	53,859,898	57,492,397	-	(26,623,631)	84,728,664
Total capital assets, not being depreciated	134,119,682	77,004,020	(8,773)	(26,604,141)	184,510,788
Capital assets, being depreciated:					
Buildings	251,911,721	5,209,377	(97,985)	2,331,845	259,354,958
Improvements to land	110,355,912	2,703,399	(3,156)	8,001,758	121,057,913
Equipment	128,245,754	12,389,379	(8,814,541)	226,214	132,046,806
Infrastructure	4,048,467,814	37,749,316	-	15,559,712	4,101,776,842
Capital leases	2,681,648	-	-	(81,183)	2,600,465
Total capital assets being depreciated	4,541,662,849	58,051,471	(8,915,682)	26,038,346	4,616,836,984
Less Accumulated depreciation for:					
Buildings	(57,789,099)	(5,384,383)	57,808	117,865	(62,997,809)
Improvements to land	(37,377,174)	(3,970,865)	1,220	81,174	(41,265,645)
Equipment	(66,843,610)	(7,887,498)	7,330,057	(148,410)	(67,549,461)
Infrastructure	(2,003,702,895)	(138,457,599)	-	-	(2,142,160,494)
Capital leases	(1,485,434)	(468,084)	-	81,183	(1,872,335)
Total accumulated depreciation	(2,167,198,212)	(156,168,429)	7,389,085	131,812	(2,315,845,744)
Total capital assets, being depreciated, net	2,374,464,637	(98,116,958)	(1,526,597)	26,170,158	2,300,991,240
Governmental activities capital assets, net	\$ 2,508,584,319	\$ (21,112,938)	\$ (1,535,370)	\$ (433,983)	\$ 2,485,502,028
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 73,246,019	\$ 2,277,152	\$ -	\$ 107,696	\$ 75,630,867
Construction in progress	454,392,525	170,147,296	(30,564)	(45,617,695)	578,891,562
Total capital assets, not being depreciated	527,638,544	172,424,448	(30,564)	(45,509,999)	654,522,429

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

E. Capital assets, Continued:

	Beginning Balance as Restated	Increases	Decreases	Reclassifications	Ending Balance
Business-type activities, continued:					
Capital assets, being depreciated:					
Buildings	177,680,776	970,371	-	4,077,821	182,728,968
Improvements to land	22,768,877	104,310	-	(1,427,298)	21,445,889
Equipment	45,433,392	9,427,917	(3,066,117)	6,417,018	58,212,210
Infrastructure	2,090,443,526	32,851,341	(1,203,320)	37,578,772	2,159,670,319
Capital leases	7,847,728	-	-	(570,519)	7,277,209
Total capital assets being depreciated	2,344,174,299	43,353,939	(4,269,437)	46,075,794	2,429,334,595
Less accumulated depreciation for:					
Buildings	(52,483,845)	(4,438,612)	-	(1,066,309)	(57,988,766)
Improvements to land	(6,114,057)	(638,202)	-	867,270	(5,884,989)
Equipment	(22,446,713)	(3,140,270)	2,073,658	(503,292)	(24,016,617)
Infrastructure	(384,681,599)	(31,994,951)	1,203,320	-	(415,473,230)
Capital leases	(4,313,009)	(372,289)	-	570,519	(4,114,779)
Total accumulated depreciation	(470,039,223)	(40,584,324)	3,276,978	(131,812)	(507,478,381)
Total capital assets, being depreciated, net	1,874,135,076	2,769,615	(992,459)	45,943,982	1,921,856,214
Business-type activities capital assets, net	\$ 2,401,773,620	\$ 175,194,063	\$ (1,023,023)	\$ 433,983	\$ 2,576,378,643
Total:					
Capital assets, not being depreciated:					
Land	\$ 153,505,803	\$ 21,788,775	\$ (8,773)	\$ 127,186	\$ 175,412,991
Construction in progress	508,252,423	227,639,693	(30,564)	(72,241,326)	663,620,226
Total capital assets, not being depreciated	661,758,226	249,428,468	(39,337)	(72,114,140)	839,033,217
Capital assets, being depreciated:					
Buildings	429,592,497	6,179,748	(97,985)	6,409,666	442,083,926
Improvements to land	133,124,789	2,807,709	(3,156)	6,574,460	142,503,802
Equipment	173,679,146	21,817,296	(11,880,658)	6,643,232	190,259,016
Infrastructure	6,138,911,340	70,600,657	(1,203,320)	53,138,484	6,261,447,161
Capital leases	10,529,376	-	-	(651,702)	9,877,674
Total capital assets being depreciated	6,885,837,148	101,405,410	(13,185,118)	72,114,140	7,046,171,579

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

E. Capital assets, Continued:

	Beginning Balance as Restated	Increases	Decreases	Reclassifications	Ending Balance
Total, Continued:					
Less accumulated depreciation for:					
Buildings	(110,272,944)	(9,822,995)	57,808	(948,444)	(120,986,575)
Improvements to land	(43,491,231)	(4,609,067)	1,220	948,444	(47,150,634)
Equipment	(89,290,323)	(11,027,768)	9,403,715	(651,702)	(91,566,078)
Infrastructure	(2,388,384,494)	(170,452,550)	1,203,320	-	(2,557,633,724)
Capital leases	(5,798,443)	(840,373)	-	651,702	(5,987,114)
Total accumulated depreciation	(2,637,237,435)	(196,752,753)	10,666,062	-	(2,823,324,125)
Total capital assets, being depreciated, net	4,248,599,713	(95,347,343)	(2,519,056)	72,114,140	4,222,847,454
Total capital assets, net	\$ 4,910,357,939	154,081,125	\$ (2,558,393)	\$ -	\$ 5,061,880,671

Depreciation and amortization

Fully depreciated capital assets at June 30, 2006, totaled \$87.2 million, of which \$45.9 million pertains to governmental activities, and \$41.3 to business-type activities. Remaining salvage values were \$6.0 million, \$4.6 million and \$1.4 million respectively. Capital assets held by the City's internal service funds were billed according to interagency agreements to the various functions based on usage of the assets. Depreciation and amortization expenses were charged to the internal service fund that owns and bills for the use of the assets. Depreciation and amortization expenses of the primary government are as follows:

	Amount
Governmental activities:	
Public safety	\$ 2,463,927
Parks, recreation and culture	4,769,809
Community development	19,216
Transportation and metered parking	139,542,512
Legislative/ Admin/ Support services	48,317
Total governmental funds	146,843,781
Internal service funds - Legislative/ Admin/ Support services	9,324,648
Total governmental activities	\$ 156,168,429
Business-type activities:	
Environmental services	\$ 18,097,183
Water	17,508,387
Hydroelectric power	656,000
Parking facilities	1,022,120
Golf	724,225
Motor sports	31,271
Spectator facilities	2,545,138
Total business-type activities	\$ 40,584,324

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

E. Capital assets, Continued:

Construction commitments

The City has active construction projects as of June 30, 2006. These include building, remodeling and retrofitting fire facilities, park improvements, plus sewer, transportation and water infrastructure upgrades. At year end the City's contractual commitments to complete the various projects were as follows:

Projects	Spent to date	Remaining Commitments	Financing Source
Governmental activities:			
Fire facilities	\$ 2,740,765	\$ 2,243,015	General obligation bonds / Intergovernmental cost sharing
Parks	9,434,394	4,836,927	Local option levy / Tax increment / Grants / General Fund discretionary
Transportation	79,988,202	49,579,198	Intergovernmental cost sharing / Grants / System development charges / Local improvement districts / Transportation revenues
Total governmental activities	92,163,361	56,659,140	
Business-type activities:			
Sewer	406,046,381	521,011,480	Revenue bonds / Sewer rate revenues
Water	9,453,648	17,470,590	Revenue bonds / Water rate revenues / Project reimbursements
Total business-type activities	415,500,029	538,482,070	
Total construction commitments	\$ 507,663,390	\$ 595,141,210	

Component Unit - Portland Development Commission:

Activity for the year ended June 30, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,449,818	\$ 6,640	\$ (21,842)	\$ 8,434,616
Capital assets, being depreciated:				
Buildings and improvements	2,707,441	-	-	2,707,441
Leasehold improvements	3,445,892	30,580	-	3,476,472
Furniture, vehicles and equipment	1,578,249	41,936	-	1,620,185
Total capital assets, being depreciated	7,731,582	72,516	-	7,804,098
Less accumulated depreciation for:				
Buildings and improvements	(920,530)	(54,149)	-	(974,679)
Leasehold improvements	-	(579,412)	-	(579,412)
Furniture, vehicles and equipment	(1,396,797)	(99,173)	-	(1,495,970)
Total accumulated depreciation	(2,317,327)	(732,734)	-	(3,050,061)
Total capital assets, being depreciated, net	5,414,255	(660,218)	-	4,754,037
Governmental activities capital assets, net	\$13,864,073	\$ (653,578)	\$ (21,842)	\$ 13,188,653

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

F. 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 Sewage Disposal Fund represents an accrual for a third party financial commitment to pay for environmental remediation. The General Fund due to the fiduciary fund represents employer contributions to pay pension benefits. Nonmajor governmental funds due to other funds represent federal, state, and private grants receivable not yet transferred to benefiting City bureaus or component unit. Repayment of these interfund balances outstanding at June 30, 2006, are expected to be repaid within one year. The composition of due to and due from other funds as of June 30, 2006 is:

	General fund	Transportation operating	Nonmajor governmental	Internal service	Sewage disposal	Water	Fiduciary Fund	Total Due To Other Funds
General fund	\$ -	\$ -	\$ -	\$ -	\$ 19,360	\$ -	\$ 4,488,226	\$ 4,507,586
Nonmajor governmental funds	8,196,748	5,001,529	121,075	198,376	2,020,277	3,066,913	-	\$ 18,604,918
Total Due From Other Funds	\$ 8,196,748	\$ 5,001,529	\$ 121,075	\$ 198,376	\$ 2,039,637	\$ 3,066,913	\$ 4,488,226	\$ 23,112,504

Component unit – Portland Development Commission

The amount due from PDC to the City is \$22,822,483, which includes \$17,572,483 loan principal and interest receivable on contracts through PDC for Community Development Block Grants program. The remaining \$5,250,000 due from PDC consists of the Streetcar line of credit for the Portland Streetcar from Portland State University to the River Place Project. This line of credit is secured by PDC's property in the South Waterfront Development Lots 3 and 8 in the North Macadam Urban Renewal Area. The properties are to be sold by PDC for amounts expected to be sufficient to cover the funds advanced by the City to PDC.

The amount due from the City to PDC is \$1,606,650, for various grant revenues under various grant programs and other intergovernmental agreements.

Interfund transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and resources for payment of debt services. General Fund transfers to the Transportation Operating Fund are for street lighting. General Fund transfers to nonmajor governmental funds are for various programs including: emergency communications, nuisance control and other neighborhood programs, the General Fund's portion of the PERS debt, capital construction in the parks program, facilities debt service for

City Hall, and various borrowings. General Fund transfers to internal service funds represent financial commitments to fund operating improvements. The Transportation Operating Fund transfers debt service payments to nonmajor governmental funds. Nonmajor governmental fund transfers represent federal, state, and private grants receivable, not yet transferred to benefiting bureaus or the component unit. Transfers from internal service and nonmajor enterprise funds are primarily overhead charges.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

F. Interfund receivables, payables, and transfers, Continued:

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

Interfund transfers and the reconciliation to the Statement of Activities for the fiscal year ended June 30, 2006 consist of the following:

	General	Transportation Operating	Nonmajor Governmental	Internal Service	Total Transfers Out
General	\$ -	\$ 6,044,233	\$ 24,016,407	\$ 5,102,109	\$ 35,162,749
Transportation Operating	-	-	4,048,254	-	4,048,254
Nonmajor governmental	18,643,636	28,329,637	4,329,082	291,937	51,594,292
Internal Service	324,567	-	117,908	-	442,475
Sewage Disposal	-	-	275,598	-	275,598
Water	-	-	122,108	-	122,108
Nonmajor business-type	1,881,688	700,000	32,192	-	2,613,880
Total Transfers In	<u>\$ 20,849,891</u>	<u>\$ 35,073,870</u>	<u>\$ 32,941,549</u>	<u>\$ 5,394,046</u>	<u>94,259,356</u>
Reconciliation:					
Internal Service Funds elimination					(76,055)
Total governmental funds					<u>(91,244,845)</u>
Total transfers per Statement of Activities					<u>\$ 2,938,456</u>

Interfund loans

The Transportation Operating Fund repaid \$3.2 million to the Sewage Disposal Fund for the Portland Streetcar Gibbs Extension Project. The Transportation Operating Fund borrowed \$6 million to cover on-going capital projects costs for street improvements. The Transportation Operating Fund will bill other agencies such as Portland Development Commission and Oregon Department of Transportation and reimburse the Sewage Disposal Fund after receiving payments from the other agencies. The Insurance and Claims Operating Fund borrowed \$2.3 million from the Parking Facilities Fund in order to meet cash flow needs for operations. Both loans are budgeted to be repaid in the subsequent fiscal year.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

G. Leases:

Capital leases

The City has entered into capital lease agreements for the purpose of acquiring and financing equipment and buildings. All of these agreements provide the City the right to purchase the asset at a nominal price at the end of the lease term. Leases range from five to thirteen years in length. These lease agreements have been recorded at the lesser of present value of minimum lease payments or fair value of the leased property at inception as described in Note I.D.8. The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities	Total
<u>Assets:</u>			
Building leaseholds	\$ -	\$ 6,235,096	\$ 6,235,096
Less: accumulated amortization	-	(3,823,509)	(3,823,509)
Building leaseholds, net	-	2,411,587	2,411,587
Equipment	2,600,465	1,042,113	3,642,578
Less: accumulated amortization	(1,872,335)	(291,270)	(2,163,605)
Equipment, net	728,130	750,843	1,478,973
Total	\$ 728,130	\$ 3,162,430	\$ 3,890,560

The net present values of these minimum lease payments as of June 30, 2006, were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2007	\$ 460,368	\$ 674,986	\$ 1,135,354
2008	29,590	450,161	479,751
2009	-	54,356	54,356
2010	-	84,774	84,774
2011	-	-	-
Total minimum lease payments	489,958	1,264,277	1,754,235
Less amount representing interest (range: 4.95% to 10.887%)	(17,875)	(97,006)	(114,881)
Present value (capital lease obligations)	\$ 472,083	\$ 1,167,271	\$ 1,639,354

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

G. Leases, Continued:

Operating leases

The City leases land, buildings and equipment under non-cancelable operating leases. Operating lease payments for governmental activities were \$2.5 million and for business-type activities, \$1.8 million. Total costs for such leases were \$4.3 million for the year ended June 30, 2006. Future minimum payments for these non-cancelable operating leases are as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2007	\$ 2,353,313	\$ 1,096,401	\$ 3,449,714
2008	2,082,413	885,446	2,967,859
2009	1,576,279	869,888	2,446,167
2010	866,439	868,601	1,735,040
2011	641,222	839,545	1,480,767
2012-2016	2,362,538	1,257,011	3,619,549
2017-2021	1,953,486	-	1,953,486
Total	<u>\$ 11,835,690</u>	<u>\$ 5,816,892</u>	<u>\$ 17,652,582</u>

The City acts as lessor for operating leases that arise primarily from leasing office or retail space. Operating lease revenues for governmental activities were \$1.9 million and for business-type activities, \$1.8 million. Future minimum rents to be received from non-cancelable operating leases are contractually due as follows as of June 30, 2006:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2007	\$ 1,409,018	\$ 1,409,069	\$ 2,818,087
2008	1,065,492	643,243	1,708,735
2009	931,899	483,854	1,415,753
2010	866,138	388,309	1,254,447
2011	866,399	311,546	1,177,945
2012-2016	1,248,847	1,084,843	2,333,690
2017-2021	851,259	32,918	884,177
	<u>\$ 7,239,052</u>	<u>\$ 4,353,782</u>	<u>\$ 11,592,834</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. 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. Outstanding debt amounts are as of June 30, 2006.

General obligation bonds

The City has \$66.6 million of outstanding self-supporting general obligation bonds for governmental activities. These bonds were originally issued for park system improvements and emergency facilities. The City is authorized to levy an unlimited ad valorem tax to pay these bonds.

The City's general obligation bonds are used for the acquisition and construction of capital improvements of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The City originally issued \$77.5 million of governmental bonds for governmental activities and \$7.6 million for business-type activities.

Business-type activities include \$7.5 million of outstanding self-supporting general obligation water bonds. While the City has the authority to levy an unlimited ad valorem tax to pay these bonds, the City has chosen to pay these bonds entirely from revenues of the water system.

The City's general obligation water bonds issued in 2004 are non-callable. The City is in compliance with its bond covenants as of and for fiscal year ended June 30, 2006.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00 – 5.125%	\$ 66,580,000
Business-type activities	3.00 – 3.40	7,485,000
Total		<u>\$ 74,065,000</u>

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 4,810,000	\$ 2,975,054	\$ 1,405,000	\$ 212,925
2008	5,000,000	2,782,611	1,450,000	170,100
2009	5,310,000	2,581,411	1,495,000	125,925
2010	5,535,000	2,360,843	1,545,000	78,780
2011	5,755,000	2,126,656	1,590,000	27,030
2012-2016	28,045,000	6,408,955	-	-
2017-2021	9,280,000	1,640,844	-	-
2022-2026	2,845,000	243,792	-	-
Total	<u>\$ 66,580,000</u>	<u>\$ 21,120,166</u>	<u>\$ 7,485,000</u>	<u>\$ 614,760</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. Long-term debt, Continued:

Limited tax improvement bonds

The City has \$15.8 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 5.55 percent.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2007	\$ 1,100,000	\$ 665,107
2008	1,065,000	632,108
2009	-	597,495
2010	-	597,495
2011	-	597,495
2012-2016	810,000	2,904,855
2017-2021	2,340,000	2,603,100
2022-2026	10,480,000	911,760
Total	\$ 15,795,000	\$ 9,509,415

Urban renewal and redevelopment bonds

The City issues urban renewal and redevelopment bonds to finance capital projects to 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 six of its urban renewal districts including Airport Way, Oregon Convention Center, South Park Blocks, Downtown Waterfront, Interstate Corridor and River District. The \$284.6 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 1.8 to 7.75 percent.

In September 2005, the City issued \$45.4 million urban renewal and redevelopment bonds for the Airport Way urban renewal district. These bonds were issued to refund certain maturities of the City's outstanding Airport Way Urban Renewal and Redevelopment Bonds, Series A. The bonds are secured by and payable from the tax increment revenues from the Airport Way defined area.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. Long-term debt, Continued:

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2007	\$ 12,865,000	\$ 14,954,320
2008	13,565,000	14,441,055
2009	13,020,000	13,849,251
2010	15,085,000	13,161,983
2011	15,980,000	12,334,512
2012-2016	94,510,000	47,062,897
2017-2021	101,745,000	18,778,966
2022-2026	17,825,000	1,767,706
Total	\$ 284,595,000	\$ 136,350,690

Limited tax and limited tax revenue bonds

The City has issued limited tax and limited tax revenue bonds to finance local and public improvement projects and to finance the City's December 31, 1997 unfunded actuarial accrued pension liability with 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/Full Faith and Credit Obligations. As of June 30, 2006, the City had \$67.1 million of outstanding limited tax revenue bonds, which are paid primarily from General Fund resources. These limited tax revenue bonds were issued to satisfy a variety of capital financing requirements. The interest rates on the outstanding bonds range from 2 to 5.875 percent.

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 PERS unfunded actuarial accrued pension liability with the State of Oregon Public Employees Retirement System. The bonds are secured by available general funds, defined as revenues, which 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. Interest rates on the outstanding bonds range from a variable rate at June 30, 2006 of 5.25 percent on the \$75 million 1999 Series D, and 5.20 percent on the \$75 million 1999 Series E, to 7.7 percent on the \$150.8 million 1999 Series C. In accordance with GAAP, in fiscal year 2002, the City allocated the PERS bond liability to all funds that have employees who are PERS members. The \$300.8 million liability has been distributed as follows:

Governmental activities	\$228.1 million
Business-type activities	72.2 million
Fiduciary funds	0.5 million

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. Long-term debt, Continued:

Approximately 40 percent of the debt service on these bonds is expected to be paid from resources of the General Fund. 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, 2006, approximately \$111.7 million of outstanding principal remained on the portion of the bonds projected to be repaid with General Fund resources.

Self-supporting general fund obligations

Limited Tax Pension Obligation Revenue Bonds. Of the total outstanding Limited Tax Pension Obligation Revenue Bonds described above, approximately \$189.2 million is expected to be fully self-supporting and paid from non-General Fund bureaus of the City. In fiscal year 2002, \$72.2 million of the total outstanding Limited Tax Pension Obligation Revenue Bonds was allocated to enterprise funds. The City expects these funds to pay the debt service on their allocated share from operating revenues.

Limited Tax Revenue Bonds (Central City Streetcar Project). The City has \$24.9 million outstanding limited tax revenue bonds for the Central City Streetcar Project. These bonds are ultimately secured by the City's General Fund but the City expects to pay the debt service on these bonds with revenues from the City's parking facilities and parking meter revenues. Interest rates on the outstanding bonds range from 4 to 5 percent.

Limited Tax Revenue Bonds (Visitor Development Initiative). The City has issued bonds pursuant to an intergovernmental agreement known as the Visitor Development Initiative for various projects. While ultimately secured by the City's General Fund, these bonds are expected to be repaid, in whole or in part, with revenues generated from surcharges on the transient lodging and the motor vehicle rental tax. As of June 30, 2006, the City had \$97.9 million of outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project, \$30.8 million of outstanding bonds for the Civic Stadium Project, and \$1.7 million of outstanding bonds for the Portland Center for Performing Arts (PCPA) Project. The interest rates on the \$97.9 million outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project range from 4.52 to 5.5 percent. For the other bonds issued listed above, Civic Stadium Project and the PCPA, the interest rates range from 4.1 to 7 percent. Annual debt service requirements to maturity for limited tax and limited tax revenue bonds are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 12,138,732	\$ 21,300,833	\$ 3,946,775	\$ 8,619,330
2008	14,215,532	20,740,202	4,826,154	8,415,403
2009	13,186,985	20,031,986	5,392,542	8,149,567
2010	13,821,735	19,968,458	6,020,133	7,846,780
2011	15,218,074	19,350,207	6,910,922	7,518,300
2012-2016	90,933,058	87,713,821	46,344,378	31,378,884
2017-2021	121,413,871	66,091,992	51,633,079	17,444,069
2022-2026	82,872,842	129,543,642	24,957,756	36,657,997
2027-2031	49,844,386	103,577,212	3,769,278	30,970,244
2035-2036	2,695,000	339,235	-	-
Total	\$ 416,340,215	\$ 488,657,588	\$ 153,801,017	\$ 157,000,574

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. 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; sewer system facilities, water system facilities, parking system facilities, golf 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. During fiscal year 2006, the City issued \$265 million Sewer System Revenue bonds to fund capital improvements to the City's Sewer System. The City also issued \$21.4 million Hydroelectric Power Revenue Refunding Bonds to refund the outstanding \$22.3 million 1979A and \$1.6 million 1993 Hydroelectric Power Revenue Bonds.

Ordinances for revenue bonds generally require the City to maintain restricted reserve accounts to provide for the payment of annual debt service, and in certain cases, to maintain amounts sufficient to pay the maximum annual debt service in any one year. The ordinances also require maintenance of operating income in particular enterprise funds and to maintain adequate insurance on the facilities. Revenue bonds may be redeemed at dates earlier than normal 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 fiscal year ended June 30, 2006.

The City has an agreement with a private utility company to sell power generated from the City's hydroelectric power plant. Plant construction was financed by \$55 million of hydroelectric revenue bonds. Bonds are payable solely from revenue generated by the plant. The agreement provides that the utility company will pay the City power generation revenues, comprised of the annual debt service on the bonds plus the cost of the amount of power delivered and certain other factors.

Revenue bonds outstanding at June 30, 2006 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Principal Outstanding</u>
Gas Tax Revenue Bonds ---		
Public street improvements	2.85 – 5.25%	\$ 6,450,000
Sewage Disposal ---		
Sewer improvement and maintenance	3.00 – 6.00%	1,233,200,000
Water Operating ---		
Water lines improvement and maintenance	3.00 – 5.50%	139,640,000
Hydroelectric Power ---		
Electrical power generating plant	5.523%	21,370,000
Golf Operations ---		
Golf courses improvement and maintenance	2.49 – 5.26%	4,681,000
Parking Facilities ---		
City owned parking structures and maintenance	3.75 – 4.25%	5,150,000
Total		<u>\$1,410,491,000</u>

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. Long-term debt, Continued:

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 510,000	\$ 247,745	\$ 48,690,000	\$ 69,827,177
2008	525,000	224,935	53,083,000	65,919,066
2009	550,000	208,187	55,674,000	64,053,857
2010	570,000	190,038	58,438,000	60,543,956
2011	580,000	170,377	61,845,000	58,331,174
2012-2016	3,255,000	511,273	352,131,000	240,153,064
2017-2021	460,000	35,000	436,060,000	141,755,378
2022-2026	-	-	257,660,000	44,033,386
2027-2031	-	-	80,460,000	11,261,900
Total	\$ 6,450,000	\$ 1,587,555	\$ 1,404,041,000	\$ 755,878,958

Advance and current refundings

On September 29, 2005 the City issued \$45.4 million of Airport Way Urban Renewal and Redevelopment Refunding Bonds, 2005 Series A. The proceeds and a cash contributions were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal and interest on the \$44.4 million of outstanding Airport Way Urban Renewal and Redevelopment Bonds, 2000 Series A. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments by \$4.9 million over the next 16 years and resulted in an economic gain of \$2.4 million.

On April 5, 2006 the City issued \$21.4 million of Hydroelectric Power Revenue Refunding Bonds, Series 2006. \$21.4 million of the proceeds and a cash contribution of \$.4 million from the Hydropower Redemption Fund were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal and interest on the \$21 million of outstanding Hydroelectric Power Revenue Bonds, Series 1979 and on the \$.8 million of outstanding Hydroelectric Power Revenue Refunding Bonds, Series 1993. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments by \$2.2 million over the next 11 years and resulted in an economic gain of \$551 thousand.

The discussion above explains that refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column and the business type activities column of the statement of net assets. The net proceeds from the refunding bonds combined with any escrow earnings equaled the debt service of the refunded bonds.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. Long-term debt, Continued:

Conduit debt

The City has issued 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 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 thereon. No holder or holders of the 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 thereof against any property of the City except the specific project. 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, this does 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, 2006, is \$189.3 million.

The City has made a limited, subject-to-appropriation, pledge of its General Fund to restore reserve fund balances on six Housing Authority of Portland revenue bond issues. The original par amount of these issues is \$38.2 million, of which \$31.3 million remains outstanding.

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 \$494,474 note payable with 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 outstanding on June 30, 2006 was 5 percent.

Lines of credit. As of June 30, 2006, the City has issued \$131.5 million of lines of credit to:

Provide interim financing for urban renewal district projects, and	\$112.5 million
Finance various City backed projects, including:	
Acquiring idle school property for future community center and park	3.5 million
Extending the Portland Central City Streetcar line,	5.5 million
Capital improvements for various uses including smart meters, and	9.6 million
City of Portland's share of a local government joint project to temporarily house children in protective custody.	.4 million

The outstanding lines of credit are secured by the General Fund. The City expects to retire the lines of credit from the proceeds of long-term bonds secured by tax increment revenues. Interest rates on the outstanding lines of credit on June 30, 2006 ranged from 2.6 to 5.77 percent.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. Long-term debt, Continued:

Loans Payable. The City has entered into various loan arrangements for the purpose of financing energy, sewer system improvements and housing renovations. The principal balance of these loans on June 30, 2006, is \$23 million. Interest rates vary from 1 to 6.1 percent with maturities to fiscal year 2026.

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:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 17,723,018	\$ 6,612,367	\$ 294,370	\$ 127,422
2008	68,186,175	4,388,944	483,314	96,625
2009	51,459,939	2,376,735	493,215	89,561
2010	-	190,723	498,185	84,166
2011	4,565,790	98,235	461,795	77,624
2012-2016	-	-	2,201,691	297,986
2017-2021	-	-	2,183,240	144,281
2022-2026	-	-	6,444,940	35,636
Total	\$ 141,934,922	\$ 13,667,004	\$ 13,060,750	\$ 953,301

Compensated Absences

The City's policy relating to compensated absences is described in Note I.D.9. As shown in the changes in long-term liabilities schedule below, the long-term portion of compensated absences for governmental activities and business-type activities is \$16.1 million and \$342.2 thousand respectively at June 30, 2006. The long-term portions of these liabilities are expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the governmental and enterprise funds for which the employees who earned the compensated absences were assigned. The total amount outstanding at June 30, 2006 was \$50.7 million for governmental activities and \$5.7 million for business-type activities.

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, 2006, internal service funds had \$74.6 million bonds outstanding. When debt service payments become due, cash is transferred from the applicable governmental fund and enterprise operating fund to the disbursing debt service fund within five days prior to the payment date.

For fiscal year 2006, there were no governmental funds used to liquidate other long-term liabilities. The governmental funds and internal service funds, which committed to a long-term liability such as a capital lease, paid the debt service obligations from current resources.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

H. Long-term debt, Continued:

Overnight bonds, as presented in the short-term debt Note III.H., are also included below in the urban renewal and redevelopment activity for reconciliation purposes. Long-term liability activity for the year ended June 30, 2006, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable					
General obligation	\$ 71,220,000	\$ -	\$ 4,640,000	\$ 66,580,000	\$ 4,810,000
Local tax improvement					
payable from assessment payments	19,355,000	-	3,560,000	15,795,000	1,100,000
Urban renewal and redevelopment	295,645,000	78,865,000	89,915,000	284,595,000	12,865,000
Limited tax and limited tax revenue	425,870,215	-	9,530,000	416,340,215	12,138,732
Revenue bonds	6,935,000	-	485,000	6,450,000	510,000
Unamortized premium and discounts	7,667,023	2,974,854	1,235,960	9,405,917	-
Total bonds payable	826,692,238	81,839,854	109,365,960	799,166,132	31,423,732
Notes, loans and lines of credit payable	57,138,759	88,021,633	3,225,470	141,934,922	17,723,017
Self insurance claims	25,786,792	41,766,282	37,599,499	29,953,575	12,392,694
Compensated absences	48,142,114	34,806,116	32,206,899	50,741,331	38,891,306
Capital leases	808,220	-	336,137	472,083	442,617
Governmental activities long-term liabilities	\$ 958,568,123	\$ 246,433,885	\$ 182,733,965	\$ 1,022,268,043	\$ 100,873,366
Business-type Activities:					
Bonds payable					
General obligation	\$ 7,542,155	\$ -	\$ 57,155	\$ 7,485,000	\$ 1,405,000
Limited tax and limited tax revenue	156,891,017	-	3,090,000	153,801,017	3,946,775
Revenue bonds	1,182,447,000	286,350,000	64,756,000	1,404,041,000	48,690,000
Unamortized premium and discounts	39,331,164	5,017,847	2,440,019	41,908,992	-
Total bonds payable	1,386,211,336	291,367,847	70,343,174	1,607,236,009	54,041,775
Notes and loans payable	2,415,499	10,712,796	67,545	13,060,750	294,370
Compensated absences	5,184,789	5,660,753	5,075,998	5,769,544	5,426,370
Capital leases	1,776,810	-	609,539	1,167,271	604,814
Business-type activities long-term liabilities	\$ 1,395,588,434	\$ 307,741,396	\$ 76,096,256	\$ 1,627,233,574	\$ 60,367,329

I. 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 Oregon law, 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 \$34.6 million overnight bonds in fiscal year 2006 and paid the issued amounts off within five days. At June 30, 2005, there were no outstanding overnight bonds.

At the beginning of the fiscal year, the City issued \$15.96 million Tax Anticipation Notes in advance of property tax collections, depositing the proceeds in the Fire and Police Disability and Retirement (fiduciary) Fund. The notes are issued to meet current operating expenses of the Fire and Police Disability and Retirement Fund.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

III. Detailed notes, Continued:

I. Short-term debt, Continued:

Short-term debt activity of the fiscal year ended June 30, 2006 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Overnight bonds	\$ -	\$ 34,600,000	\$ 34,600,000	\$ -
Tax anticipation notes	-	15,960,000	15,960,000	-
	<u>\$ -</u>	<u>\$ 50,560,000</u>	<u>\$ 50,560,000</u>	<u>\$ -</u>

IV. Other information:

A. Risk management:

The City of Portland is self-insured for workers' compensation, general liability claims and certain employees' medical coverage in internal service funds. Per ORS 30.270(1)(b)(c), general and fleet liability claims are limited to \$100,000 per person, an additional \$100,000 per person under special circumstances and \$500,000 aggregate per occurrence. Claims under federal jurisdiction are not subject to such limitations. 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 assets). 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 Division 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, 2006, the expected rate of return was 3.75 percent. 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, and an excess workers' compensation coverage insurance policy covers claims in excess of \$1,500,000. Settlements have not exceeded coverages for each of the past three fiscal years.

Liabilities are reported in the applicable fund when it is probable that a loss has occurred and the amount of the 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. 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 allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

A. Risk management, Continued:

Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended June 30, 2006	Year ended June 30, 2005
Balance, beginning of fiscal year	\$ 25,786,792	\$ 25,298,083
Incurred claims and adjustments	41,766,372	36,697,909
Claims payments	(37,599,589)	(36,209,200)
Unpaid claims, end of fiscal year	<u>\$ 29,953,575</u>	<u>\$ 25,786,792</u>

B. 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, and 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 funds when it appears probable that the loss has been incurred and the amount in question can be reasonably estimated. Claims against governmental funds are recognized when due.

Bonds

The City has a contingent liability against its full faith and credit for liabilities recorded in enterprise funds for general obligation water district bonds in the amount of \$7.5 million at June 30, 2006. General credit of the City is obligated on these bonds only to the extent cash, generated from income in the Water Fund, is insufficient to pay debt service on the bonds.

The City's general credit is obligated on limited tax improvement bonds aggregating \$15.8 million at June 30, 2006, 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

B. Commitments and contingent liabilities, Continued

Labor agreements

There are eight labor agreements between the City and its employees, three of which were to expire on June 30, 2006, and one of which expired June 30, 2005. All contracts have been settled and ratified by City Council prior to June 30, 2006.

	<u>Effective Dates</u>	
The City of Portland Professional Employees Association (COPPEA)	7/1/2004	6/30/2007
Laborers', Local 483 - Recreation Employees	7/1/2004	6/30/2007
Laborers', Local 483 - Seasonal Maintenance Workers	7/1/2005	6/30/2007
The Portland Fire Fighters' Association - Local 43 (PFFA)	7/1/2005	6/30/2007
The Portland Police Commanding Officers Association (PPCOA)	7/1/2006	6/30/2010
Portland Police Association (PPA)	7/1/2006	6/30/2010
The District Council of Trade Unions (DCTU)	7/1/2006	6/30/2010
Bureau of Emergency Communications -	7/1/2006	6/30/2010
Oregon AFSCME Council 75, Local 189-2 (BOEC)		

Contractual commitments

Contractual commitments at June 30, 2006 amounted to:

Governmental activities	\$ 197,479,112
Business-type activities	22,111,352
Total	<u>\$ 219,590,464</u>

The majority of these amounts represent incomplete multi-year construction contracts. Also included in these amounts are uncompleted balances of professional service contracts and intergovernmental agreements.

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% 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, 2006, the total accumulated excess cost was \$25,310,864, 50 percent of this total was \$12,655,432, and the carrying value of the renewal and replacement assets was \$8,100,413.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

B. Commitments and contingent liabilities, Continued

Portland Harbor

In 1997, Department of Environmental Quality (DEQ) and the U.S. Environmental Protection Agency (EPA) conducted a study of sediments in the Portland Harbor. Portland Harbor was listed as a federal Superfund site in December of 2000. Sixty-nine entities and property owners along the Willamette River, including the City, were notified by EPA that they were potentially responsible for further investigation and clean up of contaminated sediments in the Portland Harbor. Accordingly, the City of Portland and nine other potentially responsible parties have entered into an Administrative Order on Consent (AOC) with EPA to finance a Remedial Investigation and Feasibility Study (RI/FS) under the Portland Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

The signatories to the AOC have agreed upon a cost sharing plan to fund the RI/FS. The City's share is 25 percent. The City's share of the RI/FS costs bears no relationship to the City's potential liability for clean up 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 storm water utility, which is managed by the City's Bureau of Environmental Services (BES), and funds in the City's Environmental Remediation Fund. The City's estimated costs associated with the RI/FS activities, through FY 2010 is expected to range between \$1.9 million and \$9 million. The minimum amount of this range, \$1.9 million has been accrued at fiscal year end June 30, 2006. The City believes that an estimate of the maximum exposure of the Portland Harbor clean up cannot be made but could be material to the period in which it is recorded.

Costs of cleaning up the site and restoration of natural resources will be estimated at the completion of the RI/FS. Additional parties that contributed to the contamination may be discovered during the investigation. After selection of a remedial action, allocation of liability for clean up will be determined. Under CERCLA, responsible parties that fail to enter into agreements to remediate and restore Superfund sites become subject to legal action by EPA to recover their full share of liability for clean up and restoration activity, including imposition of fines and other financially punitive measures. The City's ultimate liability is undeterminable at this time. However, it is expected to be a material amount.

C. Employee retirement systems and pension plans:

State of Oregon Public Employees Retirement System

Plan description. Substantially all civilian City employees and 33 fire and police personnel are participants under one or more plans currently available through Oregon Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system under the authority of ORS 238.600.

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.

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).

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

State of Oregon Public Employees Retirement System, Continued:

Beginning January 1, 2004, all employees who are active members of PERS became members of the OPSRP IAP Program. PERS plan member contributions (the six percent 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, but any future member contributions will be 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, URL: <http://Oregon.gov/PERS/>, or by telephone (503) 598-7377.

PERS' benefits vest after five years of continuous service or at age 50. General service employees may retire after reaching age 55. Employees with 30 years of service (25 years for fire and police personnel at age 50) receive unreduced benefits. 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.

Retirement benefits are based on final average salary and length of service and are calculated under either a money match, full formula or a formula plus annuity computation if a greater benefit results. Fire and police personnel may purchase increased benefits payable between the date of retirement and age 65. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

Funding policy. The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. Beginning in fiscal year 1999-2000, PERS began passing costs on to employers due to the Oregon State Legislature increasing retiree benefits in 1995 by a maximum 9.89 percent benefit increase on benefits earned before October 1991 after a Court decision mandating taxation of state PERS benefits for retirees, and because the interpretation of PERS statutes by the PERS Board increased benefits beyond those foreseen by the legislature. 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. Proceeds of the 1999 Series C, D & E Bonds (the "Bonds") were used to finance all of the estimated unfunded actuarial accrued liability (UAAL) of the City of Portland with PERS as of December 31, 1997. The City elected to finance its December 31, 1997, UAAL of \$257,917,529 to receive a lower employer contribution rate of 8.56 percent of covered employees' salaries. This resulted in the City having an over funded Actuarial Accrued Liability of \$60,844,234 at December 31, 1999. It is the City's policy to recognize pension expenditures or expenses 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. Full faith and credit of the City secures the bonds. Total bonds issued for fiscal year 2000 equaled \$300,848,346. The City is not authorized to levy additional taxes to pay these obligations. The liability will be 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.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

State of Oregon Public Employees Retirement System, Continued:

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 was prepared for the period ending December 31, 2003. In February 2005, the City was notified by the PERS actuarial firm that based on the most recent actuarial valuation the City's contribution rate would be changing. Due to higher than expected rate increases system-wide, the PERS Board has decided to phase in the rate increases in two steps. The first increase, effective July 1, 2005, was 8.07 percent, with the second effective July 1, 2007, expected to be 12.29 percent.

Annual pension cost. The net pension obligation is determined in accordance with GASB Statement 27. PERS sets the rate for the City, based on the independent actuarial study that is performed every two years. This rate establishes the annual required contribution for the City. For fiscal 2005, the City's annual pension cost of \$20,277,777 was equal to the City's required and actual contributions. The required contribution was determined as part of the independent actuarial valuation for the City at December 31, 2003, using the entry age actuarial cost method. The amortization method used is a 24-year closed group, fixed term. Significant economic assumptions used in the actuarial valuation include: (a) rate of return on the investment of present and future assets of eight percent per annum compounded annually, (b) projected salary increases at four percent per year compounded annually, (c) increases due to promotions and longevity that vary by age and service, (d) pre and post-mortality 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 three 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.

PERS has not provided updated information to the City as of the publication date of the financial statements. The City's schedules of employer contributions, schedule of funding progress and net pension assets through June 30, 2005 are as follows:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Pension Assets
2003	\$ 36,330,124	\$ 27,750,405	76%	\$ 226,647,534
2004	27,390,839	18,811,120	69%	218,067,815
2005	28,857,496	20,277,777	70%	209,488,096

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

State of Oregon Public Employees Retirement System, Continued:

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Attained Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/1999	\$ 1,344,029,254	\$ 1,283,185,019	\$ (60,844,234)	105%	\$185,197,179	(33)%
12/31/2001	1,259,495,765	997,071,885	(262,423,880)	126%	198,403,067	(132)%
12/31/2003	1,187,442,653	1,159,201,902	(28,240,751)	102%	201,036,519	(14)%

NET PENSION ASSETS

	Fiscal Year Ending June 30, 2005
Net pension asset (obligation), beginning of year	\$ 218,067,815
Annual Required Contribution	\$ (20,277,777)
Interest on pension asset (obligation)	17,445,425
Adjustment to Annual Required Contribution	(26,025,144)
Annual Pension Cost	(28,857,496)
Contributions made	20,277,777
Change in pension asset (obligation)	(8,579,719)
Net pension asset (obligation), end of year	\$ 209,488,096

Fire and Police Disability and Retirement Plan

Description of plan. Fire and Police Disability and Retirement Plan (the Plan), a single employer defined benefit plan, is administered by the Fire and Police Disability and Retirement Board (the Board). The Authority for the Plan's vesting and benefit provisions is contained in the Charter of the City of Portland, Oregon. The Plan issues a publicly available financial report including financial statements and required supplementary information. See *The Fire and Police Disability and Retirement Fund*, (Note I.A.) for information on obtaining financial statements.

There are 1,230 vested and 374 non-vested active working fire and police personnel that are participants in the Fire and Police Disability and Retirement Plan. Of these members, 21 are on short-term disability at June 30, 2006. In addition, there are 1,754 retirees and beneficiaries currently receiving pension and long-term disability benefits and 37 terminated employees who are vested but not yet receiving benefits under the Plan. Fire and police personnel generally become eligible for membership in the Plan immediately upon employment. The Plan provides for service connected disability benefits at 75 percent of salary for the first year of disability with 25 to 75 percent of salary in later years, depending on the medical status and ability to obtain other employment. The Plan also provides for non-service connected disability benefits at reduced rates of base pay.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

Fire and Police Disability and Retirement Plan, Continued:

Effective July 1, 1990, the Plan was amended to provide for payment of 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 to 2.8 percent (as selected by the member based on the amount of benefits to be paid to the surviving spouse) multiplied by number of years of service (up to 30 years) incurred by the member. The product is multiplied by the highest one-year base pay the member received during the final three years of the member's employment.

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 accordance with terms of the Plan from a non-service connected death and for death after retirement.

The City has created an independent Citizen Review Committee in 2005 to oversee a comprehensive analysis of the Portland FPD&R system. This committee presented their recommendations to the City Council in January, 2006. Recommendations were ultimately referred to the ballot and resulted in adoption of a Charter amendment which required significant changes to the structure and operations of the FPD&R Plan. Changes to the pension portion of the fund will require that sworn police officers or firefighters hired after January 1, 2007 be enrolled in the appropriate program of the State of Oregon Public Employees Retirement System rather than in the FPD&R Plan.

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. Plan member contributions are recognized in the period in which the contributions are due. 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.

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

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. Seven subsequent amendments have been made by voters with the last one being November 7, 2006.

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 is fully funded at June 30, 2006.

In accordance with Charter provisions, there are no requirements to finance the Plan using actuarial techniques. 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 or advances, for the next succeeding fiscal year and submits this estimate to the City Council.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

Fire and Police Disability and Retirement Plan, Continued:

The Council is required by Charter to levy a tax sufficient to provide amounts necessary to meet estimates provided by the Board of Trustees. Funding for the Plan is accomplished by imposition of a special property tax levy which 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 and is recognized in the Fire and Police Disability and Retirement Fund (FPD&R). Prior to July 1, 1990, effective date of the charter revision, the City had no legal liability to pay for obligations in excess of current year revenues available to the plan. Benefits and claims, if a deficiency occurred, would have been required to be paid on a pro rata basis. Effective July 1, 1990, in the event that funding for the Plan is less than the required payment of benefits to be made in any particular year, the FPD&R could receive advances from the FPD&R 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 fiscal year ended June 30, 2006, the weighted levy rate per \$1,000 of real market value under the special property tax levy was \$1.29.

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 opting to remain in the old plan.

Members enrolled in the Plan prior to July 1, 1990, were required to make an election as to whether they wished to fall under provisions of the Plan as constituted prior to July 1, 1990, or become subject to the new Plan provisions after June 30, 1990. As of June 30, 2006, there were 888 members and beneficiaries that fall under the provisions of the Plan as constituted prior to July 1, 1990, and 2,507 members and beneficiaries were subject to the new Plan as constituted after June 30, 1990.

Recognizing that the economic conditions have changed significantly over the past few years, the City reviewed the discount rate and assumptions utilized in the calculations of the actuarial valuation, actuarial accrued pension liabilities, and net pension obligation, and determined they should be revised to more closely match the funding and investment returns that actually be achieved under existing investment. As a result, the City continued to monitor the discount rate used to value the Fund liabilities throughout the fiscal year; as a result revised 2005's rate from 6.63% to 6.04%. The impact of this change in estimate increased the net pension obligation by \$362,344.

Total actual contributions to the Plan for fiscal year ended June 30, 2006, consisted of the special property tax levy of \$81,353,857, which is 69.20 percent of the annual covered payroll of \$117,568,114. The City has recognized a net pension obligation of \$702,651,000. The net pension obligation (NPO) was determined in accordance with GASB Statement 25. 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 assets.

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

Fire and Police Disability and Retirement Plan, Continued:

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

SCHEDULE OF FUNDING PROGRESS

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
6/30/2004	14,351,075	1,288,704,000	1,274,352,925	1.11%	103,179,263	1235.09%
6/30/2005	15,121,840	1,684,459,000	1,669,337,160	0.90%	115,134,912	1449.90%
6/30/2006	15,266,971	1,817,661,314	1,802,394,343	0.84%	117,568,114	1533.06%

SCHEDULE OF ANNUAL PENSION COST

Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
2004	121,766,496	85,253,135	70.01%	548,784,351
2005	148,344,908	80,577,364	54.32%	616,551,895
2006	167,452,962	81,353,857	48.58%	702,651,000

NET PENSION OBLIGATION

		Fiscal Year Ending June 30, 2006
Net pension asset (obligation), beginning of year		\$ (616,551,895)
Annual Required Contribution	\$ (172,617,172)	
Interest on pension asset (obligation)	(37,239,734)	
Adjustment to Annual Required Contribution	42,403,945	
Annual Pension Cost	(167,452,962)	
Contributions made	81,353,857	
Change in pension asset (obligation)		(86,099,105)
Net pension asset (obligation), end of year		<u>\$ (702,651,000)</u>

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

Fire and Police Disability and Retirement Plan, Continued:

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:

Valuation date	July 1, 2006
Actual cost method	Attained age
Amortization method	30-year level dollar
Remaining amortization period	30 years open
Asset valuation method	Per open market
Actuarial assumption methods:	
Investment rate of return	6.04%
Projected salary increases	3.5%
Includes inflation at cost of living adjustments	3.5%
Post-retirement benefit increases:	
Per Old Plan	3.5%
Per New Plan	2.0%

D. Subsequent events

Fire and Police Disability and Retirement Plan

On November 7, 2006, voters in the City of Portland passed a ballot measure that will change the structure of the Fire and Police Disability and Retirement Plan (FPD&R). The change will take effect January 1, 2007. Under the new structure, the number of members on the board of trustees will be reduced from the current eleven members to five. The five members will include two citizen members with expertise in disability or retirement, one City representative, and two member representatives. In addition, the FPD&R Board will no longer decide claims. A qualified administrator will deny or approve claims. Appeals will be made to independent hearings officers with disability experience.

All police and firefighters hired on or after January 1, 2007 will be members of the Oregon Public Employee Retirement System (PERS) rather than joining the existing plan. The FPD&R Plan will pay the employee and employer portion of the PERS contributions. This move is expected to increase property taxes for 35 years. The maximum property tax that can be levied for the benefit of the FPD&R Plan continues to be two and eight-tenth mills on each dollar of valuation of property (\$2.80 per \$1,000) of property not exempt from taxation. Performance audits will be implemented to assess the implementation of the reforms in the FPD&R Plan.

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City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

IV. Other information, Continued:

D. Subsequent events, Continued:

Debt activity

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

Bonds and Terms:	Origination Date	Principal	Length in Years	Interest Rate
Second Lien Water System Revenue Bonds, 2006 Series A Series A, Tax Exempt. Beginning April 1, 2007, interest payable semi-annually on April 1 and October 1.	9/21/2006	\$ 68,970,000	25	4.25 - 5.00%
First Lien Water System Revenue Refunding Bonds, 2006 Series B Series A, Tax Exempt. Beginning April 1, 2007, interest payable semi-annually on April 1 and October 1.	9/21/2006	\$ 44,000,000	15	4.00 - 5.00%

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

Notes and Loans:	Origination Date	Maximum Credit	Draw Date	Principal	Length in Years	Interest Rate
Tax Anticipation Note, Series 2006, (Fire and Police Disability Retirement Fund)			7/11/2006	\$ 15,430,000	1	4.50%
State of Oregon, Department of Environmental Quality, Habitat Restoration/Watershed Revegetation Program	9/10/2003	\$ 2,326,248	10/30/2006	202,691	20	1.00%

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

Debt Redeemed:	Event Date	Principal
Water System Revenue Bonds 1997 Series A Tax Exempt, defeased. Estimated economic gain \$1.8 million.	9/21/2006	\$ 21,460,000
Water System Revenue Bonds 2000 Series A Tax Exempt, defeased. Estimated economic gain \$1.4 million.	9/21/2006	22,290,000
Streetcar Gibbs Extension Line of Credit	11/30/2006	10,291,644

Continued next page

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2006

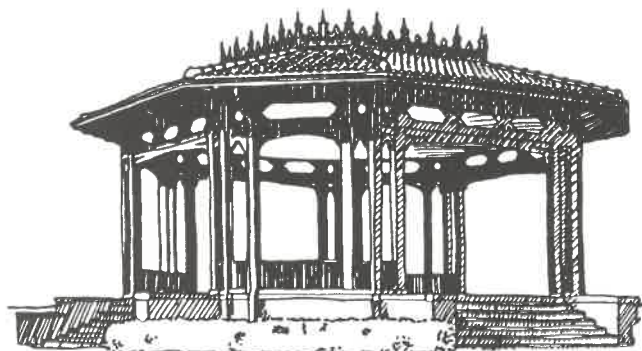
IV. Other information, Continued:

D. Subsequent events, Continued:

Draws on Open Lines of Credit	Origination Date	Maximum Credit	Draw Date	Principal	Length in Years	Interest Rate
Interstate Corridor Non-Revolving Tax Credit Facility	11/11/2002	10,000,000	7/21/2006	6,400,000	5	Variable
Central District LID Non-Revolving Tax-Exempt Credit Facility	8/25/2005	21,020,000	7/26/2006	3,452,353	3	Variable
Central District LID Non-Revolving Tax-Exempt Credit Facility	8/25/2005	21,020,000	8/24/2006	3,319,232	3	Variable
Central District LID Non-Revolving Tax-Exempt Credit Facility	8/25/2005	21,020,000	9/15/2006	2,439,779	3	Variable
Central District LID Non-Revolving Tax-Exempt Credit Facility	8/25/2005	21,020,000	10/20/2006	2,586,112	3	Variable
Central District LID Non-Revolving Tax-Exempt Credit Facility	8/25/2005	21,020,000	12/1/2006	477,443	3	Variable
River District Urban Renewal Area Non-Revolving Taxable Credit Facility	6/27/2002	40,000,000	10/20/2006	1,976,032	5	Variable
Local Improvement District Revolving Tax-Exempt Credit Facility	1/5/2006	10,000,000	11/9/2006	292,893	5	Variable
Local Improvement District Revolving Tax-Exempt Credit Facility	1/5/2006	10,000,000	12/7/2006	213,184	5	Variable
Convention Center URA Non-Revolving Taxable Credit Facility	6/27/2002	10,000,000	9/28/2006	7,427,408	5	Variable
Central District URA Non-Revolving Taxable Credit Facility	6/23/2005	30,800,000	11/30/2006	7,043,898	4	Variable
Parks Land Acquisition Non-Revolving Tax-Exempt Credit Facility	12/22/2004	4,000,000	12/1/2006	67,937	3	Variable
NMI LOC Non-Revolving Taxable Credit Facility	11/20/2006	2,500,000	11/20/2006	2,500,000	10	5.75%

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Required Supplementary Information



Peninsula Park Bandstand, 1913

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Taxes:				
Current year property taxes	\$ 154,181,404	\$ 154,181,404	\$ 156,492,598	\$ 2,311,194
Prior year property taxes	3,769,106	3,769,106	3,291,071	(478,035)
Lodging taxes	12,092,518	12,092,518	13,303,241	1,210,723
Total taxes	170,043,028	170,043,028	173,086,910	3,043,882
Licenses and permits:				
Business licenses, net	44,418,253	44,418,253	62,231,703	17,813,450
Public utility licenses	40,619,123	40,619,123	45,481,383	4,862,260
Construction permits	1,210,592	1,460,592	1,416,188	(44,404)
Other permits	1,949,661	2,068,489	1,805,129	(263,360)
Total licenses and permits	88,197,629	88,566,457	110,934,403	22,367,946
Intergovernmental:				
State revenue sharing	10,075,896	10,075,896	11,476,355	1,400,459
State cost sharing	30,000	30,000	14,970	(15,030)
State grants	-	37,000	4,568	(32,432)
Multnomah County cost sharing	5,004,699	5,083,427	4,500,699	(582,728)
Local shared revenues	3,796,249	4,061,962	3,855,203	(206,759)
Local administered federal funds	150,000	150,000	219,424	69,424
Local cost sharing	5,984,422	6,432,425	6,168,864	(263,561)
PDC - overhead charges	179,776	179,776	179,776	-
Total intergovernmental	25,221,042	26,050,486	26,419,859	369,373
Charges for services:				
Inspection fees	950,000	950,000	918,850	(31,150)
Parks and recreation facilities fees	8,228,915	8,251,415	7,895,635	(355,780)
Concessions	19,565	19,565	11,294	(8,271)
Rents and reimbursements	2,384,504	2,412,388	2,380,112	(32,276)
Other service charges	2,261,161	2,207,902	3,695,575	1,487,673
Total service charges and fees	13,844,145	13,841,270	14,901,466	1,060,196
Billings to other funds for services:				
Transportation Operating	1,854,279	2,009,765	1,720,825	(288,940)
Emergency Communication	133,865	133,865	133,865	-
Development Services	462,456	479,342	460,357	(18,985)
Property Management License	45,927	45,927	41,620	(4,307)
Public Safety	21,415	21,415	20,963	(452)
Cable	342,688	349,160	346,396	(2,764)
Private for Hire Transportation Safety	12,000	12,000	12,000	-
Business License Surcharge	312,374	312,374	312,374	-
Convention and Tourism	68,272	68,272	68,272	-
Housing Investment	67,400	67,400	-	(67,400)
Parks Local Option Levy	4,620,148	5,047,584	4,991,163	(56,421)
Children's Investment	4,574	4,574	4,574	-
Housing and Community Development	1,809,232	1,937,831	1,770,242	(167,589)
Home Grant	405,162	438,662	390,608	(48,054)
Portland Parks Memorial Trust	497,870	708,991	697,458	(11,533)
Pension Debt Redemption	114,312	114,312	114,312	-
BFRES Facilities GO Bond Construction	90,940	90,940	87,583	(3,357)
Local Improvement District Construction	1,468,976	1,468,976	1,085,761	(383,215)
Parks Capital Construction and Maintenance	151,424	204,846	220,385	15,539
Parks Endowment	500	500	500	-

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City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES, Continued:				
Billings to other funds for services, Continued:				
Sewer System Operating	11,142,541	11,711,042	10,129,083	(1,581,959)
Sewer System Construction	100,000	100,000	-	(100,000)
Water	9,982,928	10,035,734	8,678,139	(1,357,595)
Hydroelectric Power Operating	27,266	27,444	26,851	(593)
Golf	284,766	284,766	287,141	2,375
Portland International Raceway	111,590	111,590	91,719	(19,871)
Solid Waste Management	365,651	375,829	374,426	(1,403)
Parking Facilities	170,544	170,544	153,389	(17,155)
Spectator Facilities Operating	102,055	102,055	95,600	(6,455)
Health Insurance Operating	234,221	234,221	234,221	-
Facilities Services Operating	834,929	843,907	813,577	(30,330)
CityFleet Operating	400,708	400,708	379,741	(20,967)
Printing and Distribution Services Operating	174,223	174,223	156,734	(17,489)
Insurance and Claims Operating	1,505,846	1,505,846	1,492,986	(12,860)
Workers' Compensation Self Insurance Operating	317,814	317,814	304,954	(12,860)
Technology Services	5,308,611	3,785,471	2,897,312	(888,159)
Fire and Police Disability and Retirement	1,279,247	1,399,247	1,280,105	(119,142)
Total billings to other funds for services	44,826,754	45,097,177	39,875,236	(5,221,941)
Billings to other funds for general and overhead charges:				
Transportation Operating	3,038,670	3,038,670	3,038,670	-
Assessment Collection	209	209	209	-
Emergency Communication	303,779	303,779	303,779	-
Development Services	771,634	771,634	771,634	-
Public Safety	6,116	6,116	6,116	-
Cable	14,521	14,521	14,521	-
Private for Hire Transportation Safety	942	942	942	-
Business License Surcharge	26,290	26,290	26,290	-
Convention and Tourism	8,163	8,163	8,163	-
Parks Local Option Levy	24,676	24,676	24,676	-
Children's Investment	25,000	25,000	25,000	-
BFRES Facilities GO Bond Construction	74,148	74,148	74,148	-
Local Improvement District Construction	81,497	81,497	81,497	-
Parks Capital Construction and Maintenance	109,657	109,657	109,657	-
Sewer System Operating	2,687,815	2,687,815	2,687,815	-
Water	2,208,678	2,208,678	2,208,678	-
Hydroelectric Power Operating	58,026	58,026	58,026	-
Golf	113,912	113,912	113,912	-
Portland International Raceway	27,297	27,297	27,297	-
Solid Waste Management	82,599	82,599	82,599	-
Parking Facilities	93,288	93,288	93,288	-
Spectator Facilities Operating	87,668	87,668	87,668	-
Environmental Remediation	3,501	3,501	3,501	-
Health Insurance Operating	188,003	188,003	188,003	-
Facilities Services Operating	814,887	814,887	814,887	-
CityFleet Operating	787,192	787,192	787,192	-
Printing and Distribution Services Operating	281,163	281,163	281,163	-
Insurance and Claims Operating	128,953	128,953	128,953	-
Workers' Compensation Self Insurance Operating	158,614	158,614	158,614	-
Technology Services	844,595	844,595	844,595	-
Portland Police Association Health Insurance	41,263	41,263	41,263	-
Fire and Police Disability and Retirement	101,332	101,332	101,332	-
Total billings to other funds for general and overhead charges	13,194,088	13,194,088	13,194,088	-

Continued next page

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES, Continued:				
Other:				
Loan repayments	15,000	15,000	19,525	4,525
Assessments	1,072,900	1,106,111	1,223,050	116,939
Sales - other	45,000	145,000	218,261	73,261
Refunds	469,102	469,102	610,918	141,816
Private grants and donations	472,616	495,757	291,478	(204,279)
Investment earnings	1,545,510	1,545,510	2,884,411	1,338,901
Other interest income	808,716	815,416	256,321	(559,095)
Payment in lieu of taxes	728,458	728,458	1,533,219	804,761
Miscellaneous	3,219,056	3,382,947	1,895,282	(1,487,665)
Total other	8,376,358	8,703,301	8,932,465	229,164
Total revenues	363,703,044	365,495,807	387,344,427	21,848,620
EXPENDITURES				
Current:				
Personal services	242,976,206	255,273,473	251,900,941	3,372,532
Materials and services	128,822,809	135,714,285	111,924,012	23,790,273
General operating contingencies	18,259,326	11,136,495	-	11,136,495
Debt service and related costs:				
Principal	-	149,337	51,463	97,874
Interest	-	217,756	217,756	-
Capital outlay	3,277,290	8,344,909	3,701,346	4,643,563
Total expenditures	393,335,631	410,836,255	367,795,518	43,040,737
Revenues over (under) expenditures	(29,632,587)	(45,340,448)	19,548,909	64,889,357
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Private for Hire Transportation Safety	68,000	68,000	68,000	-
General Reserve	67,000	251,612	184,612	(67,000)
Federal Grants	15,841,023	32,887,447	18,347,517	(14,539,930)
Housing and Community Development	235,081	235,081	228,119	(6,962)
Sewer System Operating	12,809,321	12,809,321	12,314,131	(495,190)
Water	4,184,153	4,184,153	4,184,153	-
Hydroelectric Power Operating	200,000	815,000	815,000	-
Solid Waste Management	699,402	791,587	734,466	(57,121)
Parking Facilities	320,745	320,745	320,745	-
Spectator Facilities Operating	11,477	11,477	11,477	-
Technology Services	-	324,567	324,567	-
Total transfers from other funds	34,436,202	52,698,990	37,532,787	(15,166,203)
Transfers to other funds:				
Transportation Operating	(5,989,552)	(6,408,452)	(6,044,232)	364,220
Emergency Communication	(8,599,554)	(8,599,554)	(8,599,554)	-
Development Services	(1,314,837)	(1,349,837)	(1,349,837)	-
Public Safety	(17,500)	(17,500)	-	17,500
General Reserve	(5,568,149)	(5,644,284)	(5,568,149)	76,135
Housing Investment	(2,482,122)	(2,882,122)	(2,882,122)	-
Campaign Finance	(447,526)	(495,191)	(495,191)	-
Pension Debt Redemption	(6,033,880)	(6,033,880)	(6,033,880)	-
Governmental Bond Redemption	(1,962,950)	(1,962,950)	(1,952,602)	10,348
Parks Capital Construction and Maintenance	(2,278,227)	(2,703,227)	(2,703,222)	5

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City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
OTHER FINANCING SOURCES (USES), Continued				
Transfers to other funds, Continued:				
Sewer System Operating	(352,056)	(352,056)	(352,056)	-
Health Insurance Operating	-	(455,372)	(455,372)	-
Facilities Services Operating	(2,393,550)	(2,493,550)	(2,493,549)	1
CityFleet Operating	-	(41,685)	(41,685)	-
Printing and Distribution Services Operating	-	(61,855)	(61,505)	350
Insurance and Claims Operating	-	(10,000)	(10,000)	-
Technology Services	(868,957)	(1,352,272)	(1,288,083)	64,189
Total transfers to other funds	(38,308,860)	(40,863,787)	(40,331,039)	532,748
Loans issued	-	-	1,824,000	1,824,000
Sale of capital asset	-	-	76,351	76,351
Total other financing sources (uses)	(3,872,658)	11,835,203	(897,901)	(12,733,104)
Net change in fund balance	(33,505,245)	(33,505,245)	18,651,008	52,156,253
Fund balance -- beginning	33,505,245	33,505,245	51,561,836	18,056,591
Fund balance -- ending	\$ -	\$ -	\$ 70,212,844	\$ 70,212,844

City of Portland, Oregon
Transportation Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and fees:				
Construction permits	\$ 1,067,000	\$ 1,067,000	\$ 1,047,664	\$ (19,336)
Other permits	85,444	85,444	81,939	(3,505)
Total licenses and fees	1,152,444	1,152,444	1,129,603	(22,841)
Intergovernmental:				
State cost sharing	15,780,219	13,186,837	14,142,035	955,198
State grants	1,548,600	1,548,600	-	(1,548,600)
State revenue sharing	27,067,671	27,067,671	26,789,085	(278,586)
Local shared revenues	22,492,487	22,492,487	21,173,404	(1,319,083)
Local cost sharing	18,171,012	16,258,073	17,604,403	1,346,330
Total intergovernmental	85,059,989	80,553,668	79,708,927	(844,741)
Service charges and fees:				
Public works and utility charges	5,657,682	2,566,712	6,350,138	3,783,426
Washington Co. traffic impact fees	-	-	5,700	5,700
Inspection fees	-	-	280,162	280,162
Parking fees	17,249,000	17,294,500	17,840,010	545,510
Rents and reimbursements	-	-	124,766	124,766
Other service charges	2,015,301	1,887,801	774,496	(1,113,305)
Total service charges and fees	24,921,983	21,749,013	25,375,272	3,626,259
Billings for interfund services:				
General	20,000	356,609	207,282	(149,327)
Development Services	308,909	308,909	308,909	-
Local Improvement District Construction	13,583,302	2,624,081	1,460,970	(1,163,111)
Parks Capital Construction and Maintenance	-	50,815	74,040	23,225
Sewer System Operating	16,144,306	16,279,661	16,569,084	289,423
Water	1,179,410	2,304,410	2,202,850	(101,560)
Golf	-	13,525	13,503	(22)
Solid Waste Management	3,500	3,500	-	(3,500)
Spectator Facilities Operating	-	40,000	17,735	(22,265)
Facilities Services Operating	-	13,000	12,228	(772)
CityFleet Operating	5,000	5,000	186	(4,814)
Technology Services	160,574	160,574	161,192	618
Total billings for interfund services	31,405,001	22,160,084	21,027,979	(1,132,105)

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Other:				
Assessments	1,400,000	1,400,000	1,351,784	(48,216)
Sales - other	35,000	35,000	474,986	439,986
Refunds	5,000	5,000	30,602	25,602
Private grants and donations	1,675,000	1,675,000	64,800	(1,610,200)
Investment earnings	180,000	180,000	284,580	104,580
Other interest income	60,000	60,000	181,671	121,671
Miscellaneous	152,594	180,094	1,382,222	1,202,128
Total other	3,507,594	3,535,094	3,770,645	235,551
Total revenues	146,047,011	129,150,303	131,012,426	1,862,123
EXPENDITURES				
Current:				
Personal services	56,239,215	57,044,191	54,889,902	2,154,289
Materials and services	54,221,871	55,975,184	52,855,488	3,119,696
General operating contingencies	4,994,425	9,415,995	-	9,415,995
Overhead charges - General Fund	3,138,670	3,038,670	3,038,670	-
Debt service and related costs:				
Principal	355,074	3,955,074	3,494,585	460,489
Interest	54,422	74,722	337,955	(263,233)
Debt issuance costs	-	-	1,734	(1,734)
Capital outlay	62,179,740	69,314,829	51,114,997	18,199,832
Total expenditures	181,183,417	198,818,665	165,733,331	33,085,334
Revenues over (under) expenditures	(35,136,406)	(69,668,362)	(34,720,905)	34,947,457
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	5,989,552	6,408,452	6,044,232	(364,220)
Federal Grants	18,730,208	7,919,141	6,243,935	(1,675,206)
Local Improvement District Construction	-	32,949,392	22,085,702	(10,863,690)
Parking Facilities	700,000	700,000	700,000	-
Spectator Facilities Operating	130,000	90,000	90,000	-
Transfers to other funds:				
Campaign Finance	(151,758)	(151,758)	(151,758)	-
Pension Debt Redemption	(2,820,566)	(2,820,566)	(2,820,566)	-
Gas Tax Bond Redemption	(2,749,225)	(2,749,225)	(1,075,930)	1,673,295
Sewer System Operating	-	(25,000)	(25,000)	-
CityFleet Operating	-	(1,379,591)	(258,909)	1,120,682
Printing and Distribution Services Operating	-	(10,800)	(10,800)	-
Technology Services	-	(4,300)	(4,299)	1
Bonds and notes issued	1,675,000	9,109,422	12,618,349	3,508,927
Loans issued	-	6,000,000	6,000,000	-
Sale of capital asset	-	-	4,500	4,500
Total other financing sources (uses)	21,503,211	56,035,167	49,439,456	(6,595,711)
Net change in fund balance	(13,633,195)	(13,633,195)	14,718,551	28,351,746
Fund balance -- beginning	13,633,195	13,633,195	14,752,890	1,119,695
Fund balance -- ending	\$ -	\$ -	\$ 29,471,441	\$ 29,471,441

City of Portland, Oregon
 Note to the Required Supplementary Information
 For the Fiscal Year Ended June 30, 2006

Reconciliation between the budgetary basis of accounting and GAAP:

Fund balances as of June 30, 2006, on a budgetary basis are reconciled to fund balances on a GAAP basis as follows:

	General Fund	Transportation Operating Fund
Fund balances at 6/30/06 – budgetary basis	\$70,212,844	\$29,471,441
Reserve funds budgeted as separate funds	49,249,291	725,883
Unrealized gain (loss) on investments – GASB 31	(200,461)	(19,097)
Resources not available for spending:		
Inventories	-	2,066,094
Petty cash	18,926	6,100
Debt funding not in GAAP	-	(6,000,000)
Debt funding not in GAAP	-	3,200,000
Fund balances at 6/30/06 – GAAP basis	<u>\$119,280,600</u>	<u>\$29,450,421</u>



BRASS ANIMALS IN BUS MALL

Combining and Individual Fund Statements and Schedules



Fried/Durkheimer Residence, 1800-81

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.

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
ASSETS					
Cash and investments	\$ 27,683,616	\$ 64,742	\$ 16,491,107	\$ -	\$ 44,239,465
Receivables:					
Accounts, net	2,606,098	-	21,525,943	-	24,132,041
Assessments	920,169	-	2,355,128	-	3,275,297
Advances	147,514	-	-	-	147,514
Accrued interest	299,597	244	138,833	-	438,674
Due from other funds	18,643	-	102,432	-	121,075
Due from component unit	5,250,000	-	-	-	5,250,000
Restricted:					
Cash and investments	34,330,263	32,379,271	5,606,730	166,069	72,482,333
Receivables:					
Taxes	1,093,225	3,833,913	-	-	4,927,138
Assessments	85,945	22,727,070	-	-	22,813,015
Grants	18,031,977	-	-	-	18,031,977
Advances	838,692	-	-	-	838,692
Accrued interest	152,585	324,994	-	1,062	478,641
Due from component unit	17,572,483	-	-	-	17,572,483
Total assets	\$ 109,030,807	\$ 59,330,234	\$ 46,220,173	\$ 167,131	\$ 214,748,345
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,016,294	\$ -	\$ 1,102,835	\$ -	\$ 2,119,129
Due to other funds	-	-	2,449,293	-	2,449,293
Due to component unit	881,145	-	-	-	881,145
Deferred revenue	6,170,168	-	23,375,582	-	29,545,750
Unearned revenue	-	-	244,386	-	244,386
Other accrued liabilities	-	-	186,812	-	186,812
Liabilities from restricted assets:					
Accounts payable	3,728,165	2,850	-	125	3,731,140
Due to other funds	16,155,625	-	-	-	16,155,625
Due to component unit	166,758	-	-	-	166,758
Deferred revenue	887,967	25,493,088	-	-	26,381,055
Unearned revenue	20,087,738	-	-	-	20,087,738
Total liabilities	49,093,860	25,495,938	27,358,908	125	101,948,831
Fund Balances (deficits):					
Reserved:					
Parks, recreation and culture	10,140,260	-	-	-	10,140,260
Community development	20,924,110	-	-	-	20,924,110
Legislative/ Admin/ Support services	14,547	-	-	-	14,547
Debt service	-	33,769,310	-	-	33,769,310
Capital projects	-	-	14,588,316	-	14,588,316
Parks endowment fund:					
Nonexpendable	-	-	-	167,006	167,006
Unreserved, reported in:					
Special revenue funds	28,858,030	-	-	-	28,858,030
Debt service funds	-	64,986	-	-	64,986
Capital projects funds	-	-	4,272,949	-	4,272,949
Total fund balances	59,936,947	33,834,296	18,861,265	167,006	112,799,514
Total liabilities and fund balances	\$ 109,030,807	\$ 59,330,234	\$ 46,220,173	\$ 167,131	\$ 214,748,345

City of Portland, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Assessment Collection	Emergency Communication	Development Services
ASSETS			
Cash and investments	\$ 67,890	\$ 428,929	\$ 10,691,207
Receivables:			
Accounts, net	-	1,247,707	474,864
Assessments	3,685	-	916,484
Advances	-	-	-
Accrued interest	414	3,523	67,876
Due from other funds	-	-	-
Due from component unit	-	-	-
Restricted:			
Cash and investments	-	-	-
Receivables:			
Taxes	-	-	-
Assessments	-	-	-
Grants	-	-	-
Advances	-	-	-
Accrued interest	-	-	-
Due from component unit	-	-	-
Total assets	\$ 71,989	\$ 1,680,159	\$ 12,150,431
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 26,519	\$ 43,000
Due to component unit	-	-	-
Deferred revenue	3,685	-	916,483
Liabilities from restricted assets:			
Accounts payable	-	-	-
Due to other funds	-	-	-
Due to component unit	-	-	-
Deferred revenue	-	-	-
Unearned revenue	-	-	-
Total liabilities	3,685	26,519	959,483
Fund balances (deficits):			
Reserved for:			
Parks, recreation and culture	-	-	-
Community development	-	-	-
Legislative/ Admin/ Support services	-	-	-
Unreserved	68,304	1,653,640	11,190,948
Total fund balances	68,304	1,653,640	11,190,948
Total liabilities and fund balances	\$ 71,989	\$ 1,680,159	\$ 12,150,431

Property Management License	Public Safety	Cable	Private for Hire Transportation Safety	Business License Surcharge
\$ 68,996	\$ 1,485,368	\$ 2,915,142	\$ 25,501	\$ 3,181,364
-	-	832,784	-	-
-	-	-	-	-
-	-	146,314	-	-
526	10,073	19,003	660	57,971
-	18,643	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>69,522</u>	<u>1,514,084</u>	<u>3,913,243</u>	<u>26,161</u>	<u>3,239,335</u>
\$ 32,711	\$ 24,730	\$ 551,068	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>32,711</u>	<u>24,730</u>	<u>551,068</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
36,811	1,489,354	3,362,175	26,161	3,239,335
<u>36,811</u>	<u>1,489,354</u>	<u>3,362,175</u>	<u>26,161</u>	<u>3,239,335</u>
<u>\$ 69,522</u>	<u>\$ 1,514,084</u>	<u>\$ 3,913,243</u>	<u>\$ 26,161</u>	<u>\$ 3,239,335</u>

Continued next page

City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2006

	Convention and Tourism	Special Finance and Resource	Housing Investment
ASSETS			
Cash and investments	\$ 184,541	\$ 402,317	\$ 3,347,800
Receivables:			
Accounts, net	-	-	-
Assessments	-	-	-
Advances	-	-	-
Accrued interest	1,950	26,588	81,195
Due from other funds	-	-	-
Due from component unit	-	5,250,000	-
Restricted:			
Cash and investments	-	14,547	10,864,046
Receivables:			
Taxes	-	-	-
Assessments	-	-	-
Grants	-	-	-
Advances	-	-	-
Accrued interest	-	-	-
Due from component unit	-	-	-
Total assets	\$ 186,491	\$ 5,693,452	\$ 14,293,041
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 17,173	\$ -	\$ 255,677
Due to component unit	-	-	881,145
Deferred revenue	-	5,250,000	-
Liabilities from restricted assets:			
Accounts payable	-	-	-
Due to other funds	-	-	-
Due to component unit	-	-	-
Deferred revenue	-	-	-
Unearned revenue	-	-	-
Total liabilities	17,173	5,250,000	1,136,822
Fund balances (deficits):			
Reserved for:			
Parks, recreation and culture	-	-	-
Community development	-	-	10,864,046
Legislative/ Admin/ Support services	-	14,547	-
Unreserved	169,318	428,905	2,292,173
Total fund balances	169,318	443,452	13,156,219
Total liabilities and fund balances	\$ 186,491	\$ 5,693,452	\$ 14,293,041

<u>Campaign Finance</u>	<u>Parks Local Option Levy</u>	<u>Children's Investment</u>	<u>Federal Grants</u>	<u>Housing and Community Development</u>
\$ 921,375	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,521	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	9,915,776	11,088,622	2,397,652	17,432
-	537,988	555,237	-	-
-	-	-	-	85,945
-	-	-	15,963,755	1,478,968
-	-	838,692	-	-
-	81,178	71,133	274	-
-	-	-	-	12,852,048
<u>\$ 926,896</u>	<u>\$ 10,534,942</u>	<u>\$ 12,553,684</u>	<u>\$ 18,361,681</u>	<u>\$ 14,434,393</u>
\$ 2,576	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	2,086,280	47,391	1,045,415
-	-	-	15,723,939	391,511
-	-	-	110,276	56,482
-	394,682	407,340	-	85,945
-	-	-	2,480,075	12,855,040
<u>2,576</u>	<u>394,682</u>	<u>2,493,620</u>	<u>18,361,681</u>	<u>14,434,393</u>
-	10,140,260	-	-	-
-	-	10,060,064	-	-
-	-	-	-	-
924,320	-	-	-	-
<u>924,320</u>	<u>10,140,260</u>	<u>10,060,064</u>	<u>-</u>	<u>-</u>
<u>\$ 926,896</u>	<u>\$ 10,534,942</u>	<u>\$ 12,553,684</u>	<u>\$ 18,361,681</u>	<u>\$ 14,434,393</u>

Continued next page

City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2006

	Home Grant	Portland Parks Memorial Trust	Total
ASSETS			
Cash and investments	\$ -	\$ 3,963,186	\$ 27,683,616
Receivables:	-	-	-
Accounts, net	-	50,743	2,606,098
Assessments	-	-	920,169
Advances	-	1,200	147,514
Accrued interest	-	24,297	299,597
Due from other funds	-	-	18,643
Due from component unit	-	-	5,250,000
Restricted:			
Cash and investments	32,188	-	34,330,263
Receivables:			
Taxes	-	-	1,093,225
Assessments	-	-	85,945
Grants	589,254	-	18,031,977
Advances	-	-	838,692
Accrued interest	-	-	152,585
Due from component unit	4,720,435	-	17,572,483
 Total assets	 \$ 5,341,877	 \$ 4,039,426	 \$ 109,030,807
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 62,840	\$ 1,016,294
Due to component unit	-	-	881,145
Deferred revenue	-	-	6,170,168
Liabilities from restricted assets:			
Accounts payable	549,079	-	3,728,165
Due to other funds	40,175	-	16,155,625
Due to component unit	-	-	166,758
Deferred revenue	-	-	887,967
Unearned revenue	4,752,623	-	20,087,738
 Total liabilities	 5,341,877	 62,840	 49,093,860
Fund balances (deficits):			
Reserved for:			
Parks, recreation and culture	-	-	10,140,260
Community development	-	-	20,924,110
Legislative/ Admin/ Support services	-	-	14,547
Unreserved	-	3,976,586	28,858,030
 Total fund balances	 -	 3,976,586	 59,936,947
 Total liabilities and fund balances	 \$ 5,341,877	 \$ 4,039,426	 \$ 109,030,807



CITY HALL AND PORTLAND BUILDING

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2006**

	River District Urban Renewal Area Debt Redemption	Bonded Debt Interest and Sinking	Waterfront Renewal Bond Sinking
ASSETS			
Cash and investments	\$ -	\$ -	\$ -
Receivables:			
Accrued interest	-	-	-
Restricted:			
Cash and investments	6,114,146	435,611	1,765,266
Receivables:			
Taxes	653,883	437,383	789,780
Assessments	-	-	-
Accrued interest	52,785	18,304	34,911
Total assets	<u>\$ 6,820,814</u>	<u>\$ 891,298</u>	<u>\$ 2,589,957</u>
 LIABILITIES AND FUND BALANCES			
Liabilities from restricted assets:			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	468,655	319,008	573,200
Total liabilities	<u>468,655</u>	<u>319,008</u>	<u>573,200</u>
Fund balances (deficits):			
Reserved for debt service	6,352,159	572,290	2,016,757
Unreserved	-	-	-
Total liabilities and fund balances	<u>\$ 6,820,814</u>	<u>\$ 891,298</u>	<u>\$ 2,589,957</u>

Interstate Corridor Debt Service	Pension Debt Redemption	South Park Block Redemption	Airport Way Debt Service	Gas Tax Bond Redemption
\$ -	\$ -	\$ -	\$ -	\$ 3,578
-	-	-	-	230
14,026	6,747,868	56,713	1,993,635	-
237,462	-	376,412	339,432	-
-	-	-	-	-
8,680	54,197	10,322	31,442	-
<u>\$ 260,168</u>	<u>\$ 6,802,065</u>	<u>\$ 443,447</u>	<u>\$ 2,364,509</u>	<u>\$ 3,808</u>

\$ -	\$ 2,850	\$ -	\$ -	\$ -
<u>170,198</u>	<u>-</u>	<u>269,770</u>	<u>244,854</u>	<u>-</u>
<u>170,198</u>	<u>2,850</u>	<u>269,770</u>	<u>244,854</u>	<u>-</u>
89,970	6,799,215	173,677	2,119,655	-
-	-	-	-	3,808
<u>\$ 260,168</u>	<u>\$ 6,802,065</u>	<u>\$ 443,447</u>	<u>\$ 2,364,509</u>	<u>\$ 3,808</u>

Continued next page

City of Portland, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds, Continued
June 30, 2006

	Lents Town Center Urban Renewal Area Debt Redemption	Central Eastside Industrial District Debt Service	Bancroft Bond Interest and Sinking	Convention Center Area Debt Service
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accrued interest	-	-	-	-
Restricted:				
Cash and investments	23,450	53,593	14,313,834	133,288
Receivables:				
Taxes	263,913	212,611	-	375,429
Assessments	-	-	22,727,070	-
Accrued interest	1,795	2,965	93,061	9,130
Total assets	\$ <u>289,158</u>	\$ <u>269,169</u>	\$ <u>37,133,965</u>	\$ <u>517,847</u>
 LIABILITIES AND FUND BALANCES				
Liabilities from restricted assets:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	190,091	152,454	22,727,070	270,573
Total liabilities	<u>190,091</u>	<u>152,454</u>	<u>22,727,070</u>	<u>270,573</u>
Fund balances (deficits):				
Reserved for debt service	99,067	116,715	14,406,895	247,274
Unreserved	-	-	-	-
Total liabilities and fund balances	\$ <u>289,158</u>	\$ <u>269,169</u>	\$ <u>37,133,965</u>	\$ <u>517,847</u>

North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Area Debt Redemption	Willamette Industrial Urban Renewal Area Debt Service	Governmental Bond Redemption	Total
\$ -	\$ 1,972	\$ -	\$ -	\$ 59,192	\$ 64,742
-	14	-	-	-	244
715,402	-	12,439	-	-	32,379,271
79,206	-	68,402	-	-	3,833,913
-	-	-	-	-	22,727,070
6,350	-	1,052	-	-	324,994
<u>\$ 800,958</u>	<u>\$ 1,986</u>	<u>\$ 81,893</u>	<u>\$ -</u>	<u>\$ 59,192</u>	<u>\$ 59,330,234</u>
\$ -	\$ -	\$ -	\$ -	\$ -	2,850
57,733	-	49,482	-	-	25,493,088
<u>57,733</u>	<u>-</u>	<u>49,482</u>	<u>-</u>	<u>-</u>	<u>25,495,938</u>
743,225	-	32,411	-	-	33,769,310
-	1,986	-	-	59,192	64,986
<u>\$ 800,958</u>	<u>\$ 1,986</u>	<u>\$ 81,893</u>	<u>\$ -</u>	<u>\$ 59,192</u>	<u>\$ 59,330,234</u>

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006**

	BFRES Facilities GO Bond Construction	Local Improvement District Construction	Parks Capital Construction and Maintenance	Total
ASSETS				
Cash and investments	\$ 1,481,561	\$ 6,680,446	\$ 8,329,100	\$ 16,491,107
Receivables:				
Accounts, net	-	21,020,454	505,489	21,525,943
Assessments	-	1,954,551	400,577	2,355,128
Accrued interest	37,527	42,496	58,810	138,833
Due from other funds	5,760	-	96,672	102,432
Cash - restricted	3,891,822	-	1,714,908	5,606,730
Total assets	\$ 5,416,670	\$ 29,697,947	\$ 11,105,556	\$ 46,220,173
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 214,767	\$ 700	\$ 887,368	\$ 1,102,835
Due to other funds	-	2,449,293	-	2,449,293
Deferred revenue	-	22,975,005	400,577	23,375,582
Unearned revenue	244,386	-	-	244,386
Other accrued liabilities	124,260	-	62,552	186,812
Total liabilities	583,413	25,424,998	1,350,497	27,358,908
Fund balances (deficits):				
Reserved	4,833,257	-	9,755,059	14,588,316
Unreserved	-	4,272,949	-	4,272,949
Total liabilities and fund balances	\$ 5,416,670	\$ 29,697,947	\$ 11,105,556	\$ 46,220,173

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2006

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES					
Taxes:					
Property	\$ 22,144,963	\$ 71,673,871	\$ -	\$ -	\$ 93,818,834
Lodging	2,660,649	-	-	-	2,660,649
Licenses and fees	34,774,407	-	-	-	34,774,407
Intergovernmental	58,613,123	-	764,300	-	59,377,423
Charges for services	11,121,295	12,096	8,010,123	-	19,143,514
Concessions	5,967	-	-	-	5,967
Rents and reimbursements	422,447	-	151,415	-	573,862
Miscellaneous service charges	4,477,195	5,732,220	73,179	-	10,282,594
Loan collections	2,697,502	-	-	-	2,697,502
Assessments	307,130	4,063,381	3,053,900	-	7,424,411
Investment earnings	2,684,999	3,741,210	826,263	6,288	7,258,760
Total revenues	139,909,677	85,222,778	12,879,180	6,288	238,017,923
EXPENDITURES					
Current:					
Public safety	14,132,612	-	100,148	-	14,232,760
Parks, recreation and culture	8,673,547	-	537,909	1,125	9,212,581
Community development	82,115,161	-	2,645,796	-	84,760,957
Transportation	12,942	-	-	-	12,942
Legislative/admin/support services	101,388,069	114,312	-	-	101,502,381
Debt service and related costs:					
Principal	39,500	58,515,977	2,935,493	-	61,490,970
Interest	206,931	36,868,637	183,779	-	37,259,347
Debt issuance costs	826,622	420,737	26,706	-	1,274,065
Capital outlay	400,000	-	11,658,408	-	12,058,408
Total expenditures	207,795,384	95,919,663	18,088,239	1,125	321,804,411
Revenues over (under) expenditures	(67,885,707)	(10,696,885)	(5,209,059)	5,163	(83,786,488)
OTHER FINANCING SOURCES (USES)					
Transfers in	15,783,156	14,306,996	2,851,398	-	32,941,550
Transfers out	(28,464,445)	-	(23,126,922)	-	(51,591,367)
Bonds and notes issued	83,769,741	287,726	23,793,456	-	107,850,923
Refunding bonds issued	-	44,593,361	-	-	44,593,361
Refunding bonds premium	-	2,974,854	-	-	2,974,854
Payments to refunded bond escrow agent	-	(47,568,215)	-	-	(47,568,215)
Total other financing sources (uses)	71,088,452	14,594,722	3,517,932	-	89,201,106
Net change in fund balances	3,202,745	3,897,837	(1,691,127)	5,163	5,414,618
Fund balances — beginning	56,734,202	29,936,459	20,552,392	161,843	107,384,896
Fund balances — ending	\$ 59,936,947	\$ 33,834,296	\$ 18,861,265	\$ 167,006	\$ 112,799,514

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2006

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Development Services</u>
REVENUES			
Taxes:			
Property	\$ -	\$ -	\$ -
Lodging	-	-	-
Licenses and fees	-	-	24,850,433
Intergovernmental	-	4,824,553	-
Charges for services	-	151,998	8,989,149
Concessions	-	-	-
Rents and reimbursements	-	-	-
Miscellaneous service charges	-	-	-
Loan collections	-	-	-
Assessments	1,541	-	273,002
Investment earnings	4,016	43,122	425,923
	<u>5,557</u>	<u>5,019,673</u>	<u>34,538,507</u>
Total revenues			
	<u>5,557</u>	<u>5,019,673</u>	<u>34,538,507</u>
EXPENDITURES			
Current:			
Public safety	-	13,257,137	-
Parks, recreation and culture	-	-	-
Community development	477	-	30,834,288
Transportation and metered parking	-	-	-
Legislative/admin/support services	-	-	-
Debt service and related costs:			
Principal	-	-	-
Interest	-	-	-
Debt issuance costs	-	-	-
Capital outlay	-	-	-
	<u>477</u>	<u>13,257,137</u>	<u>30,834,288</u>
Total expenditures			
	<u>477</u>	<u>13,257,137</u>	<u>30,834,288</u>
Revenues over (under) expenditures	<u>5,080</u>	<u>(8,237,464)</u>	<u>3,704,219</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	8,599,554	1,349,837
Transfers out	-	(1,164,029)	(772,625)
Bonds and notes issued	-	-	-
	<u>-</u>	<u>7,435,525</u>	<u>577,212</u>
Total other financing sources (uses)			
	<u>-</u>	<u>7,435,525</u>	<u>577,212</u>
Net change in fund balances	5,080	(801,939)	4,281,431
Fund balances -- beginning	63,224	2,455,579	6,909,517
Fund balances -- ending	<u>\$ 68,304</u>	<u>\$ 1,653,640</u>	<u>\$ 11,190,948</u>

Property Management License	Public Safety	Cable	Private for Hire Transportation Safety	Business License Surcharge
\$ -	\$ -	\$ -	\$ -	\$ -
4,234,558	-	1,285,004	-	4,404,412
-	172,423	257,438	-	-
-	-	-	-	-
-	-	2,589,693	89,890	-
-	-	-	-	-
18,242	31,770	101,517	2,345	291,302
<u>4,252,800</u>	<u>204,193</u>	<u>4,233,652</u>	<u>92,235</u>	<u>4,695,714</u>
-	875,475	-	-	-
4,248,744	-	3,247,208	-	-
-	-	-	12,942	-
-	-	-	-	6,339,103
-	-	-	-	-
-	-	-	-	-
-	400,000	-	-	-
<u>4,248,744</u>	<u>1,275,475</u>	<u>3,247,208</u>	<u>12,942</u>	<u>6,339,103</u>
<u>4,056</u>	<u>(1,071,282)</u>	<u>986,444</u>	<u>79,293</u>	<u>(1,643,389)</u>
-	1,655,643	-	-	-
-	(236)	(2,060)	(68,000)	(435)
-	-	-	-	-
-	1,655,407	(2,060)	(68,000)	(435)
4,056	584,125	984,384	11,293	(1,643,824)
32,755	905,229	2,377,791	14,868	4,883,159
<u>\$ 36,811</u>	<u>\$ 1,489,354</u>	<u>\$ 3,362,175</u>	<u>\$ 26,161</u>	<u>\$ 3,239,335</u>

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City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds, Continued
For the Year Ended June 30, 2006

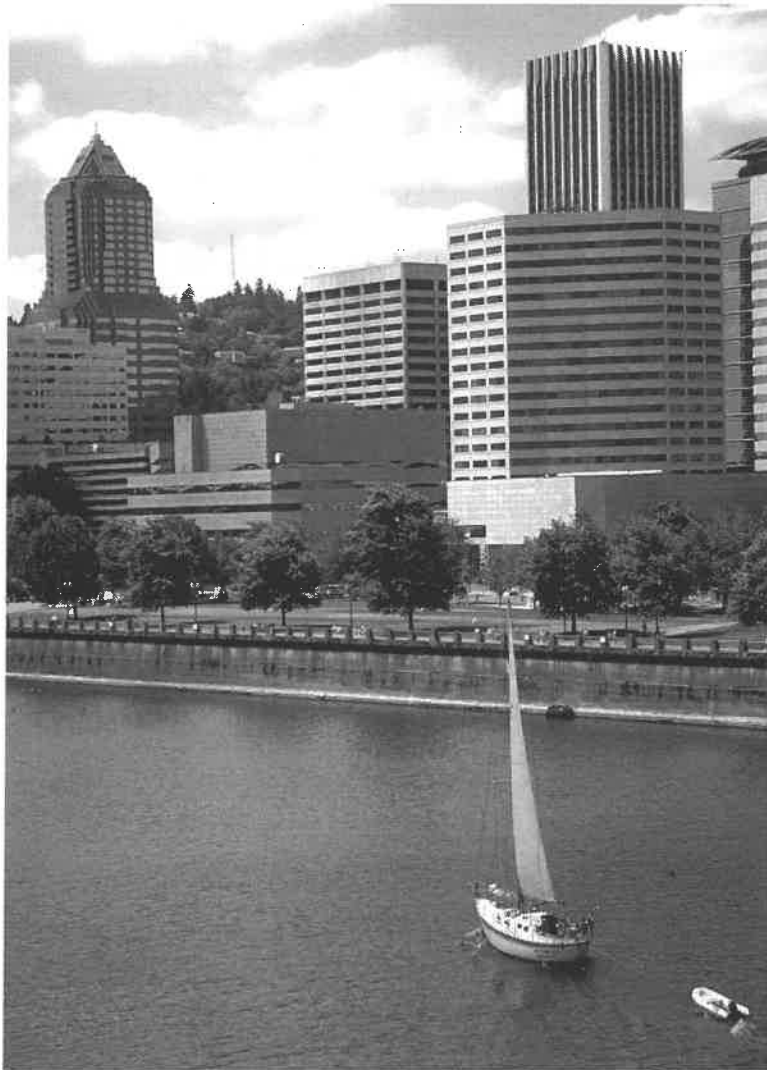
	<u>Convention and Tourism</u>	<u>Special Finance and Resource</u>	<u>Housing Investment</u>
REVENUES			
Taxes:			
Property	\$ -	\$ -	\$ -
Lodging	2,660,649	-	-
Licenses and fees	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	21,271
Concessions	-	-	-
Rents and reimbursements	-	-	-
Miscellaneous service charges	-	-	2,000
Loan collections	-	-	-
Assessments	-	-	-
Investment earnings	13,774	84,135	688,436
	<u>2,674,423</u>	<u>84,135</u>	<u>711,707</u>
Total revenues			
	<u>2,674,423</u>	<u>84,135</u>	<u>711,707</u>
EXPENDITURES			
Current:			
Public safety	-	-	-
Parks, recreation and culture	-	-	-
Community development	2,655,249	-	12,054,911
Transportation and metered parking	-	-	-
Legislative/admin/support services	-	82,974,098	-
Debt service and related costs:			
Principal	-	-	-
Interest	-	-	-
Debt issuance costs	-	793,322	33,300
Capital outlay	-	-	-
	<u>2,655,249</u>	<u>83,767,420</u>	<u>12,088,211</u>
Total expenditures			
	<u>2,655,249</u>	<u>83,767,420</u>	<u>12,088,211</u>
Revenues over (under) expenditures	<u>19,174</u>	<u>(83,683,285)</u>	<u>(11,376,504)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	2,882,122
Transfers out	(1,523)	-	(533,096)
Bonds and notes issued	-	83,769,741	-
	<u>(1,523)</u>	<u>83,769,741</u>	<u>2,349,026</u>
Total other financing sources (uses)			
	<u>(1,523)</u>	<u>83,769,741</u>	<u>2,349,026</u>
Net change in fund balances	17,651	86,456	(9,027,478)
Fund balances -- beginning	151,667	356,996	22,183,697
Fund balances -- ending	\$ <u>169,318</u>	\$ <u>443,452</u>	\$ <u>13,156,219</u>

Campaign Finance	Parks Local Option Levy	Children's Investment	Federal Grants	Housing and Community Development
\$ -	\$ 10,898,162	\$ 11,246,801	\$ -	\$ -
-	-	-	-	-
-	-	-	36,468,437	10,727,056
2,679	200,000	-	-	-
-	-	-	-	-
-	-	-	893,964	11,023
-	-	-	-	2,123,495
-	-	-	-	32,587
18,514	374,444	415,762	6,802	19,655
<u>21,193</u>	<u>11,472,606</u>	<u>11,662,563</u>	<u>37,369,203</u>	<u>12,913,816</u>
-	-	-	-	-
-	6,478,403	-	-	-
-	-	9,465,651	-	12,439,266
392,873	-	-	11,681,995	-
-	-	-	-	39,500
-	-	-	-	206,931
-	-	-	-	-
<u>392,873</u>	<u>6,478,403</u>	<u>9,465,651</u>	<u>11,681,995</u>	<u>12,685,697</u>
<u>(371,680)</u>	<u>4,994,203</u>	<u>2,196,912</u>	<u>25,687,208</u>	<u>228,119</u>
1,296,000	-	-	-	-
-	(7,114)	-	(25,687,208)	(228,119)
-	-	-	-	-
<u>1,296,000</u>	<u>(7,114)</u>	<u>-</u>	<u>(25,687,208)</u>	<u>(228,119)</u>
924,320	4,987,089	2,196,912	-	-
-	5,153,171	7,863,152	-	-
<u>\$ 924,320</u>	<u>\$ 10,140,260</u>	<u>\$ 10,060,064</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds, Continued
For the Year Ended June 30, 2006

	Home Grant	Portland Parks Memorial Trust	Total
REVENUES			
Taxes:			
Property	-	-	22,144,963
Lodging	-	-	2,660,649
Licenses and fees	-	-	34,774,407
Intergovernmental	6,593,077	-	58,613,123
Charges for services	-	1,326,337	11,121,295
Concessions	-	5,967	5,967
Rents and reimbursements	-	422,447	422,447
Miscellaneous service charges	2,283	888,342	4,477,195
Loan collections	574,007	-	2,697,502
Assessments	-	-	307,130
Investment earnings	-	145,240	2,684,999
	<hr/>	<hr/>	<hr/>
Total revenues	7,169,367	2,788,333	139,909,677
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Public safety	-	-	14,132,612
Parks, recreation and culture	-	2,195,144	8,673,547
Community development	7,169,367	-	82,115,161
Transportation and metered parking	-	-	12,942
Legislative/admin/support services	-	-	101,388,069
Debt service and related costs:			
Principal	-	-	39,500
Interest	-	-	206,931
Debt issuance costs	-	-	826,622
Capital outlay	-	-	400,000
	<hr/>	<hr/>	<hr/>
Total expenditures	7,169,367	2,195,144	207,795,384
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	-	593,189	(67,885,707)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	15,783,156
Transfers out	-	-	(28,464,445)
Bonds and notes issued	-	-	83,769,741
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	71,088,452
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	593,189	3,202,745
Fund balances -- beginning	-	3,383,397	56,734,202
	<hr/>	<hr/>	<hr/>
Fund balances -- ending	-	3,976,586	59,936,947
	<hr/>	<hr/>	<hr/>



PORTLAND WATERFRONT

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2006

	River District Urban Renewal Area Debt Redemption	Bonded Debt Interest and Sinking	Waterfront Renewal Bond Sinking
REVENUES			
Taxes:			
Property	\$ 13,284,676	\$ 7,907,517	\$ 14,134,953
Charges for services	-	-	-
Miscellaneous service charges	-	-	-
Assessments	-	-	-
Investment earnings	375,815	129,456	273,326
	<u>13,660,491</u>	<u>8,036,973</u>	<u>14,408,279</u>
Total revenues			
	<u>13,660,491</u>	<u>8,036,973</u>	<u>14,408,279</u>
EXPENDITURES			
Current:			
Legislative/admin/support services	-	-	-
Debt service and related costs:			
Principal	9,840,000	4,640,000	10,830,000
Interest	2,487,363	3,154,484	3,599,546
Debt issuance costs	-	-	-
	<u>12,327,363</u>	<u>7,794,484</u>	<u>14,429,546</u>
Total expenditures			
	<u>12,327,363</u>	<u>7,794,484</u>	<u>14,429,546</u>
Revenues over (under) expenditures	<u>1,333,128</u>	<u>242,489</u>	<u>(21,267)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Bonds and notes issued	-	-	-
Refunding bonds issued	-	-	-
Refunding bonds premium	-	-	-
Payments to refunded bond escrow agent	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,333,128	242,489	(21,267)
Fund balances -- beginning	5,019,031	329,801	2,038,024
Fund balances -- ending	<u>\$ 6,352,159</u>	<u>\$ 572,290</u>	<u>\$ 2,016,757</u>

<u>Interstate Corridor Debt Service</u>	<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt Service</u>	<u>Gas Tax Bond Redemption</u>
\$ 4,912,095	\$ -	\$ 7,002,642	\$ 5,908,218	\$ -
-	-	-	-	-
-	421,127	-	-	-
-	-	-	-	-
69,416	319,334	93,895	178,964	171
<u>4,981,511</u>	<u>740,461</u>	<u>7,096,537</u>	<u>6,087,182</u>	<u>171</u>
-	114,312	-	-	-
3,550,000	-	4,865,000	4,665,000	485,000
1,423,823	9,585,992	2,234,610	2,068,307	590,930
-	410,737	-	10,000	-
<u>4,973,823</u>	<u>10,111,041</u>	<u>7,099,610</u>	<u>6,743,307</u>	<u>1,075,930</u>
<u>7,688</u>	<u>(9,370,580)</u>	<u>(3,073)</u>	<u>(656,125)</u>	<u>(1,075,759)</u>
-	9,855,643	-	-	1,075,930
-	-	-	-	-
-	-	-	44,593,361	-
-	-	-	2,974,854	-
-	-	-	(47,568,215)	-
<u>-</u>	<u>9,855,643</u>	<u>-</u>	<u>-</u>	<u>1,075,930</u>
7,688	485,063	(3,073)	(656,125)	171
<u>82,282</u>	<u>6,314,152</u>	<u>176,750</u>	<u>2,775,780</u>	<u>3,637</u>
<u>\$ 89,970</u>	<u>\$ 6,799,215</u>	<u>\$ 173,677</u>	<u>\$ 2,119,655</u>	<u>\$ 3,808</u>

Continued next page

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds, Continued
For the Year Ended June 30, 2006

	Lents Town Center Urban Renewal Area Debt Redemption	Central Eastside Industrial District Debt Service	Bancroft Bond Interest and Sinking	Convention Center Area Debt Service
REVENUES				
Taxes:				
Property	\$ 5,079,780	\$ 3,860,283	\$ -	\$ 6,885,359
Charges for services	-	-	-	-
Miscellaneous service charges	-	-	-	-
Assessments	-	-	4,063,381	-
Investment earnings	64,006	51,344	2,057,079	84,053
	<u>5,143,786</u>	<u>3,911,627</u>	<u>6,120,460</u>	<u>6,969,412</u>
Total revenues	<u>5,143,786</u>	<u>3,911,627</u>	<u>6,120,460</u>	<u>6,969,412</u>
EXPENDITURES				
Current:				
Legislative/admin/support services	-	-	-	-
Debt service and related costs:				
Principal	4,855,000	3,425,000	3,560,000	3,535,000
Interest	294,948	496,962	787,684	3,374,505
Debt issuance costs	-	-	-	-
	<u>5,149,948</u>	<u>3,921,962</u>	<u>4,347,684</u>	<u>6,909,505</u>
Total expenditures	<u>5,149,948</u>	<u>3,921,962</u>	<u>4,347,684</u>	<u>6,909,505</u>
Revenues over (under) expenditures	<u>(6,162)</u>	<u>(10,335)</u>	<u>1,772,776</u>	<u>59,907</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Bonds and notes issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Refunding bonds premium	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,162)	(10,335)	1,772,776	59,907
Fund balances -- beginning	105,229	127,050	12,634,119	187,367
Fund balances -- ending	<u>\$ 99,067</u>	<u>\$ 116,715</u>	<u>\$ 14,406,895</u>	<u>\$ 247,274</u>

North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Debt Redemption	Willamette Industrial Urban Renewal Area Debt Service	Governmental Bond Redemption	Total
\$ 1,367,590	\$ -	\$ 1,330,758	\$ -	\$ -	\$ 71,673,871
-	-	-	-	12,096	12,096
-	5,311,093	-	-	-	5,732,220
-	-	-	-	-	4,063,381
24,206	75	17,955	-	2,115	3,741,210
<u>1,391,796</u>	<u>5,311,168</u>	<u>1,348,713</u>	<u>-</u>	<u>14,211</u>	<u>85,222,778</u>
-	-	-	-	-	114,312
-	1,090,000	1,305,000	-	1,870,977	58,515,977
697,948	4,221,093	46,174	-	1,804,268	36,868,637
-	-	-	-	-	420,737
<u>697,948</u>	<u>5,311,093</u>	<u>1,351,174</u>	<u>-</u>	<u>3,675,245</u>	<u>95,919,663</u>
<u>693,848</u>	<u>75</u>	<u>(2,461)</u>	<u>-</u>	<u>(3,661,034)</u>	<u>(10,696,885)</u>
-	-	-	-	3,375,423	14,306,996
-	-	-	-	287,726	287,726
-	-	-	-	-	44,593,361
-	-	-	-	-	2,974,854
-	-	-	-	-	(47,568,215)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,663,149</u>	<u>14,594,722</u>
693,848	75	(2,461)	-	2,115	3,897,837
<u>49,377</u>	<u>1,911</u>	<u>34,872</u>	<u>-</u>	<u>57,077</u>	<u>29,936,459</u>
<u>\$ 743,225</u>	<u>\$ 1,986</u>	<u>\$ 32,411</u>	<u>\$ -</u>	<u>\$ 59,192</u>	<u>\$ 33,834,296</u>

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2006

	BFRES Facilities GO Bond Construction	Local Improvement District Construction	Parks Capital Construction and Maintenance	Total
REVENUES				
Intergovernmental	\$ 132,505	\$ -	\$ 631,795	\$ 764,300
Charges for services	117,000	1,323,060	6,570,063	8,010,123
Rents and reimbursements	-	-	151,415	151,415
Miscellaneous service charges	-	49,352	23,827	73,179
Assessments	-	2,397,590	656,310	3,053,900
Investment earnings	287,167	252,648	286,448	826,263
Total revenues	536,672	4,022,650	8,319,858	12,879,180
EXPENDITURES				
Current:				
Public safety	100,148	-	-	100,148
Parks, recreation and culture	-	-	537,909	537,909
Community development	-	2,645,796	-	2,645,796
Debt service and related costs:				
Principal	-	2,935,493	-	2,935,493
Interest	-	183,779	-	183,779
Debt issuance costs	-	26,356	350	26,706
Capital outlay	5,823,521	-	5,834,887	11,658,408
Total expenditures	5,923,669	5,791,424	6,373,146	18,088,239
Revenues over (under) expenditures	(5,386,997)	(1,768,774)	1,946,712	(5,209,059)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,760	-	2,845,638	2,851,398
Transfers out	(9,317)	(22,150,463)	(967,142)	(23,126,922)
Bonds and notes issued	-	23,793,456	-	23,793,456
Total other financing sources (uses)	(3,557)	1,642,993	1,878,496	3,517,932
Net change in fund balances	(5,390,554)	(125,781)	3,825,208	(1,691,127)
Fund balances – beginning	10,223,811	4,398,730	5,929,851	20,552,392
Fund balances – ending	\$ 4,833,257	\$ 4,272,949	\$ 9,755,059	\$ 18,861,265

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.



WASHINGTON PARK ROSE GARDEN

City of Portland, Oregon
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2006

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 309,211	\$ 1,130,885	\$ 558,939	\$ 4,071,822
Receivables:				
Accounts, net	-	14,554	-	850,727
Contracts and mortgages	-	-	-	-
Advances	-	-	-	-
Accrued interest	4,407	6,442	1,719	26,871
Internal loans	-	-	-	-
Prepaid expenses	-	-	1,140	-
Total current assets (unrestricted)	313,618	1,151,881	561,798	4,949,420
Current assets (restricted):				
Cash and investments	11,718,118	-	-	-
Receivables:				
Accrued interest	69,870	-	-	-
Total current assets (restricted)	11,787,988	-	-	-
Total current assets	12,101,606	1,151,881	561,798	4,949,420
Noncurrent assets:				
Capital assets:				
Land	4,500	586,686	-	229,259
Buildings	-	6,356,850	-	19,679
Improvements to land	-	13,609,373	2,309,989	-
Equipment	-	1,842,136	95,491	13,406
Infrastructure	44,123,225	-	-	-
Construction in progress	-	2,219,341	61,888	-
Accumulated depreciation and amortization	(16,514,522)	(7,794,437)	(1,378,631)	(25,782)
Capital assets, net of accumulated depreciation and amortization	27,613,203	16,819,949	1,088,737	236,562
Prepaid expenses	201,771	1,648,586	317,360	511,933
Total noncurrent assets	27,814,974	18,468,535	1,406,097	748,495
Total assets	39,916,580	19,620,416	1,967,895	5,697,915

<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 3,507,072	\$ 6,941,300	\$ 1,158,506	\$ 17,677,735
367,617	323,901	-	1,556,799
-	449,988	-	449,988
-	60,000	-	60,000
35,135	50,741	6,666	131,981
2,306,000	-	-	2,306,000
-	-	-	1,140
<u>6,215,824</u>	<u>7,825,930</u>	<u>1,165,172</u>	<u>22,183,643</u>
-	-	-	11,718,118
-	-	-	69,870
-	-	-	11,787,988
<u>6,215,824</u>	<u>7,825,930</u>	<u>1,165,172</u>	<u>33,971,631</u>
10,575,202	4,528,031	1,563,333	17,487,011
40,395,676	94,902,878	1,768,170	143,443,253
661,589	-	1,520,801	18,101,752
182,248	2,727,210	-	4,860,491
-	-	-	44,123,225
-	-	-	2,281,229
<u>(20,491,642)</u>	<u>(24,049,490)</u>	<u>(656,306)</u>	<u>(70,910,810)</u>
31,323,073	78,108,629	4,195,998	159,386,151
-	-	11,818	2,691,468
<u>31,323,073</u>	<u>78,108,629</u>	<u>4,207,816</u>	<u>162,077,619</u>
<u>37,538,897</u>	<u>85,934,559</u>	<u>5,372,988</u>	<u>196,049,250</u>

Continued next page

City of Portland, Oregon
Combining Statement of Net Assets, Continued
Nonmajor Enterprise Funds
June 30, 2006

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	7,550	51,199	8,482	308,666
Compensated absences	34,402	179,789	45,711	50,836
Bonds payable	-	603,042	3,473	5,603
Accrued interest payable	607	97,430	958	1,545
Other liabilities	-	-	-	-
Total current liabilities (unrestricted)	42,559	931,460	58,624	366,650
Current liabilities (payable from restricted assets)				
Bonds payable	1,092,208	-	-	-
Accrued interest payable	288,509	-	-	-
Total current liabilities (restricted)	1,380,717	-	-	-
Total current liabilities	1,423,276	931,460	58,624	366,650
Noncurrent liabilities:				
Compensated absences	2,381	11,224	2,996	3,518
Bonds payable	20,427,504	6,190,024	403,111	650,255
Accrued interest payable	15,242	124,869	24,038	38,776
Total noncurrent liabilities	20,445,127	6,326,117	430,145	692,549
Total liabilities	21,868,403	7,257,577	488,769	1,059,199
NET ASSETS				
Invested in capital assets, net of related debt	6,351,984	12,138,949	1,088,737	236,562
Restricted for debt service	10,407,271	-	-	-
Unrestricted	1,288,922	223,890	390,389	4,402,154
Total net assets	\$ 18,048,177	\$ 12,362,839	\$ 1,479,126	\$ 4,638,716

Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
95,842	485,427	258,828	1,215,994
-	-	45,148	355,886
1,705,000	2,400,000	129	4,717,247
342,512	272,759	35	715,846
28,760	-	1,900,000	1,928,760
<u>2,172,114</u>	<u>3,158,186</u>	<u>2,204,140</u>	<u>8,933,733</u>
-	-	-	1,092,208
-	-	-	288,509
-	-	-	1,380,717
<u>2,172,114</u>	<u>3,158,186</u>	<u>2,204,140</u>	<u>10,314,450</u>
-	-	-	20,119
28,006,531	55,520,795	15,013	111,213,233
-	-	891	203,816
<u>28,006,531</u>	<u>55,520,795</u>	<u>15,904</u>	<u>111,437,168</u>
<u>30,178,645</u>	<u>58,678,981</u>	<u>2,220,044</u>	<u>121,751,618</u>
1,303,073	21,378,629	4,195,998	46,693,932
-	-	-	10,407,271
<u>6,057,179</u>	<u>5,876,949</u>	<u>(1,043,054)</u>	<u>17,196,429</u>
<u>\$ 7,360,252</u>	<u>\$ 27,255,578</u>	<u>\$ 3,152,944</u>	<u>\$ 74,297,632</u>

City of Portland, Oregon
Combining Statement of Net Assets
Internal Service Funds
June 30, 2006

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating	Printing and Distribution Services Operating
ASSETS				
Current assets:				
Cash and investments	\$ 8,070,211	\$ 15,823,445	\$ 21,000,646	\$ 2,007,965
Receivables:				
Accounts, net	-	202,730	46,552	227,314
Grants	-	-	-	-
Accrued interest	60,381	94,201	129,930	10,060
Due from other funds	-	44,486	1,890	-
Inventories	-	-	628,307	-
Prepaid expenses	-	-	-	-
Total current assets	<u>8,130,592</u>	<u>16,164,862</u>	<u>21,807,325</u>	<u>2,245,339</u>
Noncurrent assets:				
Capital assets:				
Land	-	7,735,063	-	-
Buildings	-	142,814,238	65,508	145,641
Improvements to land	-	669,688	-	-
Equipment	-	434,748	51,717,264	4,979,641
Infrastructure	-	-	-	-
Accumulated depreciation and amortization	-	(43,761,708)	(26,719,807)	(3,471,059)
Capital assets, net of accumulated depreciation and amortization	-	107,892,029	25,062,965	1,654,223
Prepaid expenses	<u>304,292</u>	<u>1,638,780</u>	<u>3,851,017</u>	<u>1,305,029</u>
Total noncurrent assets	<u>304,292</u>	<u>109,530,809</u>	<u>28,913,982</u>	<u>2,959,252</u>
Total assets	<u>8,434,884</u>	<u>125,695,671</u>	<u>50,721,307</u>	<u>5,204,591</u>

<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self Insurance Operating</u>	<u>Technology Services</u>	<u>Police Association Health Insurance</u>	<u>Total</u>
\$ 19,102,353	\$ 16,021,794	\$ 19,832,216	\$ 1,025,451	\$ 102,884,081
-	-	988,343	-	1,464,939
-	-	4,076	-	4,076
110,404	103,593	122,285	7,300	638,154
-	-	151,999	-	198,375
-	-	216,079	-	844,386
116,206	-	32,436	1	148,643
<u>19,328,963</u>	<u>16,125,387</u>	<u>21,347,434</u>	<u>1,032,752</u>	<u>106,182,654</u>
-	-	-	-	7,735,063
-	-	844,327	-	143,869,714
-	-	9,998,768	-	10,668,456
-	-	21,614,954	-	78,746,607
-	-	17,900	-	17,900
-	-	(15,843,442)	-	(89,796,016)
-	-	16,632,507	-	151,241,724
<u>719,113</u>	<u>672,639</u>	<u>4,577,008</u>	<u>-</u>	<u>13,067,878</u>
<u>719,113</u>	<u>672,639</u>	<u>21,209,515</u>	<u>-</u>	<u>164,309,602</u>
<u>20,048,076</u>	<u>16,798,026</u>	<u>42,556,949</u>	<u>1,032,752</u>	<u>270,492,256</u>

Continued next page

City of Portland, Oregon
Combining Statement of Net Assets, Continued
Internal Service Funds
June 30, 2006

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating	Printing and Distribution Services Operating
LIABILITIES				
Current liabilities:				
Accounts payable	163,688	2,035,040	1,167,688	292,497
Compensated absences	36,240	141,361	227,746	87,746
Self insurance claims	2,385,359	-	-	-
Internal loans payable	-	-	-	-
Unearned revenue	-	174,722	-	-
Bonds payable	3,330	6,266,935	42,146	14,282
Accrued interest payable	7,370	39,690	93,263	31,603
Other liabilities	-	75,995	-	-
Total current liabilities	<u>2,595,987</u>	<u>8,733,743</u>	<u>1,530,843</u>	<u>426,128</u>
Noncurrent liabilities:				
Compensated absences	7,628	27,054	47,904	18,469
Bonds payable	386,512	44,897,651	4,891,540	1,657,643
Self insurance claims	-	-	-	-
Accrued interest payable	16,599	469,436	210,038	71,174
Total noncurrent liabilities	<u>410,739</u>	<u>45,394,141</u>	<u>5,149,482</u>	<u>1,747,286</u>
Total liabilities	<u>3,006,726</u>	<u>54,127,884</u>	<u>6,680,325</u>	<u>2,173,414</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	58,826,951	25,062,965	1,654,223
Unrestricted	5,428,158	12,740,836	18,978,017	1,376,954
Total net assets	<u>\$ 5,428,158</u>	<u>\$ 71,567,787</u>	<u>\$ 44,040,982</u>	<u>\$ 3,031,177</u>

Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Portland Police Association Health Insurance	Total
271,950	401,220	1,354,316	9,195	5,695,594
44,390	29,593	1,059,612	-	1,626,688
7,088,646	2,225,536	-	693,153	12,392,694
2,306,000	-	-	-	2,306,000
-	-	-	-	174,722
7,870	7,361	1,241,091	-	7,583,015
17,414	16,288	110,848	-	316,476
-	-	-	-	75,995
<u>9,736,270</u>	<u>2,679,998</u>	<u>3,765,867</u>	<u>702,348</u>	<u>30,171,184</u>
9,343	6,229	213,587	-	330,214
913,411	854,384	13,377,747	-	66,978,888
9,873,752	7,687,129	-	-	17,560,881
39,218	36,681	383,257	-	1,226,403
<u>10,835,724</u>	<u>8,584,423</u>	<u>13,974,591</u>	<u>-</u>	<u>86,096,386</u>
<u>20,571,994</u>	<u>11,264,421</u>	<u>17,740,458</u>	<u>702,348</u>	<u>116,267,570</u>
-	-	7,877,455	-	93,421,594
(523,918)	5,533,605	16,939,036	330,404	60,803,092
<u>(523,918)</u>	<u>\$ 5,533,605</u>	<u>\$ 24,816,491</u>	<u>\$ 330,404</u>	<u>\$ 154,224,686</u>

City of Portland, Oregon
Combining Statement of Revenues, Expenses, and Changes In Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2006

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
Operating revenues:				
Service charges and fees	\$ 44,955	\$ 5,630,281	\$ -	\$ 1,788,284
Licenses and permits	-	-	-	1,857,929
Rents and reimbursements	-	6,110	1,601,094	-
Concessions	-	220,549	191,421	-
Parking fees	-	-	-	-
Miscellaneous	4,276,611	164,042	-	14,561
Total operating revenues	4,321,566	6,020,982	1,792,515	3,660,774
Operating expenses:				
Salaries and wages	221,438	2,442,140	587,926	986,437
Operating supplies	1,179	582,903	167,491	33,293
Professional services	140,287	1,288,121	106,730	1,205,829
Utilities	2,994	177,419	84,035	15,100
Miscellaneous	896,332	409,889	373,792	451,650
Depreciation and amortization	656,000	724,226	31,271	1,508
Total operating expenses	1,918,230	5,624,698	1,351,245	2,693,817
Operating income (loss)	2,403,336	396,284	441,270	966,957
Nonoperating revenues (expenses):				
Investment earnings	547,102	42,797	9,984	156,158
Interest expense	(1,741,715)	(398,312)	(30,894)	(49,836)
Debt issuance costs	(649,530)	-	-	-
Gain (loss) on sale of capital assets	-	201,582	-	-
Miscellaneous	(8,616)	(70,402)	(13,553)	(21,862)
Total nonoperating revenues (expenses)	(1,852,759)	(224,335)	(34,463)	84,460
Income (loss) before contributions and transfers	550,577	171,949	406,807	1,051,417
Capital contributions	-	2,088	-	-
Transfers out	(818,409)	(8,139)	(1,596)	(738,676)
Change in net assets	(267,832)	165,898	405,211	312,741
Total net assets -- beginning	18,316,009	12,196,941	1,073,915	4,325,975
Total net assets -- ending	\$ 18,048,177	\$ 12,362,839	\$ 1,479,126	\$ 4,638,716

Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
\$ 699,289	\$ 2,075,173	\$ -	\$ 10,237,982
-	-	-	1,857,929
787,251	3,653,379	504,802	6,552,636
-	-	-	411,970
9,344,105	1,078,178	-	10,422,283
9,884	65,950	2,273,238	6,804,286
10,840,529	6,872,680	2,778,040	36,287,086
60,507	-	539,035	4,837,483
112	20,093	1,097	806,168
3,691,665	677,814	5,529,760	12,640,206
44,088	54,899	447	378,982
1,077,889	435,367	8,349	3,653,268
1,022,119	2,545,138	59,201	5,039,463
5,896,380	3,733,311	6,137,889	27,355,570
4,944,149	3,139,369	(3,359,849)	8,931,516
208,418	326,022	50,033	1,340,514
(1,440,825)	(3,221,367)	(1,148)	(6,884,097)
-	-	-	(649,530)
334,328	(26,038)	-	509,872
-	-	(505)	(114,938)
(898,079)	(2,921,383)	48,380	(5,798,179)
4,046,070	217,986	(3,311,469)	3,133,337
-	-	-	2,088
(1,027,293)	(19,210)	(557)	(2,613,880)
3,018,777	198,776	(3,312,026)	521,545
4,341,475	27,056,802	6,464,970	73,776,087
\$ 7,360,252	\$ 27,255,578	\$ 3,152,944	\$ 74,297,632

City of Portland, Oregon
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2006

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating	Printing and Distribution Services Operating
Operating revenues:				
Service charges and fees	\$ 23,282,586	\$ 21,145,685	\$ 22,436,748	\$ 6,884,326
Rents and reimbursements	-	1,864,666	-	-
Parking fees	-	12,632	-	-
Miscellaneous	2,181,204	299,830	414,429	92,485
Total operating revenues	<u>25,463,790</u>	<u>23,322,813</u>	<u>22,851,177</u>	<u>6,976,811</u>
Operating expenses:				
Salaries and wages	584,711	2,742,607	5,608,871	1,675,195
Operating supplies	2,118	445,670	6,949,919	611,738
Professional services	2,812,281	2,418,984	1,422,136	3,236,200
Utilities	6,656	3,156,936	52,372	21,446
Claims	27,449,631	-	-	-
Miscellaneous	2,268,543	9,753,925	3,413,275	783,304
Depreciation and amortization	-	2,983,553	4,302,725	268,086
Total operating expenses	<u>33,123,940</u>	<u>21,501,675</u>	<u>21,749,298</u>	<u>6,595,969</u>
Operating income (loss)	<u>(7,660,150)</u>	<u>1,821,138</u>	<u>1,101,879</u>	<u>380,842</u>
Nonoperating revenues (expenses):				
Investment earnings	496,781	569,241	757,860	60,380
Interest expense	(29,623)	(1,977,133)	(374,886)	(127,039)
Gain (loss) on sale of capital assets	-	(401,467)	216,515	(33,116)
Miscellaneous	(12,995)	(69,984)	(164,456)	(55,731)
Total nonoperating revenues (expenses)	<u>454,163</u>	<u>(1,879,343)</u>	<u>435,033</u>	<u>(155,506)</u>
Income (loss) before contributions and transfers	<u>(7,205,987)</u>	<u>(58,205)</u>	<u>1,536,912</u>	<u>225,336</u>
Transfers in	455,372	3,899,903	7,815	-
Transfers out	-	(19,047)	(30,422)	(9,093)
Change in net assets	<u>(6,750,615)</u>	<u>3,822,651</u>	<u>1,514,305</u>	<u>216,243</u>
Total net assets -- beginning	<u>12,178,773</u>	<u>67,745,136</u>	<u>42,526,677</u>	<u>2,814,934</u>
Total net assets -- ending	<u>\$ 5,428,158</u>	<u>\$ 71,567,787</u>	<u>\$ 44,040,982</u>	<u>\$ 3,031,177</u>

Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Portland Police Association Health Insurance	Total
\$ 6,186,333	\$ 4,746,087	\$ 41,367,893	\$ 8,017,618	\$ 134,067,276
-	-	75,555	-	1,940,221
-	-	-	-	12,632
153,518	294,181	730,308	491,590	4,657,545
<u>6,339,851</u>	<u>5,040,268</u>	<u>42,173,756</u>	<u>8,509,208</u>	<u>140,677,674</u>
946,384	843,429	18,287,833	-	30,689,030
6,589	25,065	4,367,772	-	12,408,871
3,628,957	1,331,928	9,844,105	1,119,752	25,814,343
10,220	12,366	36,780	-	3,296,776
5,707,521	1,553,028	-	7,056,192	41,766,372
155,117	179,567	5,135,195	121,226	21,810,152
-	-	1,770,284	-	9,324,648
<u>10,454,788</u>	<u>3,945,383</u>	<u>39,441,969</u>	<u>8,297,170</u>	<u>145,110,192</u>
<u>(4,114,937)</u>	<u>1,094,885</u>	<u>2,731,787</u>	<u>212,038</u>	<u>(4,432,518)</u>
642,129	573,379	714,059	38,750	3,852,579
(70,002)	(65,479)	(825,090)	-	(3,469,252)
-	-	399,802	-	181,734
(30,709)	(28,725)	(195,460)	-	(558,060)
<u>541,418</u>	<u>479,175</u>	<u>93,311</u>	<u>38,750</u>	<u>7,001</u>
(3,573,519)	1,574,060	2,825,098	250,788	(4,425,517)
10,000	-	1,020,956	-	5,394,046
(10,023)	(7,708)	(366,182)	-	(442,475)
(3,573,542)	1,566,352	3,479,872	250,788	526,054
<u>3,049,624</u>	<u>3,967,253</u>	<u>21,336,619</u>	<u>79,616</u>	<u>153,698,632</u>
<u>\$ (523,918)</u>	<u>\$ 5,533,605</u>	<u>\$ 24,816,491</u>	<u>\$ 330,404</u>	<u>\$ 154,224,686</u>

City of Portland, Oregon
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2006

	Hydroelectric Power	Golf	Portland International Raceway Operating	Solid Waste Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,276,612	\$ 5,894,803	\$ 1,791,375	\$ 3,466,338
Receipts from interfund services provided	44,955	143,969	-	68,997
Payments to suppliers	(815,988)	(1,721,371)	(651,236)	(986,942)
Payments to employees	(220,391)	(2,438,948)	(574,263)	(974,934)
Payments for interfund services used	(217,706)	(730,527)	(102,143)	(706,174)
Net cash provided by operating activities	3,067,482	1,147,926	463,733	867,285
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(818,409)	(8,139)	(1,596)	(738,676)
Net cash provided (used) by noncapital financing activities	(818,409)	(8,139)	(1,596)	(738,676)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of bonds and notes	21,370,000	-	-	-
Sale of capital assets	-	204,449	-	-
Acquisition of capital assets	-	(88,824)	(47,893)	-
Principal paid on bonds, notes and capital leases	(23,915,000)	(608,398)	-	-
Interest paid on bonds, notes and capital leases	(1,843,931)	(371,285)	(24,166)	(38,983)
Debt issuance costs	(649,530)	-	-	-
Net cash provided (used) by capital related financing activities	(5,038,461)	(864,058)	(72,059)	(38,983)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	535,064	39,813	8,264	145,624
Net increase (decrease) in cash and cash equivalents	(2,254,324)	315,542	398,342	235,250
CASH AND CASH EQUIVALENTS, July 1, 2005	14,281,653	815,343	160,597	3,836,572
CASH AND CASH EQUIVALENTS, July 1, 2006	\$ 12,027,329	\$ 1,130,885	\$ 558,939	\$ 4,071,822

	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
\$	7,761,665	\$ 7,659,773	\$ 2,778,041	\$ 33,628,607
	699,289	-	-	957,210
	(4,492,264)	(586,944)	(3,229,857)	(12,484,602)
	(60,507)	-	(493,888)	(4,762,931)
	<u>(355,494)</u>	<u>(150,294)</u>	<u>(150,968)</u>	<u>(2,413,306)</u>
	<u>3,552,689</u>	<u>6,922,535</u>	<u>(1,096,672)</u>	<u>14,924,978</u>
	<u>(1,027,293)</u>	<u>(19,210)</u>	<u>(557)</u>	<u>(2,613,880)</u>
	<u>(1,027,293)</u>	<u>(19,210)</u>	<u>(557)</u>	<u>(2,613,880)</u>
	-	-	-	21,370,000
	-	-	-	204,449
	(139,367)	(463,052)	-	(739,136)
	(1,640,000)	(2,200,000)	-	(28,363,398)
	(1,433,774)	(3,385,311)	(900)	(7,098,350)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(649,530)</u>
	<u>(3,213,141)</u>	<u>(6,048,363)</u>	<u>(900)</u>	<u>(15,275,965)</u>
	<u>188,616</u>	<u>304,740</u>	<u>51,182</u>	<u>1,273,303</u>
	(499,129)	1,159,702	(1,046,947)	(1,691,564)
	<u>4,006,201</u>	<u>5,781,598</u>	<u>2,205,453</u>	<u>31,087,417</u>
\$	<u>3,507,072</u>	<u>\$ 6,941,300</u>	<u>\$ 1,158,506</u>	<u>\$ 29,395,853</u>

Continued next page

City of Portland, Oregon
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2006

	<u>Hydroelectric Power</u>	<u>Golf</u>	<u>Portland International Raceway Operating</u>	<u>Solid Waste Management</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 2,403,336	\$ 396,284	\$ 441,270	\$ 966,957
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization of capital assets	656,000	724,226	31,271	1,508
Change in assets and liabilities:				
Accounts and contracts receivable	-	17,789	-	(132,559)
Checks and accounts payable	7,099	6,435	(21,331)	12,756
Accrued compensated absences	1,047	3,192	13,663	11,503
Due from other funds	-	-	-	7,120
Other assets	-	-	(1,140)	-
Other accrued liabilities	-	-	-	-
Net cash provided by operating activities	<u>\$ 3,067,482</u>	<u>\$ 1,147,926</u>	<u>\$ 463,733</u>	<u>\$ 867,285</u>
Noncash Information				
Non-operating prepaid PERS amortization	8,616	70,402	13,553	21,862
Capital contribution	-	2,088	-	-

<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 4,944,149	\$ 3,139,369	\$ (3,359,849)	\$ 8,931,516
1,022,119	2,545,138	59,201	5,039,463
(2,379,577)	787,093	-	(1,707,254)
(25,364)	450,935	258,828	689,358
-	-	45,148	74,553
-	-	-	7,120
-	-	-	(1,140)
<u>(8,638)</u>	<u>-</u>	<u>1,900,000</u>	<u>1,891,362</u>
<u>\$ 3,552,689</u>	<u>\$ 6,922,535</u>	<u>\$ (1,096,672)</u>	<u>\$ 14,924,978</u>
-	-	505	114,938
-	-	-	2,088

City of Portland, Oregon
Nonmajor Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2006

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating	Printing and Distribution Services Operating
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 25,155,668	\$ 3,094,012	\$ 677,307	\$ 1,346,826
Receipts from interfund services provided	308,122	20,112,705	22,243,415	5,562,326
Payments to suppliers	(4,567,597)	(12,772,734)	(10,305,476)	(4,079,461)
Payments to employees	(570,547)	(2,718,716)	(5,601,259)	(1,671,626)
Payments for interfund services used	(496,007)	(1,863,134)	(1,425,117)	(609,605)
Claims paid	(27,036,095)	-	-	-
Net cash provided (used) by operating activities	(7,206,456)	5,852,133	5,588,870	548,460
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	455,372	3,899,903	7,815	-
Transfers out	-	(19,047)	(30,422)	(9,093)
Net cash provided (used) by noncapital financing activities	455,372	3,880,856	(22,607)	(9,093)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sale of capital assets	-	-	621,651	5,175
Acquisition of capital assets	-	(678,891)	(4,800,381)	(347,424)
Principal paid on bonds, notes and capital leases	-	(5,307,000)	-	-
Interest paid on bonds, notes and capital leases	(23,171)	(2,347,011)	(293,244)	(99,374)
Debt issuance costs	-	-	-	-
Net cash provided (used) by capital related financing activities	(23,171)	(8,332,902)	(4,471,974)	(441,623)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	504,835	531,894	705,125	56,603
Net increase (decrease) in cash and cash equivalents	(6,269,420)	1,931,981	1,799,414	154,347
CASH AND CASH EQUIVALENTS, July 1, 2005	14,339,631	13,891,464	19,201,232	1,853,618
CASH AND CASH EQUIVALENTS, June 30, 2006	\$ 8,070,211	\$ 15,823,445	\$ 21,000,646	\$ 2,007,965

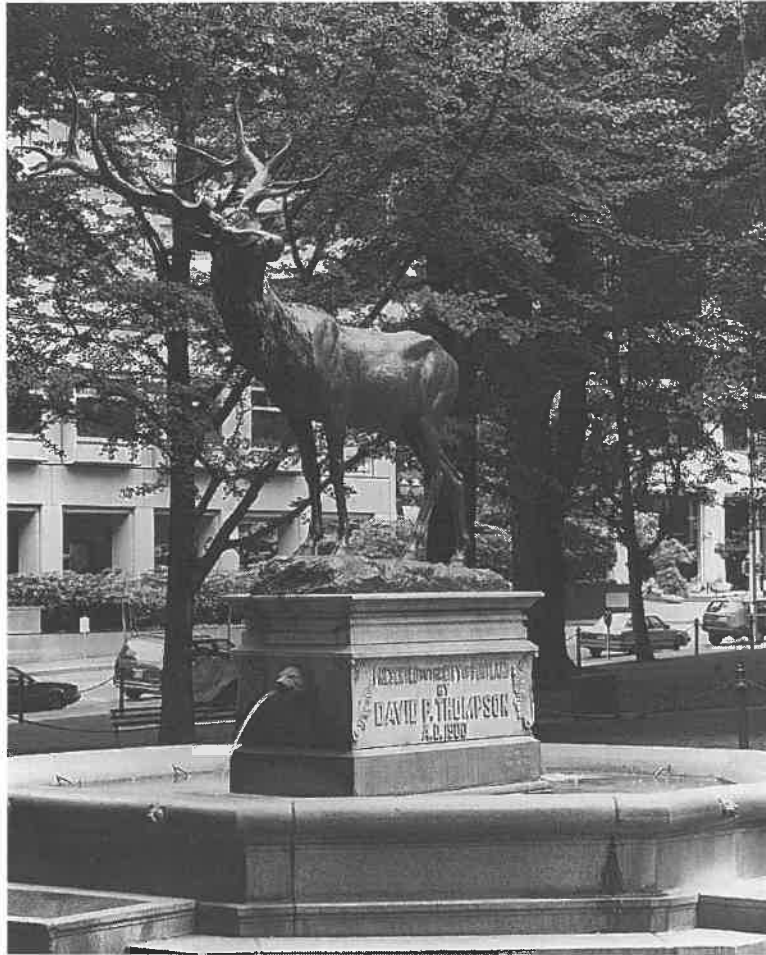
Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Information Technology Services	Portland Police Association Health Insurance	Total
\$ 178,553	\$ 294,181	\$ 4,049,340	\$ 8,509,208	\$ 43,305,095
6,186,332	4,746,088	37,372,553	-	96,531,541
(2,953,075)	(838,177)	(14,884,643)	(926,796)	(51,327,959)
(931,899)	(845,902)	(18,046,917)	-	(30,386,866)
(1,686,828)	(507,926)	(3,960,592)	(308,122)	(10,857,331)
(2,082,021)	(1,606,703)	-	(6,874,770)	(37,599,589)
(1,288,938)	1,241,561	4,529,741	399,520	9,664,891
10,000	-	1,020,956	-	5,394,046
(10,023)	(7,708)	(366,182)	-	(442,475)
(23)	(7,708)	654,774	-	4,951,571
-	-	-	-	626,826
-	-	(3,031,194)	-	(8,857,890)
2,306,000	-	(1,473,000)	-	(4,474,000)
(54,758)	(51,220)	(772,239)	-	(3,641,017)
-	-	-	-	-
2,251,242	(51,220)	(5,276,433)	-	(16,346,081)
610,279	531,805	666,665	33,435	3,640,641
1,572,560	1,714,438	574,747	432,955	1,911,022
17,529,793	14,307,356	19,257,469	592,496	100,973,059
\$ 19,102,353	\$ 16,021,794	\$ 19,832,216	\$ 1,025,451	\$ 102,884,081

Continued next page

City of Portland, Oregon
Nonmajor Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2006

	Health Insurance Operating	Facilities Services Operating	CityFleet Services Operating	Printing and Distribution Services Operating
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (7,660,150)	\$ 1,821,138	\$ 1,101,879	\$ 380,842
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization of capital assets	-	2,983,553	4,302,725	268,086
Provision for uncollectible accounts	-	55,483	-	-
Change in assets and liabilities:				
Accounts and contracts receivable	-	(171,579)	71,436	(67,658)
Inventories	-	-	(11,467)	-
Checks and accounts payable	25,994	1,223,149	118,575	(36,379)
Accrued compensated absences	14,165	23,891	7,612	3,569
Due from other funds	-	-	(1,890)	-
Accrued claims	413,535	(83,459)	-	-
Other accrued liabilities	-	(43)	-	-
Net cash provided (used) by operating activities	<u>\$ (7,206,456)</u>	<u>\$ 5,852,133</u>	<u>\$ 5,588,870</u>	<u>\$ 548,460</u>
Noncash information:				
Non-operating prepaid PERS amortization	12,995	69,984	164,456	55,731
Capital contribution	-	-	-	-

<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self Insurance Operating</u>	<u>Information Technology Services</u>	<u>Portland Police Association Health Insurance</u>	<u>Total</u>
\$ (4,114,937)	\$ 1,094,885	\$ 2,731,787	\$ 212,038	\$ (4,432,518)
-	-	1,770,284	-	9,324,648
-	-	-	-	55,483
25,035	-	(599,862)	-	(742,628)
-	-	(18,064)	-	(29,531)
(839,021)	202,824	556,679	6,060	1,257,881
14,485	(2,473)	240,916	-	302,165
-	-	(151,999)	-	(153,889)
3,625,500	(53,675)	-	181,422	4,083,323
-	-	-	-	(43)
<u>\$ (1,288,938)</u>	<u>\$ 1,241,561</u>	<u>\$ 4,529,741</u>	<u>\$ 399,520</u>	<u>\$ 9,664,891</u>
30,709	28,725	195,460	-	558,060
-	-	-	-	-



ELK AT 4TH & MAIN

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:

Trustee Fund

This fund is a depository for monies paid to the City Treasurer primarily for payment of 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.

City of Portland, Oregon
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2006

	Fire and Police Disability and Retirement	Fire and Police Disability and Retirement Reserve	Fire and Police Supplemental Retirement Reserve	Total
ASSETS				
Cash and Investments	\$ 16,977,780	\$ 750,000	\$ 72,690	\$ 17,800,470
Receivables:				
Due from other funds	4,488,226	-	-	4,488,226
Accrued interest	221,482	-	469	221,951
Prepaid expenses	410,576	-	611	411,187
Total current assets	22,098,064	750,000	73,770	22,921,834
Capital assets:				
Equipment	35,346	-	-	35,346
Accumulated depreciation and amortization	(31,335)	-	-	(31,335)
Net capital assets	4,011	-	-	4,011
Total assets	22,102,075	750,000	73,770	22,925,845
LIABILITIES				
Accounts payable	6,726,769	-	-	6,726,769
Bonds payable	526,002	-	-	526,002
Accrued interest payable	32,334	-	-	32,334
Other liabilities	300,000	-	-	300,000
Total liabilities	7,585,105	-	-	7,585,105
NET ASSETS				
Invested in capital assets, net of related debt	4,011	-	-	4,011
Held in trust for pension benefits	14,512,959	750,000	73,770	15,336,729
Total net assets	\$ 14,516,970	\$ 750,000	\$ 73,770	\$ 15,340,740

City of Portland, Oregon
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2006

	Trustee	Multnomah County Business Tax	Clearing Funds	Totals
ASSETS				
Cash and investments	\$ 6,417,296	\$ 883,498	\$ 35,495,353	\$ 42,796,147
Accounts receivable other	-	-	108,764	108,764
Accrued interest receivable	7,514	8,775	-	16,289
	<u>6,424,810</u>	<u>892,273</u>	<u>-</u>	<u>7,317,083</u>
Total assets	\$ <u>6,424,810</u>	\$ <u>892,273</u>	\$ <u>35,604,117</u>	\$ <u>42,921,200</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 13,212,569	\$ 13,212,569
Salaries and withholding taxes	-	-	21,016,934	21,016,934
Other liabilities	-	-	1,374,614	1,374,614
Liabilities - amounts held in trust	6,424,810	892,273	-	7,317,083
	<u>6,424,810</u>	<u>892,273</u>	<u>-</u>	<u>7,317,083</u>
Total liabilities	\$ <u>6,424,810</u>	\$ <u>892,273</u>	\$ <u>35,604,117</u>	\$ <u>42,921,200</u>

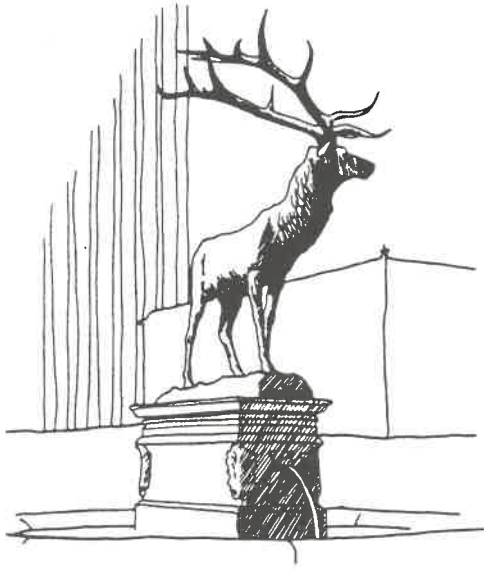
City of Portland, Oregon
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended June 30, 2006

	Fire and Police Disability and Retirement	Fire and Police Disability and Retirement Reserve Pension Trust Fund	Fire and Police Supplemental Retirement Reserve	Total
ADDITIONS				
Contributions:				
Employer	\$ 81,221,695	\$ -	\$ -	\$ 81,221,695
Plan member	92,534	-	-	92,534
Other	80,171	-	-	80,171
Total contributions	81,394,400	-	-	81,394,400
Investment earnings	\$1,391,879	-	2,816	1,394,695
Bond and note premium	-	-	-	-
Total additions	82,786,279	-	2,816	82,789,095
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries	79,719,507	-	7,398	79,726,905
Refunds	62,222	-	-	62,222
Administrative expenses	2,859,419	-	-	2,859,419
Total deductions	82,641,148	-	7,398	82,648,546
Change in net assets	145,131	-	(4,582)	140,549
Net assets - beginning	14,371,840	750,000	78,351	15,200,191
Net assets - ending	\$ 14,516,971	\$ 750,000	\$ 73,769	\$ 15,340,740

City of Portland, Oregon
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Trustee				
Assets:				
Cash and investments	\$ 4,619,847	\$ 51,802,643	\$ 50,005,194	\$ 6,417,296
Accrued interest receivable	6,047	79,464	77,997	7,514
Other assets	1,997,300	-	1,997,300	-
Total assets	\$ 6,623,194	\$ 51,882,107	\$ 52,080,491	\$ 6,424,810
 Liabilities - amounts held in trust	 \$ 6,623,194	 \$ 44,806,054	 \$ 45,004,438	 \$ 6,424,810
 Multnomah Co. Business Income Tax				
Assets:				
Cash and investments	\$ 490,256	\$ 63,126,979	\$ 62,733,737	\$ 883,498
Accrued interest receivable	3,866	40,552	35,643	8,775
Total assets	\$ 494,122	\$ 63,167,531	\$ 62,769,380	\$ 892,273
 Liabilities - amounts held in trust	 \$ 494,122	 \$ 68,587,644	 \$ 68,189,493	 \$ 892,273
 Clearing				
Assets:				
Cash and investments	\$ 29,751,071	\$ 1,009,685,136	\$ 1,003,940,854	\$ 35,495,353
Accounts receivable other	108,764	-	-	108,764
Total assets	\$ 29,859,835	\$ 1,009,685,136	\$ 1,003,940,854	\$ 35,604,117
Liabilities:				
Checks and accounts payable	\$ 10,500,589	\$ 531,031,605	\$ 528,319,625	\$ 13,212,569
Salaries, withholdings and taxes payable	18,263,494	478,653,531	475,900,091	21,016,934
Other liabilities - current	1,095,752	8,956,680	8,677,818	1,374,614
Total liabilities	\$ 29,859,835	\$ 1,018,641,816	\$ 1,012,897,534	\$ 35,604,117
 Total - All Agency Funds				
Assets:				
Cash and investments	\$ 34,861,174	\$ 1,124,614,758	\$ 1,116,679,785	\$ 42,796,147
Accounts receivable other	108,764	-	-	108,764
Accrued interest receivable	9,913	120,016	113,640	16,289
Other assets	1,997,300	-	1,997,300	-
Total assets	\$ 36,977,151	\$ 1,124,734,774	\$ 1,118,790,725	\$ 42,921,200
Liabilities:				
Checks and accounts payable	\$ 10,500,589	\$ 531,031,605	\$ 528,319,625	\$ 13,212,569
Salaries, withholdings and taxes payable	18,263,494	478,653,531	475,900,091	21,016,934
Other liabilities - current	1,095,752	8,956,680	8,677,818	1,374,614
Liabilities - amounts held in trust	7,117,316	113,393,698	113,193,931	7,317,083
Total liabilities	\$ 36,977,151	\$ 1,132,035,514	\$ 1,126,091,465	\$ 42,921,200

Schedules of Revenues and Expenditures Governmental Funds - Budget and Actual



David P. Thompson Fountain, 1900

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.

City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Taxes:				
Current year's taxes	\$ 154,181,404	\$ 154,181,404	\$ 156,492,598	\$ 2,311,194
Prior years' property taxes	3,769,106	3,769,106	3,291,071	(478,035)
Lodging taxes	12,092,518	12,092,518	13,303,241	1,210,723
Total taxes	170,043,028	170,043,028	173,086,910	3,043,882
Licenses and permits:				
Business licenses, net	44,418,253	44,418,253	62,231,703	17,813,450
Public utility licenses	40,619,123	40,619,123	45,481,383	4,862,260
Construction permits	1,210,592	1,460,592	1,416,188	(44,404)
Other permits	1,949,661	2,068,489	1,805,129	(263,360)
Total licenses and permits	88,197,629	88,566,457	110,934,403	22,367,946
Intergovernmental:				
State revenue sharing	10,075,896	10,075,896	11,476,355	1,400,459
State cost sharing	30,000	30,000	14,970	(15,030)
State grants	-	37,000	4,568	(32,432)
Multnomah County cost sharing	5,004,699	5,083,427	4,500,699	(582,728)
Local shared revenues	3,796,249	4,061,962	3,855,203	(206,759)
Local administered federal funds	150,000	150,000	219,424	69,424
Local cost sharing	5,984,422	6,432,425	6,168,864	(263,561)
PDC - overhead charges	179,776	179,776	179,776	-
Total intergovernmental	25,221,042	26,050,486	26,419,859	369,373
Charges for services:				
Inspection fees	950,000	950,000	918,850	(31,150)
Parks and recreation facilities fees	8,228,915	8,251,415	7,895,635	(355,780)
Concessions	19,565	19,565	11,294	(8,271)
Rents and reimbursements	2,384,504	2,412,388	2,380,112	(32,276)
Other service charges	2,261,161	2,207,902	3,695,575	1,487,673
Total service charges and fees	13,844,145	13,841,270	14,901,466	1,060,196
Billings to other funds for services:				
Transportation Operating	1,854,279	2,009,765	1,720,825	(288,940)
Emergency Communication	133,865	133,865	133,865	-
Development Services	462,456	479,342	460,357	(18,985)
Property Management License	45,927	45,927	41,620	(4,307)
Public Safety	21,415	21,415	20,963	(452)
Cable	342,688	349,160	346,396	(2,764)
Private for Hire Transportation Safety	12,000	12,000	12,000	-
Business License Surcharge	312,374	312,374	312,374	-
Convention and Tourism	68,272	68,272	68,272	-
Housing Investment	67,400	67,400	-	(67,400)
Parks Local Option Levy	4,620,148	5,047,584	4,991,163	(56,421)
Children's Investment	4,574	4,574	4,574	-

Continued next page

City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES, Continued				
Billings to other funds for services, Continued:				
Housing and Community Development	1,809,232	1,937,831	1,770,242	(167,589)
Home Grant	405,162	438,662	390,608	(48,054)
Portland Parks Memorial Trust	497,870	708,991	697,458	(11,533)
Pension Debt Redemption	114,312	114,312	114,312	-
BFRES Facilities GO Bond Construction	90,940	90,940	87,583	(3,357)
Local Improvement District Construction	1,468,976	1,468,976	1,085,761	(383,215)
Parks Capital Construction and Maintenance	151,424	204,846	220,385	15,539
Parks Endowment	500	500	500	-
Sewer System Operating	11,142,541	11,711,042	10,129,083	(1,581,959)
Sewer System Construction	100,000	100,000	-	(100,000)
Water	9,982,928	10,035,734	8,678,139	(1,357,595)
Hydroelectric Power Operating	27,266	27,444	26,851	(593)
Golf	284,766	284,766	287,141	2,375
Portland International Raceway	111,590	111,590	91,719	(19,871)
Solid Waste Management	365,651	375,829	374,426	(1,403)
Parking Facilities	170,544	170,544	153,389	(17,155)
Spectator Facilities Operating	102,055	102,055	95,600	(6,455)
Health Insurance Operating	234,221	234,221	234,221	-
Facilities Services Operating	834,929	843,907	813,577	(30,330)
CityFleet Operating	400,708	400,708	379,741	(20,967)
Printing and Distribution Services Operating	174,223	174,223	156,734	(17,489)
Insurance and Claims Operating	1,505,846	1,505,846	1,492,986	(12,860)
Workers' Compensation Self Insurance Operating	317,814	317,814	304,954	(12,860)
Technology Services	5,308,611	3,785,471	2,897,312	(888,159)
Fire and Police Disability and Retirement	1,279,247	1,399,247	1,280,105	(119,142)
Total billings to other funds for services	44,826,754	45,097,177	39,875,236	(5,221,941)
Billings to other funds for general and overhead charges:				
Transportation Operating	3,038,670	3,038,670	3,038,670	-
Assessment Collection	209	209	209	-
Emergency Communication	303,779	303,779	303,779	-
Development Services	771,634	771,634	771,634	-
Public Safety	6,116	6,116	6,116	-
Cable	14,521	14,521	14,521	-
Private for Hire Transportation Safety	942	942	942	-
Business License Surcharge	26,290	26,290	26,290	-
Convention and Tourism	8,163	8,163	8,163	-
Parks Local Option Levy	24,676	24,676	24,676	-
Children's Investment	25,000	25,000	25,000	-
BFRES Facilities GO Bond Construction	74,148	74,148	74,148	-
Local Improvement District Construction	81,497	81,497	81,497	-
Parks Capital Construction and Maintenance	109,657	109,657	109,657	-
Sewer System Operating	2,687,815	2,687,815	2,687,815	-
Water	2,208,678	2,208,678	2,208,678	-
Hydroelectric Power Operating	58,026	58,026	58,026	-

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES, Continued				
Billings to other funds for general and overhead charges, Continued:				
Golf	113,912	113,912	113,912	-
Portland International Raceway	27,297	27,297	27,297	-
Solid Waste Management	82,599	82,599	82,599	-
Parking Facilities	93,288	93,288	93,288	-
Spectator Facilities Operating	87,668	87,668	87,668	-
Environmental Remediation	3,501	3,501	3,501	-
Health Insurance Operating	188,003	188,003	188,003	-
Facilities Services Operating	814,887	814,887	814,887	-
CityFleet Operating	787,192	787,192	787,192	-
Printing and Distribution Services Operating	281,163	281,163	281,163	-
Insurance and Claims Operating	128,953	128,953	128,953	-
Workers' Compensation Self Insurance Operating	158,614	158,614	158,614	-
Technology Services	844,595	844,595	844,595	-
Portland Police Association Health Insurance	41,263	41,263	41,263	-
Fire and Police Disability and Retirement	101,332	101,332	101,332	-
Total billings to other funds for general and overhead charges	13,194,088	13,194,088	13,194,088	-
Other:				
Loan repayments	15,000	15,000	19,525	4,525
Assessments	1,072,900	1,106,111	1,223,050	116,939
Sales - other	45,000	145,000	218,261	73,261
Refunds	469,102	469,102	610,918	141,816
Private grants and donations	472,616	495,757	291,478	(204,279)
Investment earnings	1,545,510	1,545,510	2,884,411	1,338,901
Other interest income	808,716	815,416	256,321	(559,095)
Payment in lieu of taxes	728,458	728,458	1,533,219	804,761
Miscellaneous	3,219,056	3,382,947	1,895,282	(1,487,665)
Total other	8,376,358	8,703,301	8,932,465	229,164
Total revenues	363,703,044	365,495,807	387,344,427	21,848,620

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
EXPENDITURES				
Current:				
Public Safety				
Bureau of Fire, Rescue and Emergency Services				
Personal services	60,711,382	63,527,317	62,745,628	781,689
Materials and services	9,682,193	12,630,721	10,611,091	2,019,630
Total Bureau of Fire, Rescue and Emergency Services	70,393,575	76,158,038	73,356,719	2,801,319
Bureau of Police				
Personal services	97,063,056	103,315,417	102,889,702	425,715
Materials and services	33,412,553	35,093,092	33,074,704	2,018,388
Total Bureau of Police	130,475,609	138,408,509	135,964,406	2,444,103
Bureau of Emergency Management				
Personal services	829,727	934,737	746,090	188,647
Materials and services	5,775,580	9,149,161	5,775,126	3,374,036
Total Bureau of Emergency Management	6,605,307	10,083,898	6,521,216	3,562,683
Special Appropriations				
Public Safety Coordinating Council				
Materials and services	25,687	25,687	20,000	5,687
Pioneer Square Security				
Materials and services	-	100,000	100,000	-
Multnomah County Jail Beds				
Materials and services	1,800,000	1,475,000	1,475,000	-
Fire and Police Disability and Retirement Review				
Materials and services	120,000	-	-	-
City/County Public Safety Coordination				
Materials and services	200,000	288,274	230,845	57,429
Total Public Safety	209,620,178	226,539,406	217,668,186	8,871,221
Parks, Recreation and Culture				
Bureau of Parks				
Personal services	29,461,790	29,899,157	29,752,365	146,792
Materials and services	17,305,294	18,097,470	17,409,592	687,878
Total Bureau of Parks	46,767,084	47,996,627	47,161,957	834,670
Parks Inventory				
Materials and services	25,000	-	-	-

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	<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:				
Parks, Recreation and Culture, Continued				
Special Appropriations				
Regional Arts and Culture Council				
Materials and services	2,116,294	2,116,294	2,116,294	-
Holiday Festival				
Materials and services	-	50,000	-	50,000
MERC/PCPA				
Materials and services	920,439	920,439	917,181	3,258
Portland Opera				
Materials and services	200,000	200,000	200,000	-
Total Parks, Recreation and Culture	50,028,817	51,283,360	50,395,432	887,928
Community Development				
Bureau of Housing and Community Development				
Personal services	2,196,101	2,239,285	2,091,268	148,017
Materials and services	7,526,021	13,314,090	9,123,755	4,190,335
Total Bureau of Housing and Community Development	9,722,122	15,553,375	11,215,023	4,338,352
Bureau of Planning				
Personal services	4,757,305	5,059,172	4,769,914	289,258
Materials and services	1,259,519	1,406,019	1,303,303	102,716
Total Bureau of Planning	6,016,824	6,465,191	6,073,217	391,974
Office of Cable Communications and Franchise				
Personal services	663,520	683,192	682,762	430
Materials and services	1,120,666	1,142,166	1,123,695	18,471
Total Office of Cable Communications and Franchise	1,784,186	1,825,358	1,806,457	18,901
Office of Neighborhood Involvement				
Personal services	3,824,388	3,988,058	3,943,323	44,735
Materials and services	3,159,856	3,084,100	2,675,255	408,845
Total Office of Neighborhood Involvement	6,984,244	7,072,158	6,618,578	453,580
Office of Sustainable Development				
Personal services	1,492,671	1,663,641	1,536,325	127,316
Materials and services	1,083,251	1,722,994	883,789	839,205
Total Office of Sustainable Development	2,575,922	3,386,635	2,420,114	966,521

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES, Continued				
Current, Continued:				
Community Development, Continued				
Special Appropriations				
Clean & Safe				
Materials and services	17,463	18,663	18,658	5
Lone Fir Cemetery				
Materials and services	150,000	150,000	-	150,000
Employee Transit Program				
Materials and services	128,695	-	-	-
BHCD - Workforce Development				
Materials and services	97,365	97,365	97,365	-
Downtown Marketing				
Materials and services	400,000	407,137	398,506	8,631
Economic Development				
Materials and services	874,054	874,054	874,054	-
Downtown Services				
Materials and services	749,233	749,233	726,130	23,103
Sustainable Food Initiative				
Materials and services	65,000	-	-	-
Portland Schools Initiative				
Materials and services	600,000	375,000	375,000	-
Block by Block Weatherization				
Materials and services	85,000	-	-	-
Total Community Development	30,250,108	36,974,169	30,623,102	6,351,067
Legislative/Admin/Support Services				
Office of the Mayor				
Personal services	1,254,984	1,545,506	1,518,903	26,603
Materials and services	469,681	587,173	540,192	46,981
Total Office of the Mayor	1,724,665	2,132,679	2,059,095	73,584
Commissioner of Public Affairs				
Personal services	507,734	547,586	529,758	17,828
Materials and services	142,696	142,696	126,332	16,364
Total Commissioner of Public Affairs	650,430	690,282	656,090	34,192

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	<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				
Commissioner of Public Safety				
Personal services	513,232	498,607	493,164	5,443
Materials and services	119,197	134,197	125,073	9,124
Total Commissioner of Public Safety	632,429	632,804	618,237	14,567
Commissioner of Public Utilities				
Personal services	500,641	643,878	655,528	(11,650)
Materials and services	138,928	190,204	182,503	7,701
Total Commissioner of Public Utilities	639,569	834,082	838,031	(3,949)
Commissioner of Public Works				
Personal services	519,072	548,272	553,621	(5,349)
Materials and services	117,879	117,879	110,865	7,014
Total Commissioner of Public Works	636,951	666,151	664,486	1,665
Office of City Attorney				
Personal services	4,965,703	5,082,964	5,045,837	37,127
Materials and services	1,011,568	1,011,568	931,710	79,858
Total Office of City Attorney	5,977,271	6,094,532	5,977,547	116,985
Office of the City Auditor				
Personal services	5,261,121	5,396,858	5,296,374	100,484
Materials and services	2,363,306	2,396,756	1,954,013	442,743
Total Office of the City Auditor	7,624,427	7,793,614	7,250,387	543,227
Office of Government Relations				
Personal services	430,541	450,791	451,758	(967)
Materials and services	316,757	320,457	307,232	13,225
Total Office of Government Relations	747,298	771,248	758,990	12,258
Bureau of Licenses				
Personal services	4,375,862	5,157,836	4,769,095	388,741
Materials and services	3,334,324	2,565,194	2,062,961	502,233
Total Bureau of Licenses	7,710,186	7,723,030	6,832,056	890,974
Office of Management and Finance				
Personal services	14,908,241	15,234,564	15,152,867	81,697
Materials and services	7,641,644	7,883,439	6,439,026	1,444,413
Total Office of Management and Finance	22,549,885	23,118,003	21,591,893	1,526,110

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES, Continued				
Current, Continued:				
Legislative/Admin/Support Services, Continued				
Citywide Projects				
Personal services	1,907,876	1,932,876	1,895,126	37,750
Materials and services	6,469,713	6,051,513	5,068,986	982,527
Total Citywide Projects	8,377,589	7,984,389	6,964,112	1,020,277
Utility Customer Services				
Personal services	6,831,259	6,923,759	6,381,533	542,226
Materials and services	6,065,055	4,991,735	3,724,157	1,267,578
Total Utility Customer Services	12,896,314	11,915,494	10,105,690	1,809,804
Special Appropriations				
City Membership and Dues				
Materials and services	219,706	244,048	235,564	8,484
Leaders Roundtable				
Materials and services	9,185	13,626	11,356	2,270
Compensation Set-Aside				
Materials and services	9,698,744	4,462,309	-	4,462,309
Council Emergency Fund				
Materials and services	5,264	5,264	-	5,264
Charter Review				
Materials and services	400,000	200,000	45,860	154,140
Strategic Planning				
Materials and services	150,000	-	-	-
PGE Legal Costs				
Materials and services	1,065,000	685,524	458,058	227,466
Independent Audit of IPR				
Materials and services	60,000	-	-	-
COPPEA Training				
Materials and services	124,999	223,744	70,781	152,963
Total Legislative/Admin/Support Services	81,899,912	76,190,823	65,138,233	11,052,590

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	<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:				
Nondepartmental:				
General Operating Contingencies	18,259,326	11,136,495	-	11,136,495
Total Nondepartmental:	18,259,326	11,136,495	-	11,136,495
Debt service and related costs:				
Principal	-	149,337	51,463	97,874
Interest	-	217,756	217,756	-
Total Debt service and related costs	-	367,093	269,219	97,874
Capital outlay	3,277,290	8,344,909	3,701,346	4,643,563
Total expenditures	393,335,631	410,836,255	367,795,518	43,040,737
Revenues over (under) expenditures	(29,632,587)	(45,340,448)	19,548,909	64,889,357
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Private for Hire Transportation Safety	68,000	68,000	68,000	-
General Reserve	67,000	251,612	184,612	(67,000)
Federal Grants	15,841,023	32,887,447	18,347,517	(14,539,930)
Housing and Community Development	235,081	235,081	228,119	(6,962)
Sewer System Operating	12,809,321	12,809,321	12,314,131	(495,190)
Water	4,184,153	4,184,153	4,184,153	-
Hydroelectric Power Operating	200,000	815,000	815,000	-
Solid Waste Management	699,402	791,587	734,466	(57,121)
Parking Facilities	320,745	320,745	320,745	-
Spectator Facilities Operating	11,477	11,477	11,477	-
Technology Services	-	324,567	324,567	-
Total transfers from other funds	34,436,202	52,698,990	37,532,787	(15,166,203)
Transfers to other funds:				
Transportation Operating	(5,989,552)	(6,408,452)	(6,044,232)	364,220
Emergency Communication	(8,599,554)	(8,599,554)	(8,599,554)	-
Development Services	(1,314,837)	(1,349,837)	(1,349,837)	-
Public Safety	(17,500)	(17,500)	-	17,500
General Reserve	(5,568,149)	(5,644,284)	(5,568,149)	76,135
Housing Investment	(2,482,122)	(2,882,122)	(2,882,122)	-
Campaign Finance	(447,526)	(495,191)	(495,191)	-
Pension Debt Redemption	(6,033,880)	(6,033,880)	(6,033,880)	-
Governmental Bond Redemption	(1,962,950)	(1,962,950)	(1,952,602)	10,348
Parks Capital Construction and Maintenance	(2,278,227)	(2,703,227)	(2,703,222)	5
Sewer System Operating	(352,056)	(352,056)	(352,056)	-
Health Insurance Operating	-	(455,372)	(455,372)	-

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	<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, Continued:				
Facilities Services Operating	(2,393,550)	(2,493,550)	(2,493,549)	1
CityFleet Operating	-	(41,685)	(41,685)	-
Printing and Distribution Services Operating	-	(61,855)	(61,505)	350
Insurance and Claims Operating	-	(10,000)	(10,000)	-
Technology Services	(868,957)	(1,352,272)	(1,288,083)	64,189
Total transfers to other funds	<u>(38,308,860)</u>	<u>(40,863,787)</u>	<u>(40,331,039)</u>	<u>532,748</u>
Loans issued	-	-	1,824,000	1,824,000
Sale of capital asset	-	-	76,351	76,351
Total other financing sources (uses)	<u>(3,872,658)</u>	<u>11,835,203</u>	<u>(897,901)</u>	<u>(12,733,104)</u>
Net change in fund balance	(33,505,245)	(33,505,245)	18,651,008	52,156,253
Fund balance -- beginning	<u>33,505,245</u>	<u>33,505,245</u>	<u>51,561,836</u>	<u>18,056,591</u>
Fund balance -- ending	\$ <u>-</u>	\$ <u>-</u>	\$ <u>70,212,844</u>	\$ <u>70,212,844</u>

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.

Public Safety Fund

This fund accounts for receipts derived from a 3-year serial tax levy to integrate and improve the City's emergency communication system.

Cable Fund

This fund accounts for cable revenues and expenditures as required by an intergovernmental agreement with the Consolidated Cable Communications Commission.

Private for Hire Transportation Safety Fund

This fund is established to create and manage a grant program for the purchase and installation of cameras in Portland area taxicabs and other private for hire transportation vehicles.

Business License Surcharge Fund

This fund is established in the City's financial system in order to record the transactions of resources and requirements resulting from implementation of the business license surcharge.

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.

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.

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.

Campaign Finance Fund

This fund is established to provide for the financing of campaigns of certified candidates for City office and the payment of related administrative and enforcement activities.

Parks Local Option Levy Fund

This fund is 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.

Federal Grants Fund

This fund accounts for the receipts and expenditures of federal grants aid.

Housing and Community Development 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 Trust Fund

This fund accounts for monies held by the City in a trustee capacity with disbursements made in accordance with the trust agreements.

City of Portland, Oregon
Assessment Collection Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 500	\$ 500	\$ 1,541	\$ 1,041
Investment earnings	850	850	2,399	1,549
Other interest income	250	250	1,572	1,322
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>5,512</u>	<u>3,912</u>
EXPENDITURES				
Current:				
Materials and services	268	268	268	-
General operating contingencies	64,002	64,002	-	64,002
Overhead charges - General Fund	209	209	209	-
Total expenditures	<u>64,479</u>	<u>64,479</u>	<u>477</u>	<u>64,002</u>
Revenues over (under) expenditures	<u>(62,879)</u>	<u>(62,879)</u>	<u>5,035</u>	<u>67,914</u>
Fund balance -- beginning	<u>62,879</u>	<u>62,879</u>	<u>63,388</u>	<u>509</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,423</u>	<u>\$ 68,423</u>

City of Portland, Oregon
Emergency Communication Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Intergovernmental:				
State cost sharing	\$ 2,403,400	\$ 2,403,400	\$ 2,311,975	\$ (91,425)
Multnomah County cost sharing	256,519	256,519	243,667	(12,852)
Local cost sharing	2,455,023	2,455,023	2,336,547	(118,476)
Other service charges	50,000	50,000	84,363	34,363
Investment earnings	-	-	40,783	40,783
Total revenues	<u>5,164,942</u>	<u>5,164,942</u>	<u>5,017,335</u>	<u>(147,607)</u>
EXPENDITURES				
Current:				
Personal services	10,253,837	10,096,242	9,771,949	324,293
Materials and services	3,194,250	3,449,700	3,168,123	281,577
General operating contingencies	711,511	711,511	-	711,511
Overhead charges - General Fund	303,779	303,779	303,779	-
Total expenditures	<u>14,463,377</u>	<u>14,561,232</u>	<u>13,243,851</u>	<u>1,317,381</u>
Revenues over (under) expenditures	<u>(9,298,435)</u>	<u>(9,396,290)</u>	<u>(8,226,516)</u>	<u>1,169,774</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
General	8,599,554	8,599,554	8,599,554	-
Transfers to other funds:				
Public Safety	-	(1,000,000)	(1,000,000)	-
Campaign Finance	(18,108)	(18,108)	(18,108)	-
Pension Debt Redemption	(145,921)	(145,921)	(145,921)	-
Technology Services	-	(13,417)	(13,285)	132
Total other financing sources (uses)	<u>8,435,525</u>	<u>7,422,108</u>	<u>7,422,240</u>	<u>132</u>
Net change in fund balance	<u>(862,910)</u>	<u>(1,974,182)</u>	<u>(804,276)</u>	<u>1,169,906</u>
Fund balance -- beginning	<u>862,910</u>	<u>1,974,182</u>	<u>2,456,706</u>	<u>482,524</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,652,430</u>	<u>\$ 1,652,430</u>

City of Portland, Oregon
Development Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Licenses and fees:				
Construction permits	\$ 20,950,000	\$ 20,950,000	\$ 24,382,076	\$ 3,432,076
Other permits	366,000	366,000	468,357	102,357
Service charges and fees:				
Inspection fees	1,750,000	1,750,000	2,040,432	290,432
Other service charges	6,313,000	6,309,000	6,821,122	512,122
Billings for interfund services:				
General	25,592	25,592	25,592	-
Transportation Operating	49,966	49,966	49,966	-
Sewer System Operating	47,333	47,333	47,333	-
Water	4,705	4,705	4,705	-
Other:				
Assessments	382,000	385,500	273,002	(112,498)
Investment earnings	71,000	71,000	358,346	287,346
Other interest income	62,000	62,500	68,860	6,360
Total revenues	30,021,596	30,021,596	34,539,791	4,518,195
EXPENDITURES				
Current:				
Personal services	23,904,250	23,904,250	22,764,088	1,140,162
Materials and services	7,367,389	8,225,263	7,298,566	926,697
General operating contingencies	2,686,537	1,863,663	-	1,863,663
Overhead charges - General Fund	771,634	771,634	771,634	-
Total expenditures	34,729,810	34,764,810	30,834,288	3,930,522
Revenues over (under) expenditures	(4,708,214)	(4,743,214)	3,705,503	8,448,717
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
General	1,314,837	1,349,837	1,349,837	-
Transfers to other funds:				
Campaign Finance	(40,292)	(40,292)	(40,292)	-
Pension Debt Redemption	(732,333)	(732,333)	(732,333)	-
Total other financing sources (uses)	542,212	577,212	577,212	-
Net change in fund balance	(4,166,002)	(4,166,002)	4,282,715	8,448,717
Fund balance -- beginning	4,995,184	4,995,184	6,922,134	1,926,950
Fund balance -- ending	\$ 829,182	\$ 829,182	\$ 11,204,849	\$ 10,375,667

City of Portland, Oregon
Property Management License Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Business licenses, net	\$ 4,586,063	\$ 4,586,063	\$ 4,234,558	\$ (351,505)
Investment earnings	6,600	6,600	18,146	11,546
Total revenues	<u>4,592,663</u>	<u>4,592,663</u>	<u>4,252,704</u>	<u>(339,959)</u>
EXPENDITURES				
Current:				
Materials and services	4,592,663	4,592,663	4,248,744	343,919
General operating contingencies	<u>20,943</u>	<u>20,943</u>	<u>-</u>	<u>20,943</u>
Total expenditures	<u>4,613,606</u>	<u>4,613,606</u>	<u>4,248,744</u>	<u>364,862</u>
Revenues over (under) expenditures	(20,943)	(20,943)	3,960	24,903
Fund balance -- beginning	<u>20,943</u>	<u>20,943</u>	<u>32,969</u>	<u>12,026</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,929</u>	<u>\$ 36,929</u>

City of Portland, Oregon
Public Safety Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Other service charges	\$ -	\$ 17,500	\$ 172,423	\$ 154,923
Investment earnings	-	-	33,033	33,033
Total revenues	-	17,500	205,456	187,956
EXPENDITURES				
Current:				
Personal services	18,963	18,963	3,371	15,592
Materials and services	525,971	869,471	800,674	68,797
General operating contingencies	122,233	672,233	-	672,233
Overhead charges - General Fund	6,116	6,116	6,116	-
Capital outlay	217,000	400,000	400,000	-
Total expenditures	890,283	1,966,783	1,210,161	756,622
Revenues over (under) expenditures	(890,283)	(1,949,283)	(1,004,705)	944,578
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	17,500	17,500	-	(17,500)
Federal Grants	454,000	681,417	655,643	(25,774)
Emergency Communication	-	1,000,000	1,000,000	-
Transfers to other funds:				
Campaign Finance	(236)	(236)	(236)	-
Technology Services	-	(168,417)	(65,313)	103,104
Total other financing sources (uses)	471,264	1,530,264	1,590,094	59,830
Net change in fund balance	(419,019)	(419,019)	585,389	1,004,408
Fund balance -- beginning	419,019	419,019	906,520	487,501
Fund balance -- ending	\$ -	\$ -	\$ 1,491,909	\$ 1,491,909

City of Portland, Oregon
Cable Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public utility licenses	\$ 969,863	\$ 969,863	\$ 1,285,004	\$ 315,141
Investment earnings	34,000	34,000	100,333	66,333
Miscellaneous	1,938,982	1,938,982	2,589,693	650,711
Billings for interfund services:				
General	258,114	258,114	257,438	(676)
Total revenues	<u>3,200,959</u>	<u>3,200,959</u>	<u>4,232,468</u>	<u>1,031,509</u>
EXPENDITURES				
Current:				
Materials and services	3,140,942	3,417,414	3,232,687	184,727
General operating contingencies	746,142	469,670	-	469,670
Overhead charges - General Fund	14,521	14,521	14,521	-
Total expenditures	<u>3,901,605</u>	<u>3,901,605</u>	<u>3,247,208</u>	<u>654,397</u>
Revenues over (under) expenditures	(700,646)	(700,646)	985,260	1,685,906
OTHER FINANCING SOURCES (USES)				
Transfers to other fund:				
Campaign Finance	(2,060)	(2,060)	(2,060)	-
Net change in fund balance	(702,706)	(702,706)	983,200	1,685,906
Fund balance -- beginning	<u>1,633,898</u>	<u>1,633,898</u>	<u>2,383,979</u>	<u>750,081</u>
Fund balance -- ending	<u>\$ 931,192</u>	<u>\$ 931,192</u>	<u>\$ 3,367,179</u>	<u>\$ 2,435,987</u>

City of Portland, Oregon
Private for Hire Transportation Safety Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other permits	\$ 8,000	\$ 8,000	\$ -	\$ (8,000)
Investment earnings	4,000	4,000	2,490	(1,510)
Miscellaneous	72,000	72,000	89,890	17,890
	<u>84,000</u>	<u>84,000</u>	<u>92,380</u>	<u>8,380</u>
EXPENDITURES				
Current:				
Materials and services	22,000	22,000	12,000	10,000
General operating contingencies	1,955	1,955	-	1,955
Overhead charges - General Fund	942	942	942	-
	<u>24,897</u>	<u>24,897</u>	<u>12,942</u>	<u>11,955</u>
Total expenditures				
	<u>24,897</u>	<u>24,897</u>	<u>12,942</u>	<u>11,955</u>
Revenues over (under) expenditures	59,103	59,103	79,438	20,335
OTHER FINANCING SOURCES (USES)				
Transfers to other fund:				
General	(68,000)	(68,000)	(68,000)	-
	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>-</u>
Net change in fund balance	(8,897)	(8,897)	11,438	20,335
Fund balance -- beginning	8,897	8,897	14,905	6,008
Fund balance -- ending	\$ -	\$ -	\$ 26,343	\$ 26,343

City of Portland, Oregon
Business License Surcharge Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Business licenses, net	\$ 2,100,000	\$ 2,486,702	\$ 4,404,412	\$ 1,917,710
Investment earnings	30,000	30,000	284,229	254,229
Total revenues	<u>2,130,000</u>	<u>2,516,702</u>	<u>4,688,641</u>	<u>2,171,939</u>
EXPENDITURES				
Current:				
Materials and services	6,312,813	6,699,515	6,312,813	386,702
Overhead charges - General Fund	<u>26,290</u>	<u>26,290</u>	<u>26,290</u>	<u>-</u>
Total expenditures	<u>6,339,103</u>	<u>6,725,805</u>	<u>6,339,103</u>	<u>386,702</u>
Revenues over (under) expenditures	(4,209,103)	(4,209,103)	(1,650,462)	2,558,641
OTHER FINANCING SOURCES(USES)				
Transfer to other fund:				
Campaign Finance	<u>(435)</u>	<u>(435)</u>	<u>(435)</u>	<u>-</u>
Net change in fund balance	(4,209,538)	(4,209,538)	(1,650,897)	2,558,641
Fund balance -- beginning	<u>4,709,483</u>	<u>4,709,483</u>	<u>4,895,701</u>	<u>186,218</u>
Fund balance -- ending	<u>\$ 499,945</u>	<u>\$ 499,945</u>	<u>\$ 3,244,804</u>	<u>\$ 2,744,859</u>

City of Portland, Oregon
Convention and Tourism Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Lodging taxes	\$ 2,253,606	\$ 2,948,606	\$ 2,660,649	\$ (287,957)
Investment earnings	5,000	10,000	13,686	3,686
 Total revenues	 2,258,606	 2,958,606	 2,674,335	 (284,271)
EXPENDITURES				
Current:				
Materials and services	2,246,908	2,946,908	2,647,086	299,822
General operating contingencies	165,566	165,566	-	165,566
Overhead charges - General Fund	8,163	8,163	8,163	-
 Total expenditures	 2,420,637	 3,120,637	 2,655,249	 465,388
 Revenues over (under) expenditures	 (162,031)	 (162,031)	 19,086	 181,117
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Campaign Finance	(1,523)	(1,523)	(1,523)	-
 Net change in fund balance	 (163,554)	 (163,554)	 17,563	 181,117
Fund balance -- beginning	163,554	163,554	152,072	(11,482)
Fund balance -- ending	\$ -	\$ -	\$ 169,635	\$ 169,635

City of Portland, Oregon
General Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Investment earnings	\$ 1,137,480	\$ 1,137,480	\$ 1,678,649	\$ 541,169
EXPENDITURES				
Current:				
Materials and services	-	15,000	15,000	-
General operating contingencies	48,896,438	48,772,961	-	48,772,961
Total expenditures	48,896,438	48,787,961	15,000	48,772,961
Revenues over (under) expenditures	(47,758,958)	(47,650,481)	1,663,649	49,314,130
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
General	5,568,149	5,644,284	5,568,149	(76,135)
Transfers to other fund:				
General	(67,000)	(251,612)	(184,612)	67,000
Total other financing sources (uses)	5,501,149	5,392,672	5,383,537	(9,135)
Net change in fund balance	(42,257,809)	(42,257,809)	7,047,186	49,304,995
Fund balance -- beginning	42,257,809	42,257,809	42,202,105	(55,704)
Fund balance -- ending	\$ -	\$ -	\$ 49,249,291	\$ 49,249,291

City of Portland, Oregon
Special Finance and Resource Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Investment earnings	\$ -	\$ -	\$ 83,949	\$ 83,949
EXPENDITURES				
Current:				
Materials and services	114,159,261	112,742,731	82,974,098	29,768,633
Debt service and related costs:				
Debt issuance costs	-	1,391,530	793,322	598,208
Total expenditures	114,159,261	114,134,261	83,767,420	30,366,841
Revenues over (under) expenditures	(114,159,261)	(114,134,261)	(83,683,471)	30,450,790
OTHER FINANCING SOURCES (USES)				
Transfers to other fund:				
Airport Way Debt Service	-	(25,000)	-	25,000
Bonds and notes issued	114,159,261	114,159,261	83,769,741	(30,389,520)
Total other financing sources (uses)	114,159,261	114,134,261	83,769,741	(30,364,520)
Net change in fund balance	-	-	86,270	86,270
Fund balance -- beginning	-	-	357,899	357,899
Fund balance -- ending	\$ -	\$ -	\$ 444,169	\$ 444,169

City of Portland, Oregon
Transportation Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Investment earnings	\$ 10,000	\$ 10,000	\$ 26,561	\$ 16,561
EXPENDITURES				
Current:				
General operating contingencies	704,342	704,342	-	704,342
Revenues over (under) expenditures	(694,342)	(694,342)	26,561	720,903
Fund balance -- beginning	694,342	694,342	699,322	4,980
Fund balance -- ending	\$ -	\$ -	\$ 725,883	\$ 725,883

City of Portland, Oregon
Housing Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rents and reimbursements	\$ 5,250	\$ 5,250	\$ -	\$ (5,250)
Other service charges	15,000	15,000	-	(15,000)
Billing for interfund services:				
General	-	-	21,271	21,271
Private grants and donations	-	-	2,000	2,000
Investment earnings	43,400	465,000	653,697	188,697
	<u>63,650</u>	<u>485,250</u>	<u>676,968</u>	<u>191,718</u>
Total revenues				
EXPENDITURES				
Current:				
Materials and services	20,835,884	26,255,270	12,054,910	14,200,360
General operating contingencies	23,619	23,619	-	23,619
Debt service and related costs:				
Debt issuance costs	-	47,750	33,300	14,450
	<u>20,859,503</u>	<u>26,326,639</u>	<u>12,088,210</u>	<u>14,238,429</u>
Total expenditures				
Revenues over (under) expenditures	<u>(20,795,853)</u>	<u>(25,841,389)</u>	<u>(11,411,242)</u>	<u>14,430,147</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
General	2,482,122	2,882,122	2,882,122	-
Transfers to other fund:				
Governmental Bond Redemption	(533,097)	(533,097)	(533,097)	-
Bonds and notes issued	16,460,000	500,000	-	(500,000)
	<u>18,409,025</u>	<u>2,849,025</u>	<u>2,349,025</u>	<u>(500,000)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>(2,386,828)</u>	<u>(22,992,364)</u>	<u>(9,062,217)</u>	<u>13,930,147</u>
Fund balance -- beginning	<u>2,648,112</u>	<u>23,253,648</u>	<u>22,242,863</u>	<u>(1,010,785)</u>
Fund balance -- ending	<u>\$ 261,284</u>	<u>\$ 261,284</u>	<u>\$ 13,180,646</u>	<u>\$ 12,919,362</u>

City of Portland, Oregon
Campaign Finance Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other service charges	\$ -	\$ -	\$ 2,680	\$ 2,680
Investment earnings	-	-	20,098	20,098
Total revenues	-	-	22,778	22,778
EXPENDITURES				
Current:				
Personal services	54,312	54,312	-	54,312
Materials and services	1,241,688	1,241,688	392,873	848,815
Total expenditures	1,296,000	1,296,000	392,873	903,127
Revenues over (under) expenditures	(1,296,000)	(1,296,000)	(370,095)	925,905
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	447,526	495,191	495,191	-
Transportation Operating	151,758	151,758	151,758	-
Emergency Communication	18,108	18,108	18,108	-
Development Services	40,292	40,292	40,292	-
Public Safety	236	236	236	-
Cable	2,060	2,060	2,060	-
Business License Surcharge	435	435	435	-
Convention and Tourism	1,523	1,523	1,523	-
Parks Local Option Levy	7,114	7,114	7,114	-
BFRES Facilities GO Bond Construction	9,317	9,317	9,317	-
Local Improvement District Construction	12,526	12,526	12,526	-
Parks Capital Construction and Maintenance	6,709	6,709	6,709	-
Sewer System Operating	275,598	275,598	275,598	-
Hydroelectric Power Operating	3,409	3,409	3,409	-
Water	122,108	122,108	122,108	-
Golf	8,139	8,139	8,139	-
Portland International Raceway	1,596	1,596	1,596	-
Solid Waste Management	4,210	4,210	4,210	-
Parking Facilities	6,548	6,548	6,548	-
Spectator Facilities Operating	7,733	7,733	7,733	-
Environmental Remediation	557	557	557	-
Health Insurance Operating	47,665	-	-	-
Facilities Services Operating	19,047	19,047	19,047	-
CityFleet Operating	30,422	30,422	30,422	-
Printing and Distribution Services Operating	9,093	9,093	9,093	-
Insurance and Claims Operating	10,023	10,023	10,023	-
Workers' Compensation Self Insurance Operating	7,708	7,708	7,708	-
Technology Services	41,615	41,615	41,615	-
Fire and Police Disability and Retirement	2,925	2,925	2,925	-
Total other financing sources (uses)	1,296,000	1,296,000	1,296,000	-
Net change in fund balance	-	-	925,905	925,905
Fund balance -- beginning	-	-	-	-
Fund balance -- ending	\$ -	\$ -	\$ 925,905	\$ 925,905

City of Portland, Oregon
*** Parks Local Option Levy Fund**
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Current year's taxes	\$ 9,548,987	\$ 9,548,987	\$ 10,742,549	\$ 1,193,562
Prior years' property taxes	254,603	254,603	155,613	(98,990)
Billings for interfund services:				
Parks Capital Construction and Maintenance	200,000	200,000	200,000	-
Investment earnings	40,000	40,000	378,724	338,724
Total revenues	<u>10,043,590</u>	<u>10,043,590</u>	<u>11,476,886</u>	<u>1,433,296</u>
EXPENDITURES				
Current:				
Materials and services	11,426,828	11,854,264	6,453,727	5,400,537
General operating contingencies	4,158,336	3,730,900	-	3,730,900
Overhead charges - General Fund	24,676	24,676	24,676	-
Total expenditures	<u>15,609,840</u>	<u>15,609,840</u>	<u>6,478,403</u>	<u>9,131,437</u>
Revenues over (under) expenditures	(5,566,250)	(5,566,250)	4,998,483	10,564,733
OTHER FINANCING SOURCES (USES)				
Transfers to other fund:				
Campaign Finance	(7,114)	(7,114)	(7,114)	-
Net change in fund balance	(5,573,364)	(5,573,364)	4,991,369	10,564,733
Fund balance -- beginning	<u>5,573,364</u>	<u>5,573,364</u>	<u>5,166,109</u>	<u>(407,255)</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,157,478</u>	<u>\$ 10,157,478</u>

City of Portland, Oregon
Children's Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Current year's taxes	\$ 9,572,335	\$ 11,022,897	\$ 11,086,175	\$ 63,278
Prior years' property taxes	166,737	166,737	160,627	(6,110)
Investment earnings	18,277	18,277	411,267	392,990
Total revenues	9,757,349	11,207,911	11,658,069	450,158
EXPENDITURES				
Current:				
Personal services	290,046	370,046	338,019	32,027
Materials and services	8,189,513	17,303,780	9,102,633	8,201,147
General operating contingencies	1,430,514	1,337,416	-	1,337,416
Overhead charges - General Fund	25,000	25,000	25,000	-
Total expenditures	9,935,073	19,036,242	9,465,652	9,570,590
Revenues over (under) expenditures	(177,724)	(7,828,331)	2,192,417	10,020,748
Fund balance – beginning	177,724	7,828,331	7,886,705	58,374
Fund balance – ending	\$ -	\$ -	\$ 10,079,122	\$ 10,079,122

City of Portland, Oregon
Federal Grants Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Federal grants	\$ 43,211,702	\$ 58,221,488	\$ 36,387,092	\$ (21,834,396)
State grants	-	483,095	81,345	(401,750)
Private grants and donations	1,042,038	1,507,977	893,964	(614,013)
Investment earnings	-	-	6,803	6,803
Total revenues	<u>44,253,740</u>	<u>60,212,560</u>	<u>37,369,204</u>	<u>(22,843,356)</u>
EXPENDITURES				
Current:				
Materials and services	-	6,262,782	5,918,313	344,469
Revenues over (under) expenditures	<u>44,253,740</u>	<u>53,949,778</u>	<u>31,450,891</u>	<u>(22,498,887)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General	(15,841,023)	(32,887,447)	(18,347,517)	14,539,930
Transportation Operating	(18,730,208)	(7,919,141)	(6,243,935)	1,675,206
Public Safety	(454,000)	(681,417)	(655,643)	25,774
BFRES Facilities GO Bond Construction	-	-	(5,760)	(5,760)
Parks Capital Construction and Maintenance	(487,500)	(1,110,755)	(142,416)	968,339
Sewer System Operating	(1,091,845)	(1,509,289)	(1,874,419)	(365,130)
Sewer System Construction	(2,695,000)	(2,726,588)	(31,588)	2,695,000
Water	(3,924,114)	(5,824,114)	(3,851,004)	1,973,110
Solid Waste Management	-	(33,970)	(6,672)	27,298
Facilities Services Operating	(1,030,050)	(1,025,531)	(132,123)	893,408
CityFleet Operating	-	(25,000)	(7,815)	17,185
Technology Services	-	(206,526)	(151,999)	54,527
Total other financing sources (uses)	<u>(44,253,740)</u>	<u>(53,949,778)</u>	<u>(31,450,891)</u>	<u>22,498,887</u>
Net change in fund balance	-	-	-	-
Fund balance -- beginning	-	-	-	-
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Portland, Oregon
Housing and Community Development Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal grants	\$ 13,538,646	\$ 17,773,520	\$ 10,727,056	\$ (7,046,464)
Loan repayments	1,880,000	1,880,000	2,123,494	243,494
Assessments	50,000	50,000	32,587	(17,413)
Other interest income	-	-	19,655	19,655
Miscellaneous	-	2,250	11,023	8,773
Total revenues	15,468,646	19,705,770	12,913,815	(6,791,955)
EXPENDITURES				
Current:				
Materials and services	15,177,023	19,167,717	12,439,266	6,728,451
General operating contingencies	56,542	56,542	-	56,542
Debt service and related costs:				
Principal	-	246,430	39,500	206,930
Interest	-	-	206,930	(206,930)
Total expenditures	15,233,565	19,470,689	12,685,696	6,784,993
Revenues over (under) expenditures	235,081	235,081	228,119	(6,962)
OTHER FINANCING SOURCES (USES)				
Transfers to other fund:				
General	(235,081)	(235,081)	(228,119)	6,962
Net change in fund balance	-	-	-	-
Fund balance -- beginning	-	-	-	-
Fund balance -- ending	\$ -	\$ -	\$ -	\$ -

City of Portland, Oregon
Home Grant Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal grants	\$ 8,778,490	\$ 12,648,832	\$ 6,593,077	\$ (6,055,755)
Loan repayments	440,000	479,668	574,007	94,339
Miscellaneous	-	-	2,283	2,283
Total revenues	<u>9,218,490</u>	<u>13,128,500</u>	<u>7,169,367</u>	<u>(5,959,133)</u>
EXPENDITURES				
Current:				
Materials and services	<u>9,218,490</u>	<u>13,128,500</u>	<u>7,169,367</u>	<u>5,959,133</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Portland, Oregon
Portland Parks Memorial Trust Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Service charges and fees:				
Rents and reimbursements	\$ 383,900	\$ 383,900	\$ 422,447	\$ 38,547
Concessions	50,000	50,000	5,968	(44,032)
Parks and recreation facilities fees	886,408	886,408	1,020,285	133,877
Parking fees	144,000	144,000	158,269	14,269
Billings for interfund services:				
General	62,000	69,432	64,200	(5,232)
Transportation Operating	-	70,000	83,584	13,584
Other:				
Private grants and donations	85,400	260,400	848,740	588,340
Investment earnings	39,757	39,757	139,094	99,337
Other interest income	-	-	4,401	4,401
Miscellaneous	5,000	5,000	39,602	34,602
Total revenues	1,656,465	1,908,897	2,786,590	877,693
EXPENDITURES				
Current:				
Materials and services	1,918,339	2,213,455	2,070,144	143,311
General operating contingencies	2,532,963	2,349,279	-	2,349,279
Total expenditures	4,451,302	4,562,734	2,070,144	2,492,590
Revenues over (under) expenditures	(2,794,837)	(2,653,837)	716,446	3,370,283
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Golf	-	(125,000)	(125,000)	-
CityFleet Operating	-	(16,000)	-	16,000
Total other financing sources (uses)	-	(141,000)	(125,000)	16,000
Net change in fund balance	(2,794,837)	(2,794,837)	591,446	3,386,283
Fund balance -- beginning	2,794,837	2,794,837	3,392,081	597,244
Fund balance -- ending	\$ -	\$ -	\$ 3,983,527	\$ 3,983,527

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.

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.

Governmental Bond Redemption Fund

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

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 11,260,130	\$ 13,027,566	\$ 13,083,384	\$ 55,818
Prior years' property taxes	160,000	160,000	201,292	41,292
Investment earnings	296,220	296,220	373,514	77,294
Other interest income	-	-	326	326
Total revenues	<u>11,716,350</u>	<u>13,483,786</u>	<u>13,658,516</u>	<u>174,730</u>
EXPENDITURES				
Debt service and related costs:				
Principal	8,702,017	10,766,017	9,840,000	926,017
Interest	3,014,333	3,014,333	2,487,363	526,970
Total expenditures	<u>11,716,350</u>	<u>13,780,350</u>	<u>12,327,363</u>	<u>1,452,987</u>
Revenues over (under) expenditures	-	(296,564)	1,331,153	1,627,717
Fund balance -- beginning	<u>4,734,950</u>	<u>5,031,514</u>	<u>5,031,514</u>	<u>-</u>
Fund balance -- ending	<u>\$ 4,734,950</u>	<u>\$ 4,734,950</u>	<u>\$ 6,362,667</u>	<u>\$ 1,627,717</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 7,694,485	\$ 7,694,485	\$ 7,751,079	\$ 56,594
Prior years' property taxes	80,000	80,000	156,438	76,438
Investment earnings	20,000	20,000	129,607	109,607
Other interest income	-	-	120	120
	<u>7,794,485</u>	<u>7,794,485</u>	<u>8,037,244</u>	<u>242,759</u>
Total revenues				
EXPENDITURES				
Debt service and related costs:				
Principal	4,640,000	4,640,000	4,640,000	-
Interest	3,154,485	3,154,485	3,154,484	1
	<u>7,794,485</u>	<u>7,794,485</u>	<u>7,794,484</u>	<u>1</u>
Total expenditures				
Revenues over (under) expenditures	-	-	242,760	242,760
Fund balance -- beginning	-	-	329,960	329,960
Fund balance -- ending	\$ -	\$ -	\$ 572,720	\$ 572,720

City of Portland, Oregon
Waterfront Renewal Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 13,437,385	\$ 13,648,972	\$ 13,836,465	\$ 187,493
Prior years' property taxes	360,000	360,000	298,487	(61,513)
Investment earnings	257,406	257,406	271,766	14,360
Other interest income	-	-	13	13
Total revenues	<u>14,054,791</u>	<u>14,266,378</u>	<u>14,406,731</u>	<u>140,353</u>
EXPENDITURES				
Debt service and related costs:				
Principal	10,068,291	10,637,008	10,830,000	(192,992)
Interest	<u>3,986,500</u>	<u>3,986,500</u>	<u>3,599,546</u>	<u>386,954</u>
Total expenditures	<u>14,054,791</u>	<u>14,623,508</u>	<u>14,429,546</u>	<u>193,962</u>
Revenues over (under) expenditures	-	(357,130)	(22,815)	334,315
Fund balance -- beginning	<u>1,681,500</u>	<u>2,038,630</u>	<u>2,038,630</u>	-
Fund balance -- ending	<u>\$ 1,681,500</u>	<u>\$ 1,681,500</u>	<u>\$ 2,015,815</u>	<u>\$ 334,315</u>

City of Portland, Oregon
Interstate Corridor Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 4,523,719	\$ 4,838,999	\$ 4,840,360	\$ 1,361
Prior years' property taxes	40,000	40,000	71,735	31,735
Investment earnings	61,610	61,610	69,397	7,787
Total revenues	<u>4,625,329</u>	<u>4,940,609</u>	<u>4,981,492</u>	<u>40,883</u>
EXPENDITURES				
Debt service and related costs:				
Principal	3,156,897	3,554,502	3,550,000	4,502
Interest	1,468,432	1,468,432	1,423,823	44,609
Total expenditures	<u>4,625,329</u>	<u>5,022,934</u>	<u>4,973,823</u>	<u>49,111</u>
Revenues over (under) expenditures	-	(82,325)	7,669	89,994
Fund balance -- beginning	<u>-</u>	<u>82,325</u>	<u>82,325</u>	<u>-</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,994</u>	<u>\$ 89,994</u>

City of Portland, Oregon
Pension Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 230,000	\$ 230,000	\$ 314,650	\$ 84,650
Miscellaneous	421,127	421,127	421,127	-
Total revenues	<u>651,127</u>	<u>651,127</u>	<u>735,777</u>	<u>84,650</u>
EXPENDITURES				
Current:				
Materials and services	529,512	114,312	114,312	-
Debt service and related costs:				
Interest	15,038,543	9,985,472	9,585,991	399,481
Debt issuance costs	-	415,200	410,737	4,463
Total expenditures	<u>15,568,055</u>	<u>10,514,984</u>	<u>10,111,040</u>	<u>403,944</u>
Revenues over (under) expenditures	<u>(14,916,928)</u>	<u>(9,863,857)</u>	<u>(9,375,263)</u>	<u>488,594</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	6,033,880	6,033,880	6,033,880	-
Transportation Operating	2,820,566	2,820,566	2,820,566	-
Emergency Communication	145,921	145,921	145,921	-
Development Services	732,333	732,333	732,333	-
Local Improvement District Construction	52,235	52,235	52,235	-
Parks Capital Construction and Maintenance	70,708	70,708	70,708	-
Sewer System Operating	2,004,536	-	-	-
Water	1,817,243	-	-	-
Hydroelectric Power Operating	15,364	-	-	-
Golf	125,535	-	-	-
Portland International Raceway	24,166	-	-	-
Solid Waste Management	38,982	-	-	-
Environmental Remediation	900	-	-	-
Health Insurance Operating	23,171	-	-	-
Facilities Services Operating	124,788	-	-	-
CityFleet Operating	293,244	-	-	-
Printing and Distribution Services Operating	99,374	-	-	-
Insurance and Claims Operating	54,758	-	-	-
Workers' Compensation Self Insurance Operating	51,220	-	-	-
Technology Services	348,526	-	-	-
Fire and Police Disability and Retirement	31,264	-	-	-
Total other financing sources (uses)	<u>14,908,714</u>	<u>9,855,643</u>	<u>9,855,643</u>	<u>-</u>
Net change in fund balance	<u>(8,214)</u>	<u>(8,214)</u>	<u>480,380</u>	<u>488,594</u>
Fund balance -- beginning	<u>5,008,214</u>	<u>5,008,214</u>	<u>6,330,436</u>	<u>1,322,222</u>
Fund balance -- ending	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 6,810,816</u>	<u>\$ 1,810,816</u>

City of Portland, Oregon
South Park Block Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES:				
Current year's taxes	\$ 6,637,604	\$ 6,758,540	\$ 6,857,928	\$ 99,388
Prior years' property taxes	170,000	170,000	144,714	(25,286)
Investment earnings	89,608	89,608	93,864	4,256
Total revenues	<u>6,897,212</u>	<u>7,018,148</u>	<u>7,096,506</u>	<u>78,358</u>
EXPENDITURES:				
Debt service and related costs:				
Principal	4,478,181	4,775,995	4,865,000	(89,005)
Interest	<u>2,419,031</u>	<u>2,419,031</u>	<u>2,234,609</u>	<u>184,422</u>
Total expenditures	<u>6,897,212</u>	<u>7,195,026</u>	<u>7,099,609</u>	<u>95,417</u>
Revenues over (under) expenditures	-	(176,878)	(3,103)	173,775
Fund balance -- beginning	<u>-</u>	<u>176,878</u>	<u>176,878</u>	<u>-</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,775</u>	<u>\$ 173,775</u>

City of Portland, Oregon
Airport Way Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 5,578,434	\$ 5,578,434	\$ 5,766,689	\$ 188,255
Prior years' property taxes	190,000	190,000	141,530	(48,470)
Investment earnings	115,809	115,809	175,454	59,645
Other interest income	-	-	98	98
Total revenues	<u>5,884,243</u>	<u>5,884,243</u>	<u>6,083,771</u>	<u>199,528</u>
EXPENDITURES				
Debt service and related costs:				
Principal	2,500,000	2,500,000	4,665,000	(2,165,000)
Interest	3,138,043	3,163,043	2,068,308	1,094,735
Debt issuance costs	-	-	10,000	(10,000)
Total expenditures	<u>5,638,043</u>	<u>5,663,043</u>	<u>6,743,308</u>	<u>(1,080,265)</u>
Revenues over (under) expenditures	<u>246,200</u>	<u>221,200</u>	<u>(659,537)</u>	<u>(880,737)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Special Finance and Resource	-	25,000	-	(25,000)
Bonds and notes issued	-	-	44,593,361	44,593,361
Bonds and notes premium	-	-	2,974,854	2,974,854
Payments to refunding escrow agent	-	-	(47,568,215)	(47,568,215)
Total other financing sources and uses	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net change in fund balances	<u>246,200</u>	<u>246,200</u>	<u>(659,537)</u>	<u>(905,737)</u>
Fund balance -- beginning	<u>2,669,891</u>	<u>2,669,891</u>	<u>2,782,619</u>	<u>112,728</u>
Fund balance -- ending	<u>\$ 2,916,091</u>	<u>\$ 2,916,091</u>	<u>\$ 2,123,082</u>	<u>\$ (793,009)</u>

City of Portland, Oregon
Gas Tax Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 130	\$ 130
Other interest income	-	-	41	41
Total revenues	-	-	171	171
EXPENDITURES				
Debt service and related costs:				
Principal	2,245,970	2,245,970	485,000	1,760,970
Interest	503,255	503,255	590,930	(87,675)
Total expenditures	2,749,225	2,749,225	1,075,930	1,673,295
Revenues over (under) expenditures	(2,749,225)	(2,749,225)	(1,075,759)	1,673,466
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Transportation Operating	2,749,225	2,749,225	1,075,930	(1,673,295)
Net change in fund balance	-	-	171	171
Fund balance -- beginning	401	401	3,604	3,203
Fund balance -- ending	\$ 401	\$ 401	\$ 3,775	\$ 3,374

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 4,983,238	\$ 4,983,238	\$ 4,987,307	\$ 4,069
Prior years' property taxes	80,000	80,000	92,473	12,473
Investment earnings	67,274	67,274	63,980	(3,294)
Total revenues	<u>5,130,512</u>	<u>5,130,512</u>	<u>5,143,760</u>	<u>13,248</u>
EXPENDITURES				
Debt service and related costs:				
Principal	5,008,312	5,113,609	4,855,000	258,609
Interest	122,200	122,200	294,948	(172,748)
Total expenditures	<u>5,130,512</u>	<u>5,235,809</u>	<u>5,149,948</u>	<u>85,861</u>
Revenues over (under) expenditures	-	(105,297)	(6,188)	99,109
Fund balance -- beginning	-	105,297	105,297	-
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,109</u>	<u>\$ 99,109</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 4,111,314	\$ 4,111,314	\$ 3,773,422	\$ (337,892)
Prior years' property taxes	105,000	105,000	86,861	(18,139)
Investment earnings	55,503	55,503	51,299	(4,204)
Total revenues	<u>4,271,817</u>	<u>4,271,817</u>	<u>3,911,582</u>	<u>(360,235)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	4,035,817	4,163,004	3,425,000	738,004
Interest	236,000	236,000	496,963	(260,963)
Total expenditures	<u>4,271,817</u>	<u>4,399,004</u>	<u>3,921,963</u>	<u>477,041</u>
Revenues over (under) expenditures	-	(127,187)	(10,381)	116,806
Fund balance -- beginning	-	127,187	127,187	-
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,806</u>	<u>\$ 116,806</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, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Assessments	\$ 2,781,189	\$ 2,781,189	\$ 4,063,382	\$ 1,282,193
Investment earnings	175,119	175,119	537,724	362,605
Other interest income	2,109,084	2,109,084	1,511,342	(597,742)
Total revenues	<u>5,065,392</u>	<u>5,065,392</u>	<u>6,112,448</u>	<u>1,047,056</u>
EXPENDITURES				
Debt service and related costs:				
Principal	2,630,000	2,630,000	3,560,000	(930,000)
Interest	1,231,179	1,231,179	787,684	443,495
Total expenditures	<u>3,861,179</u>	<u>3,861,179</u>	<u>4,347,684</u>	<u>(486,505)</u>
Revenues over (under) expenditures	1,204,213	1,204,213	1,764,764	560,551
Fund balance -- beginning	<u>11,585,307</u>	<u>11,585,307</u>	<u>12,655,582</u>	<u>1,070,275</u>
Fund balance -- ending	<u>\$ 12,789,520</u>	<u>\$ 12,789,520</u>	<u>\$ 14,420,346</u>	<u>\$ 1,630,826</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 6,525,513	\$ 6,641,232	\$ 6,743,185	\$ 101,953
Prior years' property taxes	170,000	170,000	142,174	(27,826)
Investment earnings	88,094	88,094	84,119	(3,975)
Total revenues	<u>6,783,607</u>	<u>6,899,326</u>	<u>6,969,478</u>	<u>70,152</u>
EXPENDITURES				
Debt service and related costs:				
Principal	3,043,206	3,346,456	3,535,000	(188,544)
Interest	<u>3,740,401</u>	<u>3,740,401</u>	<u>3,374,505</u>	<u>365,896</u>
Total expenditures	<u>6,783,607</u>	<u>7,086,857</u>	<u>6,909,505</u>	<u>177,352</u>
Revenues over (under) expenditures	-	(187,531)	59,973	247,504
Fund balance -- beginning	-	<u>187,531</u>	<u>187,531</u>	-
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,504</u>	<u>\$ 247,504</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, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Current year's taxes	\$ 1,754,522	\$ 1,754,522	\$ 1,332,818	\$ (421,704)
Prior years' property taxes	25,000	25,000	34,772	9,772
Investment earnings	23,686	23,686	25,390	1,704
Total revenues	1,803,208	1,803,208	1,392,980	(410,228)
EXPENDITURES				
Debt service and related costs:				
Principal	1,014,708	1,064,132	-	1,064,132
Interest	788,500	788,500	697,948	90,552
Total expenditures	1,803,208	1,852,632	697,948	1,154,684
Revenues over (under) expenditures	-	(49,424)	695,032	744,456
Fund balance -- beginning	-	49,424	49,424	-
Fund balance -- ending	\$ -	\$ -	\$ 744,456	\$ 744,456

City of Portland, Oregon
Special Projects Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 73	\$ 73
Miscellaneous	<u>5,311,093</u>	<u>5,311,093</u>	<u>5,311,093</u>	<u>-</u>
Total revenues	<u>5,311,093</u>	<u>5,311,093</u>	<u>5,311,166</u>	<u>73</u>
EXPENDITURES				
Debt service and related costs:				
Principal	1,090,000	1,090,000	1,090,000	-
Interest	<u>4,221,093</u>	<u>4,221,093</u>	<u>4,221,093</u>	<u>-</u>
Total expenditures	<u>5,311,093</u>	<u>5,311,093</u>	<u>5,311,093</u>	<u>-</u>
Revenues over (under) expenditures	-	-	73	73
Fund balance -- beginning	<u>-</u>	<u>-</u>	<u>1,916</u>	<u>1,916</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,989</u>	<u>\$ 1,989</u>

City of Portland, Oregon
Gateway Urban Renewal Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Current year's taxes	\$ 1,474,829	\$ 1,474,829	\$ 1,307,440	\$ (167,389)
Prior years' property taxes	15,000	15,000	23,318	8,318
Investment earnings	19,910	19,910	17,936	(1,974)
Total revenues	1,509,739	1,509,739	1,348,694	(161,045)
EXPENDITURES				
Debt service and related costs:				
Principal	1,289,239	1,324,150	1,305,000	19,150
Interest	220,500	220,500	46,174	174,326
Total expenditures	1,509,739	1,544,650	1,351,174	193,476
Revenues over (under) expenditures	-	(34,911)	(2,480)	32,431
Fund balance -- beginning	-	34,911	34,911	-
Fund balance -- ending	\$ -	\$ -	\$ 32,431	\$ 32,431

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 175,940	\$ 175,940	\$ -	\$ (175,940)
Investment earnings	2,375	2,375	-	(2,375)
Total revenues	<u>178,315</u>	<u>178,315</u>	<u>-</u>	<u>(178,315)</u>
EXPENDITURES				
Debt service and related costs:				
Principal	177,315	177,315	-	177,315
Interest	1,000	1,000	-	1,000
Total expenditures	<u>178,315</u>	<u>178,315</u>	<u>-</u>	<u>178,315</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance -- beginning	-	-	-	-
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Portland, Oregon
Governmental Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other interest income	\$ -	\$ -	\$ 2,115	\$ 2,115
Billings for interfund services:				
General	12,097	12,097	12,096	(1)
Total revenues	12,097	12,097	14,211	2,114
EXPENDITURES				
Debt service and related costs:				
Principal	2,269,537	2,269,537	1,870,977	398,560
Interest	1,518,332	1,518,332	1,804,268	(285,936)
Total expenditures	3,787,869	3,787,869	3,675,245	112,624
Revenues over (under) expenditures	(3,775,772)	(3,775,772)	(3,661,034)	114,738
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,962,950	1,962,950	1,952,602	(10,348)
Housing Investment	533,097	533,097	533,097	-
Parks Capital Construction and Maintenance	889,725	889,725	889,725	-
Bonds and notes issued	390,000	390,000	287,726	(102,274)
Total other financing sources (uses)	3,775,772	3,775,772	3,663,150	(112,622)
Net change in fund balance	-	-	2,116	2,116
Fund balance -- beginning	-	-	57,077	57,077
Fund balance -- ending	\$ -	\$ -	\$ 59,193	\$ 59,193



PORTLANDIA

Capital Projects Funds Budget and Actual

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 Construction 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 Construction and Maintenance Fund

This fund accounts for revenues and expenditures associated with capital projects funded by the March 1, 1995, Parks General Obligation bond issue.

City of Portland, Oregon
BFRES Facilities GO Bond Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local cost sharing	\$ 782,500	\$ 782,500	\$ 132,505	\$ (649,995)
Other service charges	-	-	700	700
Billings for interfund services:				
General	116,300	116,300	116,300	-
Investment earnings	136,000	136,000	287,167	151,167
Total revenues	1,034,800	1,034,800	536,672	(498,128)
EXPENDITURES				
Current:				
Materials and services	2,550,378	2,550,378	886,004	1,664,374
General operating contingencies	2,620,957	731,957	-	731,957
Overhead charges - General Fund	74,148	74,148	74,148	-
Capital outlay	4,635,000	6,498,000	4,937,517	1,560,483
Total expenditures	9,880,483	9,854,483	5,897,669	3,956,814
Revenues over (under) expenditures	(8,845,683)	(8,819,683)	(5,360,997)	3,458,686
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Federal Grants	-	-	5,760	5,760
Transfers to other funds:				
Campaign Finance	(9,317)	(9,317)	(9,317)	-
Facilities Services Operating	-	(26,000)	(26,000)	-
Total other financing sources (uses)	(9,317)	(35,317)	(29,557)	5,760
Net change in fund balance	(8,855,000)	(8,855,000)	(5,390,554)	3,464,446
Fund balance -- beginning	8,855,000	8,855,000	10,223,809	1,368,809
Fund balance -- ending	\$ -	\$ -	\$ 4,833,255	\$ 4,833,255

City of Portland, Oregon
Local Improvement District Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Other service charges	\$ 1,357,900	\$ 1,357,900	\$ 1,323,060	\$ (34,840)
Assessments	425,000	425,000	2,397,590	1,972,590
Investment earnings	75,000	75,000	203,676	128,676
Other interest income	42,500	42,500	49,163	6,663
Miscellaneous	-	-	2,719	2,719
Total revenues	<u>1,900,400</u>	<u>1,900,400</u>	<u>3,976,208</u>	<u>2,075,808</u>
EXPENDITURES				
Current:				
Materials and services	15,163,646	4,124,425	2,564,299	1,560,126
General operating contingencies	2,079,388	2,079,388	-	2,079,388
Overhead charges - General Fund	81,497	81,497	81,497	-
Debt service and related costs:				
Principal	5,370,000	5,370,000	2,935,493	2,434,507
Interest	295,000	295,000	183,779	111,221
Debt issuance costs	-	80,000	26,356	53,644
Total expenditures	<u>22,989,531</u>	<u>12,030,310</u>	<u>5,791,424</u>	<u>6,238,886</u>
Revenues over (under) expenditures	<u>(21,089,131)</u>	<u>(10,129,910)</u>	<u>(1,815,216)</u>	<u>8,314,694</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	46,633	46,633	46,633	-
Transfers to other funds:				
Transportation Operating	-	(32,949,392)	(22,085,702)	10,863,690
Campaign Finance	(12,526)	(12,526)	(12,526)	-
Pension Debt Redemption	(52,235)	(52,235)	(52,235)	-
Sewer System Construction	(2,000,000)	(2,000,000)	-	2,000,000
Bonds and notes issued	20,823,302	42,813,473	23,793,456	(19,020,017)
Total other financing sources (uses)	<u>18,805,174</u>	<u>7,845,953</u>	<u>1,689,626</u>	<u>(6,156,327)</u>
Net change in fund balance	<u>(2,283,957)</u>	<u>(2,283,957)</u>	<u>(125,590)</u>	<u>2,158,367</u>
Fund balance -- beginning	<u>2,283,957</u>	<u>2,283,957</u>	<u>2,730,915</u>	<u>446,958</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,605,325</u>	<u>\$ 2,605,325</u>

City of Portland, Oregon
Parks Capital Construction and Maintenance Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Local cost sharing	\$ 2,251,800	\$ 3,350,400	\$ 631,794	\$ (2,718,606)
Service charges and fees:				
Public works and utility charges	2,819,595	2,819,595	4,036,791	1,217,196
Rents and reimbursements	-	-	151,415	151,415
Other service charges	-	-	255	255
Billings for interfund services:				
General	20,000	274,086	350,472	76,386
Parks Local Option Levy	6,800,269	6,800,269	1,456,153	(5,344,116)
Portland Parks Memorial Trust	340,000	326,027	264,616	(61,411)
Sewer System Operating	85,000	296,411	411,029	114,618
Water	50,000	75,000	50,070	(24,930)
Golf	-	-	677	677
Other:				
Assessments	300,000	300,000	656,310	356,310
Private grants and donations	492,691	360,191	15,000	(345,191)
Investment earnings	7,000	7,000	272,176	265,176
Other interest income	-	-	17,091	17,091
Miscellaneous	-	-	8,827	8,827
Total revenues	<u>13,166,355</u>	<u>14,608,979</u>	<u>8,322,676</u>	<u>(6,286,303)</u>
EXPENDITURES				
Current:				
Personal services	1,324,961	1,297,573	1,011,291	286,282
Materials and services	2,142,240	3,788,932	2,887,595	901,337
General operating contingencies	4,579,194	4,772,183	-	4,772,183
Overhead charges - General Fund	109,657	109,657	109,657	-
Debt service and related costs:				
Debt issuance costs	-	-	350	(350)
Capital outlay	<u>11,443,501</u>	<u>13,575,085</u>	<u>2,364,253</u>	<u>11,210,832</u>
Total expenditures	<u>19,599,553</u>	<u>23,543,430</u>	<u>6,373,146</u>	<u>17,170,284</u>
Revenues over (under) expenditures	<u>(6,433,198)</u>	<u>(8,934,451)</u>	<u>1,949,530</u>	<u>10,883,981</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	2,278,227	2,703,227	2,703,222	(5)
Federal Grants	487,500	1,110,755	142,416	(968,339)
Transfers to other funds:				
Campaign Finance	(6,709)	(6,709)	(6,709)	-
Pension Debt Redemption	(70,708)	(70,708)	(70,708)	-
Governmental Bond Redemption	(889,725)	(889,725)	(889,725)	-
Sale of capital asset	<u>390,550</u>	<u>390,550</u>	<u>-</u>	<u>(390,550)</u>
Total other financing sources (uses)	<u>2,189,135</u>	<u>3,237,390</u>	<u>1,878,496</u>	<u>(1,358,894)</u>
Net change in fund balance	<u>(4,244,063)</u>	<u>(5,697,061)</u>	<u>3,828,026</u>	<u>9,525,087</u>
Fund balance -- beginning	<u>4,244,063</u>	<u>5,697,061</u>	<u>6,099,270</u>	<u>402,209</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,927,296</u>	<u>\$ 9,927,296</u>



JAMISON SQUARE

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.

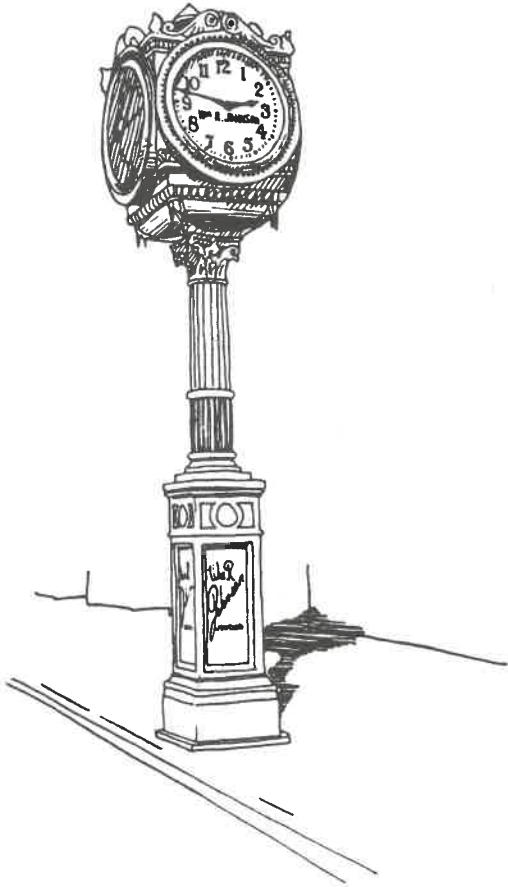
City of Portland, Oregon
Parks Endowment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Investment earnings	\$ 3,732	\$ 3,732	\$ 6,155	\$ 2,423
EXPENDITURES				
Current:				
Materials and services	1,200	1,200	1,125	75
Revenues over (under) expenditures	2,532	2,532	5,030	2,498
Fund balance -- beginning	161,897	161,897	162,261	364
Fund balance -- ending	\$ 164,429	\$ 164,429	\$ 167,291	\$ 2,862



OREGON CONVENTION CENTER

Schedules of Revenues and Expenditures Proprietary Funds - Budget and Actual



Johnson Street Clock, 1880

Enterprise Funds Budget and Actual

Sewage Disposal Fund

This fund accounts for the wastewater collection and treatment system activities and financing systems development charges through bonded assessments and payment of principal and interest on improvement bonds. Revenue is derived mainly from user fees.

Water Fund

This fund accounts for water distribution system activities. Revenues are derived mainly from water service and installation charges.

Hydroelectric Power Fund

This fund accounts for assets relating to development and installation of hydroelectric generating equipment at the City-owned Bull Run Reservoir. The fund also accounts for activities of the generating plant.

Golf Fund

This fund accounts for the purchase, improvement, and maintenance of municipal golf courses. It also accounts for recreation programs and training utilizing the golf facilities. Revenues are derived from golf fees.

Portland International Raceway Fund

This fund accounts for basic operations of the raceway. Revenues are derived primarily from user fees.

Solid Waste Management Fund

This fund accounts for expenses, user fees and other revenues associated with the City's oversight of solid waste collection activities and its efforts to reduce solid waste through recycling and waste reduction.

Parking Facilities Fund

This fund accounts for activities of City-owned parking facilities. Revenues are derived from parking fees and commercial space rentals.

Spectator Facilities Operating Fund

This fund accounts for revenues and expenses associated with the development, maintenance, and operation of PGE Park and the Rose Quarter.

Environmental Remediation Fund

This fund is used to identify and track remediation projects and related debt service. Revenues are derived from Revenue Bond sales, remediation charges and Solid Waste Management Fund transfers.

Enterprise Funds Budget and Actual

For financial reporting and operating purposes, management considers the activities of the enterprise funds as unitary enterprises. However, for budgetary and legal purposes these activities are accounted for in the funds listed below. Budget to actual schedules for these funds, prepared on the modified accrual basis of accounting, are included in this subsection.

ENTERPRISE FUNDS:

SEWAGE DISPOSAL FUND:

- Sewer System Operating Fund
- Sewer System Debt Redemption Fund
- Sewer System Construction Fund
- Sewer System Rate Stabilization Fund
- Sewer System Safety Net Fund
- Sewer Revolving Loan Fund

WATER FUND:

- Water Fund
- Water Bond Sinking Fund
- Water Construction Fund
- Water Growth Impact Charge Trust 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:

- Parking Facilities Fund
- Parking Facilities Debt Redemption Fund

SPECTATOR FACILITIES OPERATING FUND

ENVIRONMENTAL REMEDIATION FUND

City of Portland, Oregon
Sewer System Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u>
			<u>Amounts</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Licenses and permits:				
Construction permits	\$ 114,079	\$ 114,079	\$ 147,759	\$ 33,680
Other permits	535,903	535,903	586,111	50,208
Intergovernmental:				
State cost sharing	-	-	301,965	301,965
State grants	-	15,000	425	(14,575)
Local cost sharing	262,542	537,542	599,033	61,491
Service charges and fees:				
Public works and utility charges	191,764,127	191,764,652	198,022,403	6,257,751
Rents and reimbursements	139,416	139,416	57,446	(81,970)
Other service charges	29,837	29,837	102,374	72,537
Billings for interfund services:				
General	150,000	150,000	172,321	22,321
Transportation Operating	1,045,907	1,459,581	1,237,160	(222,421)
Development Services	20,000	20,000	20,000	-
Portland Parks Memorial Trust	-	3,841	-	(3,841)
Parks Capital Construction and Maintenance	-	-	10,570	10,570
Water	280,000	280,000	165,442	(114,558)
Solid Waste Management	11,910	9,573	9,573	-
Environmental Remediation	218,028	218,028	48,661	(169,367)
Facilities Services Operating	-	-	5,133	5,133
CityFleet Operating	-	-	10,328	10,328
Technology Services	21,000	21,000	21,000	-
Other:				
Sales - other	163,270	226,070	399,965	173,895
Refunds	77,261	77,261	37,957	(39,304)
Private grants and donations	690,597	690,597	93,722	(596,875)
Investment earnings	626,554	626,554	1,216,143	589,589
Other interest income	-	-	58	58
Fines	-	-	28,326	28,326
Miscellaneous	55,182	55,182	327,131	271,949
Total revenues	196,205,613	196,974,116	203,621,006	6,646,890
EXPENDITURES				
Current:				
Personal services	39,629,510	39,614,857	38,986,025	628,832
Materials and services	66,748,251	82,602,195	77,515,062	5,087,133
General operating contingencies	8,573,804	9,028,986	-	9,028,986
Overhead charges - General Fund	2,687,815	2,687,815	2,687,815	-
Debt service and related costs:				
Principal	55,000	55,000	54,357	643
Interest	165,003	2,169,539	5,230,619	(3,061,080)
Debt issuance costs	-	375,000	372,083	2,917
Capital outlay	111,729,199	123,661,190	108,111,834	15,549,356
Total expenditures	229,588,582	260,194,582	232,957,795	27,236,787
Revenues over (under) expenditures	(33,382,969)	(63,220,466)	(29,336,789)	33,883,677

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, 2006

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u>
OTHER FINANCING SOURCES (USES)			Amounts	Positive
				(Negative)
Transfers from other funds:				
General	352,056	352,056	352,056	-
Federal Grants	1,091,845	1,509,289	1,874,419	365,130
Transportation Operating	-	25,000	25,000	-
Sewer System Construction	137,163,030	162,194,618	152,301,909	(9,892,709)
Transfers to other funds:				
General	(12,809,321)	(12,809,321)	(12,314,131)	495,190
Campaign Finance	(275,598)	(275,598)	(275,598)	-
Pension Debt Redemption	(2,004,536)	-	-	-
Local Improvement District Construction	(46,633)	(46,633)	(46,633)	-
Sewer System Debt Redemption	(84,028,661)	(84,028,661)	(77,386,676)	6,641,985
Sewer System Construction	(27,945,616)	(27,945,616)	(21,000,000)	6,945,616
Sewer System Rate Stabilization	(3,550,341)	(2,941,901)	(23,000,000)	(20,058,099)
Environmental Remediation	(2,611,824)	(2,611,824)	(2,273,238)	338,586
Facilities Services Operating	-	-	(25,000)	(25,000)
Printing and Distribution Services Operating	(25,000)	(25,000)	(5,200)	19,800
Sale of capital asset	-	-	179,878	179,878
Loans issued	-	-	1,826,528	1,826,528
 Total other financing sources (uses)	 5,309,401	 33,396,409	 20,233,314	 (13,163,095)
 Net change in fund balance	 (28,073,568)	 (29,824,057)	 (9,103,475)	 20,720,582
 Fund balance -- beginning	 28,073,568	 29,824,057	 34,581,631	 4,757,574
 Fund balance -- ending	 \$ -	 \$ -	 \$ 25,478,156	 \$ 25,478,156

City of Portland, Oregon
Sewer System Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Investment earnings	\$ 4,000	\$ 4,000	\$ 68,601	\$ 64,601
Other interest income	-	-	1,432	1,432
Total revenues	4,000	4,000	70,033	66,033
EXPENDITURES				
Debt service and related costs:				
Principal	34,050,124	34,050,124	34,087,545	(37,421)
Interest	49,978,923	49,978,923	43,366,133	6,612,790
Total expenditures	84,029,047	84,029,047	77,453,678	6,575,369
Revenues over (under) expenditures	(84,025,047)	(84,025,047)	(77,383,645)	6,641,402
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	84,028,661	84,028,661	77,386,676	(6,641,985)
Sewer System Construction	-	-	12,235	12,235
Total other financing sources (uses)	84,028,661	84,028,661	77,398,911	(6,629,750)
Net change in fund balance	3,614	3,614	15,266	11,652
Fund balance -- beginning	2,836,268	2,836,268	2,848,955	12,687
Fund balance -- ending	\$ 2,839,882	\$ 2,839,882	\$ 2,864,221	\$ 24,339

City of Portland, Oregon
Sewer System Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Local cost sharing	\$ -	\$ -	\$ 168,652	\$ 168,652
Public works and utility charges	588,563	588,563	1,241,678	653,115
Investment earnings	2,008,620	2,008,620	3,856,417	1,847,797
Total revenues	2,597,183	2,597,183	5,266,747	2,669,564
EXPENDITURES				
Current:				
Materials and services	3,500,000	120,000	2,260	117,740
General operating contingencies	20,143,593	23,567,593	-	23,567,593
Debt service and related costs:				
Debt issuance costs	-	3,750,000	1,717,629	2,032,371
Total expenditures	23,643,593	27,437,593	1,719,889	25,717,704
Revenues over (under) expenditures	(21,046,410)	(24,840,410)	3,546,858	28,387,268
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Federal Grants	2,695,000	2,726,588	31,588	(2,695,000)
Local Improvement District Construction	2,000,000	2,000,000	-	(2,000,000)
Sewer System Operating	27,945,616	27,945,616	21,000,000	(6,945,616)
Transfers to other funds:				
Sewer System Operating	(137,163,030)	(162,194,618)	(152,301,909)	9,892,709
Sewer System Debt Redemption	-	-	(12,235)	(12,235)
Bonds and notes issued	215,000,000	270,000,000	264,980,000	(5,020,000)
Bonds and notes premium	-	-	5,017,847	5,017,847
Loans issued	-	3,424,000	8,886,268	5,462,268
Total other financing sources (uses)	110,477,586	143,901,586	147,601,559	3,699,973
Net change in fund balance	89,431,176	119,061,176	151,148,417	32,087,241
Fund balance -- beginning	91,861,161	91,861,161	107,871,722	16,010,561
Fund balance -- ending	\$ 181,292,337	\$ 210,922,337	\$ 259,020,139	\$ 48,097,802

City of Portland, Oregon
Sewer System Rate Stabilization Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Investment earnings	\$ 971,927	\$ 971,927	\$ 877,346	\$ (94,581)
Other interest income	54,000	74,252	22,937	(51,315)
Total revenues	<u>1,025,927</u>	<u>1,046,179</u>	<u>900,283</u>	<u>(145,896)</u>
EXPENDITURES				
Current:				
General operating contingencies	27,700,660	21,112,472	-	21,112,472
Revenues over (under) expenditures	<u>(26,674,733)</u>	<u>(20,066,293)</u>	<u>900,283</u>	<u>20,966,576</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	8,825,341	8,825,341	23,000,000	14,174,659
Transfers to other funds:				
Sewer System Operating	(5,275,000)	(5,883,440)	-	5,883,440
Loans issued	3,200,000	3,200,000	3,200,000	-
Internal loan remittances	-	(6,000,000)	(6,000,000)	-
Total other financing sources (uses)	<u>6,750,341</u>	<u>141,901</u>	<u>20,200,000</u>	<u>20,058,099</u>
Net change in fund balance	<u>(19,924,392)</u>	<u>(19,924,392)</u>	<u>21,100,283</u>	<u>41,024,675</u>
Fund balance -- beginning	<u>19,924,392</u>	<u>19,924,392</u>	<u>20,529,418</u>	<u>605,026</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,629,701</u>	<u>\$ 41,629,701</u>

City of Portland, Oregon
Sewer System Safety Net Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Loan repayments	\$ -	\$ -	\$ 59,327	\$ 59,327
Investment earnings	2,000	2,000	16,479	14,479
Total revenues	2,000	2,000	75,806	73,806
EXPENDITURES				
Current:				
General operating contingencies	991,446	991,446	-	991,446
Revenues over (under) expenditures	(989,446)	(989,446)	75,806	1,065,252
Fund balance -- beginning	989,446	989,446	1,039,999	50,553
Fund balance -- ending	\$ -	\$ -	\$ 1,115,805	\$ 1,115,805

City of Portland, Oregon
Sewer Revolving Loan Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Public works and utility charges	\$ 250,000	\$ 250,000	\$ 35,605	\$ (214,395)
Loan repayments	15,000	15,000	11,446	(3,554)
Investment earnings	15,000	15,000	16,691	1,691
Total revenues	280,000	280,000	63,742	(216,258)
EXPENDITURES				
Current:				
Materials and services	253,500	253,500	43,055	210,445
General operating contingencies	534,883	534,883	-	534,883
Total expenditures	788,383	788,383	43,055	745,328
Revenues over (under) expenditures	(508,383)	(508,383)	20,687	529,070
Fund balance -- beginning	508,383	508,383	506,358	(2,025)
Fund balance -- ending,	\$ -	\$ -	\$ 527,045	\$ 527,045

City of Portland, Oregon
Water Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local cost sharing	\$ 8,255	\$ 8,255	\$ 5,851	\$ (2,404)
Service charges and fees:				
Public works and utility charges	81,622,058	81,622,058	80,524,666	(1,097,392)
Other service charges	75,000	75,000	158,435	83,435
Rents and reimbursements	313,263	313,263	407,837	94,574
Billings for interfund services:				
General	385,300	385,300	377,859	(7,441)
Transportation Operating	519,675	567,324	278,706	(288,618)
Housing and Community Development	-	18,348	18,348	-
Parks Capital Construction and Maintenance	-	18,656	59,151	40,495
Sewer System Operating	1,004,365	1,554,365	806,279	(748,086)
Hydroelectric Power Operating	74,911	74,911	63,254	(11,657)
Facilities Services Operating	-	-	36,323	36,323
Technology Services	32,076	32,076	32,076	-
Other:				
Sales - other	127,429	127,429	203,758	76,329
Refunds	84,953	84,953	219,263	134,310
Investment earnings	466,373	466,373	909,452	442,779
Miscellaneous	2,255,559	2,255,559	402,824	(1,852,735)
Total revenues	86,969,217	87,603,870	84,503,782	(3,100,088)
EXPENDITURES				
Current:				
Personal services	34,970,784	36,871,418	36,641,148	230,270
Materials and services	46,325,014	49,962,010	37,698,215	12,263,795
General operating contingencies	19,162,372	18,596,303	-	18,596,303
Overhead charges - General Fund	2,208,678	2,208,678	2,208,678	-
Inventory increase	40,000	-	-	-
Debt service and related costs:				
Interest	662,116	2,479,359	1,746,276	733,083
Capital outlay	23,847,320	21,454,704	7,272,348	14,182,356
Total expenditures	127,216,284	131,572,472	85,566,665	46,005,807
Revenues over (under) expenditures	(40,247,067)	(43,968,602)	(1,062,883)	42,905,719

Continued next page

City of Portland, Oregon
Water Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	<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:				
Federal Grants	3,924,114	5,824,114	3,851,004	(1,973,110)
Water Construction	51,833,628	51,833,628	34,965,721	(16,867,907)
Technology Services	-	26,392	26,392	-
Transfers to other funds:				
General	(4,184,153)	(4,184,153)	(4,184,153)	-
Campaign Finance	(122,108)	(122,108)	(122,108)	-
Pension Debt Redemption	(1,817,243)	-	-	-
Water Bond Sinking	(13,163,854)	(13,163,854)	(12,825,961)	337,893
Water Construction	(19,933,675)	(19,933,675)	(19,566,048)	367,627
Printing and Distribution Services Operating	-	(12,100)	(12,100)	-
Technology Services	-	(10,000)	(9,730)	270
Sale of capital asset	-	-	111,500	111,500
Powell Valley Road Water District annexation	-	-	1,870,941	1,870,941
Total other financing sources (uses)	<u>16,536,709</u>	<u>20,258,244</u>	<u>4,105,458</u>	<u>(16,152,786)</u>
Net change in fund balance	(23,710,358)	(23,710,358)	3,042,575	26,752,933
Fund balance -- beginning	<u>23,710,358</u>	<u>23,710,358</u>	<u>25,226,284</u>	<u>1,515,926</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,268,859</u>	<u>\$ 28,268,859</u>

City of Portland, Oregon
Water Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Investment earnings	\$ -	\$ -	\$ 7,879	\$ 7,879
Other interest income	-	-	407	407
Total revenues	-	-	8,286	8,286
EXPENDITURES				
Debt service and related costs:				
Principal	5,562,155	5,562,155	5,562,155	-
Interest	8,692,320	8,692,320	7,263,806	1,428,514
Total expenditures	14,254,475	14,254,475	12,825,961	1,428,514
Revenues over (under) expenditures	(14,254,475)	(14,254,475)	(12,817,675)	1,436,800
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water	13,163,854	13,163,854	12,825,961	(337,893)
Water Construction	1,090,621	1,090,621	-	(1,090,621)
Total other financing sources (uses)	14,254,475	14,254,475	12,825,961	(1,428,514)
Net change in fund balance	-	-	8,286	8,286
Fund balance -- beginning	-	-	5,359	5,359
Fund balance -- ending	\$ -	\$ -	\$ 13,645	\$ 13,645

City of Portland, Oregon
Water Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Public works and utility charges	\$ 2,700,000	\$ 2,700,000	\$ 5,346,699	\$ 2,646,699
Investment earnings	1,245,621	1,245,621	714,166	(531,455)
Total revenues	3,945,621	3,945,621	6,060,865	2,115,244
EXPENDITURES				
Current:				
General operating contingencies	7,938,637	7,938,637	-	7,938,637
Revenues over (under) expenditures	(3,993,016)	(3,993,016)	6,060,865	10,053,881
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water	19,933,675	19,933,675	19,566,048	(367,627)
Transfers to other funds:				
Water	(51,833,628)	(51,833,628)	(34,965,721)	16,867,907
Water Bond Sinking	(1,090,621)	(1,090,621)	-	1,090,621
Bonds and notes issued	48,032,000	48,032,000	-	(48,032,000)
Total other financing sources (uses)	15,041,426	15,041,426	(15,399,673)	(30,441,099)
Net change in fund balance	11,048,410	11,048,410	(9,338,808)	(20,387,218)
Fund balance -- beginning	16,441,867	16,441,867	20,937,734	4,495,867
Fund balance -- ending	\$ 27,490,277	\$ 27,490,277	\$ 11,598,926	\$ (15,891,351)

City of Portland, Oregon
Water Growth Impact Charge Trust Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Investment earnings	\$ 33,697	\$ 33,697	\$ 64,617	\$ 30,920
Fund balance -- beginning	<u>1,684,842</u>	<u>1,684,842</u>	<u>1,701,311</u>	<u>16,469</u>
Fund balance -- ending	<u>\$ 1,718,539</u>	<u>\$ 1,718,539</u>	<u>\$ 1,765,928</u>	<u>\$ 47,389</u>

City of Portland, Oregon
Hydroelectric Power Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Billings for interfund services:				
Water	\$ 40,000	\$ 40,000	\$ 44,954	\$ 4,954
Other:				
Sales - other	589,600	589,600	565,800	(23,800)
Investment earnings	8,500	8,500	17,651	9,151
Other interest income			62	62
Miscellaneous	1,000	1,000	-	(1,000)
	<u>639,100</u>	<u>639,100</u>	<u>628,467</u>	<u>(10,633)</u>
Total revenues				
EXPENDITURES				
Current:				
Personal services	266,222	266,222	220,391	45,831
Materials and services	299,982	1,054,982	982,765	72,217
General operating contingencies	137,237	157,484	-	157,484
Overhead charges - General Fund	58,026	58,026	58,026	-
Debt service and related costs:				
Interest	-	15,364	15,364	-
Debt issuance costs	-	-	649,530	(649,530)
	<u>761,467</u>	<u>1,552,078</u>	<u>1,926,076</u>	<u>(373,998)</u>
Total expenditures				
Revenues over (under) expenditures	<u>(122,367)</u>	<u>(912,978)</u>	<u>(1,297,610)</u>	<u>(384,632)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Hydroelectric Power Bond Redemption		20,247	20,247	-
Hydroelectric Power Renewal and Replacement	50,000	1,420,000	1,359,807	(60,193)
Transfers to other funds:				
General	(200,000)	(815,000)	(815,000)	-
Campaign Finance	(3,409)	(3,409)	(3,409)	-
Pension Debt Redemption	(15,364)	-	-	-
Bonds and notes issued	-	-	712,337	712,337
	<u>(168,773)</u>	<u>621,838</u>	<u>1,273,982</u>	<u>652,144</u>
Total other financing sources (uses)				
Net change in fund balance	<u>(291,140)</u>	<u>(291,140)</u>	<u>(23,628)</u>	<u>267,512</u>
Fund balance -- beginning	<u>291,140</u>	<u>291,140</u>	<u>326,241</u>	<u>35,101</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,613</u>	<u>\$ 302,613</u>

City of Portland, Oregon
Hydroelectric Power Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Sales - other	\$ 3,680,625	\$ 3,680,625	\$ 3,576,830	\$ (103,795)
Other interest income	165,100	165,100	165,128	28
Total revenues	3,845,725	3,845,725	3,741,958	(103,767)
EXPENDITURES				
Debt service and related costs:				
Principal	2,115,000	2,094,753	2,115,000	(20,247)
Interest	1,557,703	1,557,703	1,465,742	91,961
Total expenditures	3,672,703	3,652,456	3,580,742	71,714
Revenues over (under) expenditures	173,022	193,269	161,216	(32,053)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Hydroelectric Power Operating	-	(20,247)	(20,247)	-
Bonds and notes issued	-	-	20,657,663	20,657,663
Payments to refunding escrow agent	-	-	(22,035,037)	(22,035,037)
Total other financing sources (uses)	-	(20,247)	(1,397,621)	(1,377,374)
Net change in fund balance	173,022	173,022	(1,236,405)	(1,409,427)
Fund balance -- beginning	4,434,979	4,434,979	4,447,031	12,052
Fund balance -- ending	\$ 4,608,001	\$ 4,608,001	\$ 3,210,626	\$ (1,397,375)

City of Portland, Oregon
Hydroelectric Power Renewal and Replacement Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u>
			<u>Amounts</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Sales - other	\$ 185,900	\$ 185,900	\$ 133,982	\$ (51,918)
Other interest income	311,100	311,100	363,903	52,803
Total revenues	497,000	497,000	497,885	885
EXPENDITURES				
Current:				
General operating contingencies	9,186,875	7,816,875	-	7,816,875
Revenues over (under) expenditures	(8,689,875)	(7,319,875)	497,885	7,817,760
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Hydroelectric Power Operating	(50,000)	(1,420,000)	(1,359,807)	60,193
Net change in fund balance	(8,739,875)	(8,739,875)	(861,922)	7,877,953
Fund balance -- beginning	8,739,875	8,739,875	8,858,313	118,438
Fund balance -- ending	\$ -	\$ -	\$ 7,996,391	\$ 7,996,391

**City of Portland, Oregon
Golf Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Service charges and fees:				
Concessions	\$ 382,468	\$ 382,468	\$ 220,549	\$ (161,919)
Rents and reimbursements	-	-	6,110	6,110
Parks and recreation facilities fees	5,975,108	5,975,108	5,630,281	(344,827)
Other service charges	400,000	400,000	-	(400,000)
Billings for interfund services:				
Portland Parks Memorial Trust	40,000	40,000	18,969	(21,031)
Other:				
Sales - other	6,712	6,712	8,754	2,042
Investment earnings	14,000	14,000	18,329	4,329
Miscellaneous	-	-	11,319	11,319
Total revenues	<u>6,818,288</u>	<u>6,818,288</u>	<u>5,914,311</u>	<u>(903,977)</u>
EXPENDITURES				
Current:				
Personal services	2,485,981	2,585,981	2,495,893	90,088
Materials and services	2,304,786	2,338,910	2,365,842	(26,932)
General operating contingencies	966,418	854,349	-	854,349
Overhead charges - General Fund	113,912	113,912	113,912	-
Debt service and related costs:				
Principal	42,837	42,837	42,398	439
Interest	27,027	156,963	122,451	34,512
Capital outlay	280,000	266,475	3,357	263,118
Total expenditures	<u>6,220,961</u>	<u>6,359,427</u>	<u>5,143,853</u>	<u>1,215,574</u>
Revenues over (under) expenditures	<u>597,327</u>	<u>458,861</u>	<u>770,458</u>	<u>311,597</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Portland Parks Memorial Trust	-	125,000	125,000	-
Transfers to other funds:				
Campaign Finance	(8,139)	(8,139)	(8,139)	-
Pension Debt Redemption	(125,535)	-	-	-
Golf Revenue Bond Redemption	(796,000)	(796,000)	(787,500)	8,500
CityFleet Operating	-	(7,100)	(7,100)	-
Sale of capital asset	-	204,500	204,449	(51)
Total other financing sources (uses)	<u>(929,674)</u>	<u>(481,739)</u>	<u>(473,290)</u>	<u>8,449</u>
Net change in fund balance	<u>(332,347)</u>	<u>(22,878)</u>	<u>297,168</u>	<u>320,046</u>
Fund balance -- beginning	<u>332,347</u>	<u>22,878</u>	<u>22,878</u>	<u>-</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,046</u>	<u>\$ 320,046</u>

City of Portland, Oregon
 Golf Revenue Bond Redemption Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Investment earnings	\$ 10,000	\$ 10,000	\$ 24,244	\$ 14,244
EXPENDITURES				
Debt service and related costs:				
Principal	-	-	566,000	(566,000)
Interest	806,911	806,911	240,911	566,000
Total expenditures	806,911	806,911	806,911	-
Revenues over (under) expenditures	(796,911)	(796,911)	(782,667)	14,244
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Golf	796,000	796,000	787,500	(8,500)
Net change in fund balance	(911)	(911)	4,833	5,744
Fund balance -- beginning	635,624	635,624	642,556	6,932
Fund balance -- ending	\$ 634,713	\$ 634,713	\$ 647,389	\$ 12,676

City of Portland, Oregon
Portland International Raceway Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Concessions	\$ 135,000	\$ 135,000	\$ 191,421	\$ 56,421
Rents and reimbursements	1,372,748	1,372,748	1,601,094	228,346
Investment earnings	2,000	2,000	10,912	8,912
Total revenues	1,509,748	1,509,748	1,803,428	293,680
EXPENDITURES				
Current:				
Personal services	535,538	600,538	574,263	26,275
Materials and services	768,779	773,558	752,644	20,914
General operating contingencies	536,506	123,294	-	123,294
Overhead charges - General Fund	27,297	27,297	27,297	-
Debt service and related costs:				
Interest	-	24,166	24,166	-
Capital outlay	-	7,597	-	7,597
Total expenditures	1,868,120	1,556,450	1,378,370	178,080
Revenues over (under) expenditures	(358,372)	(46,702)	425,058	471,760
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Campaign Finance	(1,596)	(1,596)	(1,596)	-
Pension Debt Redemption	(24,166)	-	-	-
CityFleet Operating	-	(70,000)	-	70,000
Total other financing sources (uses)	(25,762)	(71,596)	(1,596)	70,000
Net change in fund balance	(384,134)	(118,298)	423,462	541,760
Fund balance -- beginning	384,134	118,298	124,522	6,224
Fund balance -- ending	\$ -	\$ -	\$ 547,984	\$ 547,984

City of Portland, Oregon
Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Licenses and permits:				
Public utility licenses	\$ 1,691,619	\$ 1,691,619	\$ 1,854,209	\$ 162,590
Other permits	3,600	3,600	3,720	120
Local cost sharing	323,750	494,038	480,129	(13,909)
Service charges and fees:				
Public works and utility charges	1,038,135	1,038,135	1,246,278	208,143
Rents and reimbursements	7,239	7,239	-	(7,239)
Other service charges	-	-	400	400
Billings for interfund services:				
General	51,877	51,877	51,877	-
Water	10,000	10,000	10,000	-
Other:				
Investment earnings	62,476	62,476	153,247	90,771
Miscellaneous	7,400	7,400	7,489	89
Total revenues	<u>3,196,096</u>	<u>3,366,384</u>	<u>3,807,349</u>	<u>440,965</u>
EXPENDITURES				
Current:				
Personal services	922,107	1,042,107	974,933	67,174
Materials and services	1,570,362	1,767,772	1,622,923	144,849
General operating contingencies	2,627,789	2,422,452	-	2,422,452
Overhead charges - General Fund	82,599	82,599	82,599	-
Debt service and related costs:				
Interest	-	38,982	38,982	-
Total expenditures	<u>5,202,857</u>	<u>5,353,912</u>	<u>2,719,437</u>	<u>2,634,475</u>
Revenues over (under) expenditures	<u>(2,006,761)</u>	<u>(1,987,528)</u>	<u>1,087,912</u>	<u>3,075,440</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Federal Grants	-	33,970	6,672	(27,298)
Transfers to other funds:				
General	(699,402)	(791,587)	(734,466)	57,121
Campaign Finance	(4,210)	(4,210)	(4,210)	-
Pension Debt Redemption	(38,982)	-	-	-
Printing and Distribution Services Operating	-	-	(350)	(350)
Total other financing sources (uses)	<u>(742,594)</u>	<u>(761,827)</u>	<u>(732,354)</u>	<u>29,473</u>
Net change in fund balance	<u>(2,749,355)</u>	<u>(2,749,355)</u>	<u>355,558</u>	<u>3,104,913</u>
Fund balance -- beginning	<u>2,749,355</u>	<u>2,749,355</u>	<u>4,213,470</u>	<u>1,464,115</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,569,028</u>	<u>\$ 4,569,028</u>

City of Portland, Oregon
Parking Facilities Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget -</u>
			<u>Amounts</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Service charges and fees:				
Parking fees	\$ 8,245,917	\$ 8,245,917	\$ 9,344,105	\$ 1,098,188
Rents and reimbursements	851,928	851,928	787,251	(64,677)
Billings for interfund services:				
General	439,560	439,560	409,066	(30,494)
Transportation Operating	19,800	19,800	21,000	1,200
Development Services	-	-	286	286
Parks Capital Construction and Maintenance	3,960	3,960	3,720	(240)
Sewer System Operating	28,920	28,920	30,102	1,182
Water	67,320	67,320	66,103	(1,217)
Hydroelectric Power Operating	1,980	1,980	1,860	(120)
Golf	1,980	1,980	1,860	(120)
Facilities Services Operating	148,791	148,791	146,691	(2,100)
Printing and Distribution Services Operating	7,920	7,920	7,440	(480)
Insurance and Claims Operating	3,960	3,960	2,790	(1,170)
Workers' Compensation Self Insurance Operating	3,960	3,960	4,650	690
Technology Services	3,960	3,960	3,720	(240)
Other:				
Investment earnings	45,813	45,813	204,385	158,572
Miscellaneous	3,200	3,200	9,884	6,684
Total revenues	<u>9,878,969</u>	<u>9,878,969</u>	<u>11,044,915</u>	<u>1,165,946</u>
EXPENDITURES				
Current:				
Personal services	98,612	98,612	60,507	38,105
Materials and services	5,583,912	6,193,385	4,720,467	1,472,918
General operating contingencies	1,834,620	34,864	-	34,864
Overhead charges - General Fund	93,288	93,288	93,288	-
Capital outlay	-	155,302	139,367	15,935
Total expenditures	<u>7,610,432</u>	<u>6,575,451</u>	<u>5,013,629</u>	<u>1,561,822</u>
Revenues over (under) expenditures	<u>2,268,537</u>	<u>3,303,518</u>	<u>6,031,286</u>	<u>2,727,768</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General	(320,745)	(320,745)	(320,745)	-
Transportation Operating	(700,000)	(700,000)	(700,000)	-
Campaign Finance	(6,548)	(6,548)	(6,548)	-
Parking Facilities Debt Redemption	(3,073,776)	(3,073,776)	(3,073,776)	-
Internal loan remittances	-	(2,306,000)	(2,306,000)	-
Total other financing sources (uses)	<u>(4,101,069)</u>	<u>(6,407,069)</u>	<u>(6,407,069)</u>	<u>-</u>
Net change in fund balance	<u>(1,832,532)</u>	<u>(3,103,551)</u>	<u>(375,783)</u>	<u>2,727,768</u>
Fund balance -- beginning	<u>1,832,532</u>	<u>3,103,551</u>	<u>3,804,920</u>	<u>701,369</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,429,137</u>	<u>\$ 3,429,137</u>

City of Portland, Oregon
Parking Facilities Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 86	\$ 86
Other interest income	-	-	134	134
	<u>-</u>	<u>-</u>	<u>220</u>	<u>220</u>
Total revenues	-	-	220	220
EXPENDITURES				
Debt service and related costs:				
Principal	1,640,000	1,640,000	1,640,000	-
Interest	1,433,776	1,433,776	1,433,776	-
	<u>3,073,776</u>	<u>3,073,776</u>	<u>3,073,776</u>	<u>-</u>
Total expenditures	3,073,776	3,073,776	3,073,776	-
Revenues over (under) expenditures	(3,073,776)	(3,073,776)	(3,073,556)	220
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Parking Facilities	3,073,776	3,073,776	3,073,776	-
	<u>-</u>	<u>-</u>	<u>220</u>	<u>220</u>
Net change in fund balance	-	-	220	220
Fund balance -- beginning	-	-	364	364
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584</u>	<u>\$ 584</u>

City of Portland, Oregon
Spectator Facilities Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Local cost sharing	\$ 2,075,173	\$ 2,075,173	\$ 2,075,173	\$ -
Service charges and fees:				
Parking fees	1,100,000	1,100,000	1,078,178	(21,822)
Rents and reimbursements	4,180,000	4,180,000	3,653,379	(526,621)
Other:				
Investment earnings	110,000	110,000	293,104	183,104
Other interest income	29,858	29,858	29,858	-
Miscellaneous	61,242	61,242	65,951	4,709
Total revenues	<u>7,556,273</u>	<u>7,556,273</u>	<u>7,195,643</u>	<u>(360,630)</u>
EXPENDITURES				
Current:				
Materials and services	1,237,168	1,277,168	1,010,505	266,663
General operating contingencies	6,017,934	5,567,934	-	5,567,934
Overhead charges - General Fund	87,668	87,668	87,668	-
Debt service and related costs:				
Principal	2,760,000	2,760,000	2,200,000	560,000
Interest	3,453,876	3,453,876	3,375,960	77,916
Capital outlay	200,000	650,000	463,052	186,948
Total expenditures	<u>13,756,646</u>	<u>13,796,646</u>	<u>7,137,185</u>	<u>6,659,461</u>
Revenues over (under) expenditures	<u>(6,200,373)</u>	<u>(6,240,373)</u>	<u>58,458</u>	<u>6,298,831</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General	(11,477)	(11,477)	(11,477)	-
Transportation Operating	(130,000)	(90,000)	(90,000)	-
Campaign Finance	(7,733)	(7,733)	(7,733)	-
Total other financing sources (uses)	<u>(149,210)</u>	<u>(109,210)</u>	<u>(109,210)</u>	<u>-</u>
Net change in fund balance	<u>(6,349,583)</u>	<u>(6,349,583)</u>	<u>(50,752)</u>	<u>6,298,831</u>
Fund balance -- beginning	<u>6,349,583</u>	<u>6,349,583</u>	<u>6,730,330</u>	<u>380,747</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,679,578</u>	<u>\$ 6,679,578</u>

City of Portland, Oregon
Environmental Remediation Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Rents and reimbursements	\$ 584,337	\$ 584,337	\$ 504,802	\$ (79,535)
Billings for interfund services:				
Portland Parks Memorial Trust	-	40,000	-	(40,000)
Investment earnings	29,522	29,522	46,513	16,991
Total revenues	613,859	653,859	551,315	(102,545)
EXPENDITURES				
Current:				
Personal services	495,779	495,779	493,887	1,892
Materials and services	3,943,299	3,943,299	5,536,151	(1,592,852)
General operating contingencies	661,409	701,409	-	701,409
Overhead charges - General Fund	3,501	3,501	3,501	-
Debt service and related costs:				
Interest	-	900	900	-
Capital outlay	325,000	325,000	-	325,000
Total expenditures	5,428,988	5,469,888	6,034,439	(564,551)
Revenues over (under) expenditures	(4,815,129)	(4,816,029)	(5,483,125)	(667,096)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	2,611,824	2,611,824	2,273,238	(338,586)
Transfers to other funds:				
Campaign Finance	(557)	(557)	(557)	-
Pension Debt Redemption	(900)	-	-	-
Total other financing sources (uses)	2,610,367	2,611,267	2,272,681	(338,586)
Net change in fund balance	(2,204,762)	(2,204,762)	(3,210,444)	(1,005,682)
Fund balance -- beginning	2,204,762	2,204,762	2,217,768	13,006
Fund balance -- ending	\$ -	\$ -	\$ (992,676)	\$ (992,676)



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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.

Portland Police Association Health Insurance Fund

This fund accounts for payment of medical claims for Portland Police Association employees, dependents, retirees and other participants in the Portland Police Association self-insured medical plans.

City of Portland, Oregon
Health Insurance Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Health care charges	\$ 24,341,495	\$ 24,341,495	\$ 22,974,464	\$ (1,367,031)
Billings for interfund services:				
Portland Police Association Health Insurance	308,122	308,122	308,122	-
Investment earnings	242,999	242,999	473,262	230,263
Miscellaneous	2,845,469	2,845,469	2,181,204	(664,265)
Total revenues	<u>27,738,085</u>	<u>27,738,085</u>	<u>25,937,052</u>	<u>(1,801,033)</u>
EXPENDITURES				
Current:				
Personal services	536,471	604,461	570,547	33,914
Materials and services	34,546,610	34,617,700	31,937,690	2,680,010
General operating contingencies	5,899,395	6,263,352	-	6,263,352
Overhead charges - General Fund	188,003	188,003	188,003	-
Debt service and related costs:				
Interest	-	23,171	23,171	-
Total expenditures	<u>41,170,479</u>	<u>41,696,687</u>	<u>32,719,411</u>	<u>8,977,276</u>
Revenues over (under) expenditures	<u>(13,432,394)</u>	<u>(13,958,602)</u>	<u>(6,782,359)</u>	<u>7,176,243</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
General	-	455,372	455,372	-
Transfers to other funds:				
Campaign Finance	(47,665)	-	-	-
Pension Debt Redemption	(23,171)	-	-	-
Total other financing sources (uses)	<u>(70,836)</u>	<u>455,372</u>	<u>455,372</u>	<u>-</u>
Net change in fund balance	<u>(13,503,230)</u>	<u>(13,503,230)</u>	<u>(6,326,987)</u>	<u>7,176,243</u>
Fund balance -- beginning	<u>13,503,230</u>	<u>13,503,230</u>	<u>14,301,529</u>	<u>798,299</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,974,542</u>	<u>\$ 7,974,542</u>

City of Portland, Oregon
Facilities Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Local cost sharing revenues:				
Multnomah County cost sharing	\$ 722,030	\$ 722,030	\$ 730,616	\$ 8,586
Local cost sharing	-	-	61,272	61,272
Service charges and fees:				
Parking fees	18,923	18,923	12,632	(6,291)
Rents and reimbursements	1,629,357	1,629,357	1,864,666	235,309
Other service charges	-	-	241,092	241,092
Billings for interfund services:				
General	7,950,803	8,417,011	8,183,229	(233,782)
Transportation Operating	2,090,592	2,135,592	2,062,099	(73,493)
Emergency Communication	401,124	434,824	426,935	(7,889)
Development Services	2,221,448	2,306,448	2,229,182	(77,266)
Public Safety	237,000	257,000	249,415	(7,585)
Cable	23,008	23,008	23,885	877
Children's Investment	-	-	72	72
Portland Parks Memorial Trust	-	-	345	345
BFRES Facilities GO Bond Construction	2,087,470	2,087,470	717,706	(1,369,764)
Parks Capital Construction and Maintenance	-	-	52	52
Sewer System Operating	1,684,851	1,684,851	1,554,756	(130,095)
Water	1,541,211	2,134,211	2,060,483	(73,728)
Hydroelectric Power Operating	-	-	22	22
Solid Waste Management	-	-	502	502
Parking Facilities	2,498,366	3,037,728	1,642,794	(1,394,934)
Spectator Facilities Operating	246,061	246,061	207,994	(38,067)
Environmental Remediation	183,557	183,557	100,161	(83,396)
Health Insurance Operating	28,905	28,905	30,247	1,342
CityFleet Operating	594,790	594,790	581,248	(13,542)
Printing and Distribution Services Operating	204,498	204,498	198,427	(6,071)
Insurance and Claims Operating	70,758	70,758	74,836	4,078
Workers' Compensation Self Insurance Operating	75,984	75,984	68,211	(7,773)
Technology Services	1,119,783	1,103,783	1,073,844	(29,939)
Fire and Police Disability and Retirement	-	-	489	489
Other:				
Investment earnings	150,000	150,000	558,547	408,547
Other interest income	-	-	1,518	1,518
Miscellaneous	-	-	148,830	148,830
Total revenues	25,780,519	27,546,789	25,106,107	(2,440,682)

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, 2006

	<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	2,923,459	2,923,459	2,810,207	113,252
Materials and services	16,680,288	25,839,348	15,538,240	10,301,108
General operating contingencies	1,806,972	792,647	-	792,647
Overhead charges - General Fund	814,887	814,887	814,887	-
Debt service and related costs:				
Principal	5,307,000	5,307,000	5,307,000	-
Interest	2,222,224	2,347,012	2,154,029	192,983
Total expenditures	<u>29,754,830</u>	<u>38,024,353</u>	<u>26,624,363</u>	<u>11,399,990</u>
Revenues over (under) expenditures	<u>(3,974,311)</u>	<u>(10,477,564)</u>	<u>(1,518,256)</u>	<u>8,959,308</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	2,393,550	2,493,550	2,493,549	(1)
Federal Grants	1,030,050	1,025,531	132,123	(893,408)
BFRES Facilities GO Bond Construction	-	26,000	26,000	-
Sewer System Operating	-	-	25,000	25,000
Transfers to other funds:				
Campaign Finance	(19,047)	(19,047)	(19,047)	-
Pension Debt Redemption	(124,788)	-	-	-
Total other financing sources (uses)	<u>3,279,765</u>	<u>3,526,034</u>	<u>2,657,625</u>	<u>(868,409)</u>
Net change in fund balance	<u>(694,546)</u>	<u>(6,951,530)</u>	<u>1,139,369</u>	<u>8,090,899</u>
Fund balance -- beginning	<u>6,635,128</u>	<u>12,892,112</u>	<u>12,924,249</u>	<u>32,137</u>
Fund balance -- ending	<u>\$ 5,940,582</u>	<u>\$ 5,940,582</u>	<u>\$ 14,063,618</u>	<u>\$ 8,123,036</u>

City of Portland, Oregon
CityFleet Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other service charges	\$ 30,000	\$ 130,000	\$ 193,333	\$ 63,333
Billings for interfund services:				
General	8,716,862	9,614,554	9,935,550	320,996
Transportation Operating	7,211,310	8,611,310	8,596,383	(14,927)
Emergency Communication	1,899	6,899	6,305	(594)
Development Services	313,658	323,658	326,030	2,372
Cable	104	104	-	(104)
Portland Parks Memorial Trust	-	2,722	2,721	(1)
Parks Capital Construction and Maintenance	6,232	6,232	5,877	(355)
Sewer System Operating	403,465	403,465	457,669	54,204
Water	1,728,451	2,453,451	2,507,001	53,550
Hydroelectric Power Operating	2,847	2,847	2,903	56
Golf	205,901	205,901	200,476	(5,425)
Portland International Raceway	5,878	7,278	7,772	494
Solid Waste Management	2,031	2,031	2,599	568
Health Insurance Operating	208	208	-	(208)
Facilities Services Operating	50,224	56,724	57,450	726
Printing and Distribution Services Operating	28,156	48,156	43,616	(4,540)
Insurance and Claims Operating	2,704	2,704	-	(2,704)
Workers' Compensation Self Insurance Operating	1,092	1,092	76	(1,016)
Technology Services	86,255	86,255	90,989	4,734
Other:				
Sales - other	1,000	1,000	-	(1,000)
Refunds	-	-	288	288
Investment earnings	264,800	264,800	744,019	479,219
Miscellaneous	1,000	1,000	87,447	86,447
Total revenues	19,064,077	22,232,391	23,268,504	1,036,113
EXPENDITURES				
Current:				
Personal services	5,399,386	5,865,994	5,601,259	264,735
Materials and services	8,804,064	12,400,668	10,968,425	1,432,243
General operating contingencies	1,606,214	85,559	-	85,559
Overhead charges - General Fund	787,192	787,192	787,192	-
Debt service and related costs:				
Interest	-	293,244	293,244	-
Capital outlay	4,493,707	7,080,417	4,893,933	2,186,484
Total expenditures	21,090,563	26,513,074	22,544,053	3,969,021
Revenues over (under) expenditures	(2,026,486)	(4,280,683)	724,451	5,005,134

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, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	-	41,685	41,685	-
Transportation Operating	-	1,379,591	258,909	(1,120,682)
Federal Grants	-	25,000	7,815	(17,185)
Golf	-	7,100	7,100	-
Portland International Raceway	-	70,000	-	(70,000)
Portland Parks Memorial Trust	-	16,000	-	(16,000)
Technology Services	-	34,000	19,000	(15,000)
Transfers to other funds:				
Campaign Finance	(30,422)	(30,422)	(30,422)	-
Pension Debt Redemption	(293,244)	-	-	-
Sale of capital asset	824,155	824,155	621,651	(202,504)
	<u>500,489</u>	<u>2,367,109</u>	<u>925,738</u>	<u>(1,441,371)</u>
Total other financing sources (uses)				
Net change in fund balance	(1,525,997)	(1,913,574)	1,650,189	3,563,763
Fund balance -- beginning	<u>17,892,040</u>	<u>18,279,617</u>	<u>18,279,617</u>	<u>-</u>
Fund balance -- ending	<u>\$ 16,366,043</u>	<u>\$ 16,366,043</u>	<u>\$ 19,929,806</u>	<u>\$ 3,563,763</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, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Local cost sharing revenues:				
State cost sharing	\$ 271,502	\$ 271,502	\$ 301,962	\$ 30,460
Multnomah County cost sharing	571,687	571,687	489,066	(82,621)
Local cost sharing	238,828	238,828	269,056	30,228
Other service charges	280,886	280,886	261,916	(18,970)
Billings for interfund services:				
General	3,172,042	3,429,559	3,257,528	(172,031)
Transportation Operating	371,923	492,723	520,602	27,879
Emergency Communication	15,673	27,673	24,079	(3,594)
Development Services	477,751	477,751	452,580	(25,171)
Cable	7,137	11,137	8,145	(2,992)
Housing Investment	-	-	145	145
Children's Investment	-	93,098	82,564	(10,534)
Portland Parks Memorial Trust	3,297	5,797	6,881	1,084
Parks Capital Construction and Maintenance	20,051	24,051	24,694	643
Sewer System Operating	503,864	819,364	440,978	(378,386)
Water	302,406	329,406	374,893	45,487
Hydroelectric Power Operating	2,947	2,947	3,334	387
Golf	710	710	-	(710)
Portland International Raceway	1,792	1,792	1,147	(645)
Solid Waste Management	170,532	170,532	167,221	(3,311)
Parking Facilities	2,136	2,136	2,012	(124)
Spectator Facilities Operating	544	544	128	(416)
Environmental Remediation	-	-	94	94
Health Insurance Operating	42,798	42,798	58,126	15,328
Facilities Services Operating	32,748	32,748	28,318	(4,430)
CityFleet Operating	18,065	18,065	12,779	(5,286)
Insurance and Claims Operating	12,965	17,965	12,093	(5,872)
Workers' Compensation Self Insurance Operating	18,940	18,940	17,939	(1,001)
Technology Services	18,906	18,906	19,291	385
Fire and Police Disability and Retirement	48,411	48,411	46,757	(1,654)
Other:				
Sales - other	-	-	300	300
Refunds	-	-	615	615
Investment earnings	11,627	11,627	59,032	47,405
Miscellaneous	8,222	28,500	26,254	(2,246)
Total revenues	6,628,390	7,490,083	6,970,529	(519,554)

Continued next page

City of Portland, Oregon
Printing and Distribution Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2006

	<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	1,753,216	1,753,216	1,671,626	81,590
Materials and services	4,187,522	4,991,108	4,397,564	593,544
General operating contingencies	1,007,170	1,065,277	-	1,065,277
Overhead charges - General Fund	281,163	281,163	281,163	-
Debt service and related costs:				
Interest	-	99,374	99,374	-
Capital outlay	292,542	378,697	347,424	31,273
Total expenditures	<u>7,521,613</u>	<u>8,568,835</u>	<u>6,797,151</u>	<u>1,771,684</u>
Revenues over (under) expenditures	<u>(893,223)</u>	<u>(1,078,752)</u>	<u>173,378</u>	<u>1,252,130</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	-	61,855	61,505	(350)
Transportation Operating	-	10,800	10,800	-
Sewer System Operating	25,000	25,000	5,200	(19,800)
Water	-	12,100	12,100	-
Solid Waste Management	-	-	350	350
Technology Services	-	1,400	1,400	-
Transfers to other funds:				
Campaign Finance	(9,093)	(9,093)	(9,093)	-
Pension Debt Redemption	(99,374)	-	-	-
Sale of capital asset	-	-	5,175	5,175
Total other financing sources (uses)	<u>(83,467)</u>	<u>102,062</u>	<u>87,437</u>	<u>(14,625)</u>
Net change in fund balance	<u>(976,690)</u>	<u>(976,690)</u>	<u>260,815</u>	<u>1,237,505</u>
Fund balance -- beginning	<u>990,100</u>	<u>990,100</u>	<u>1,486,008</u>	<u>495,908</u>
Fund balance -- ending	<u>\$ 13,410</u>	<u>\$ 13,410</u>	<u>\$ 1,746,823</u>	<u>\$ 1,733,413</u>

City of Portland, Oregon
Insurance and Claims Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Billings for interfund services:				
General	\$ 3,788,893	\$ 3,750,326	\$ 3,750,326	\$ -
Transportation Operating	659,283	646,564	646,564	-
Emergency Communication	78,778	78,778	78,778	-
Development Services	225,372	220,372	220,372	-
Cable	3,399	3,399	3,399	-
Sewer System Operating	616,824	610,277	610,277	-
Water	381,415	375,420	375,420	-
Hydroelectric Power Operating	44,869	44,869	44,869	-
Golf	27,560	27,560	27,560	-
Portland International Raceway	20,080	20,080	20,080	-
Solid Waste Management	4,678	4,678	4,678	-
Parking Facilities	72,698	72,809	72,809	-
Spectator Facilities Operating	28,259	28,259	28,259	-
Health Insurance Operating	70	70	70	-
Facilities Services Operating	133,807	133,807	133,807	-
CityFleet Operating	56,888	56,888	56,888	-
Printing and Distribution Services Operating	19,627	19,627	19,627	-
Workers' Compensation Self Insurance Operating	269	269	269	-
Technology Services	92,281	92,281	92,281	-
Other:				
Investment earnings	446,878	446,878	629,509	182,631
Miscellaneous	116,622	116,622	153,519	36,897
Total revenues	6,818,550	6,749,833	6,969,361	219,528
EXPENDITURES				
Current:				
Personal services	871,543	934,697	931,899	2,798
Materials and services	5,687,893	8,063,221	5,753,951	2,309,270
General operating contingencies	192,201	1,002	-	1,002
Overhead charges - General Fund	128,953	128,953	128,953	-
Debt service and related costs:				
Interest	-	54,758	54,758	-
Capital outlay	10,000	10,000	-	10,000
Total expenditures	6,890,590	9,192,631	6,869,561	2,323,070
Revenues over (under) expenditures	(72,040)	(2,442,798)	99,800	2,542,598

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCIAL SOURCES (USES)				
Transfers from other funds:				
General	-	10,000	10,000	-
Transfers to other funds:				
Campaign Finance	(10,023)	(10,023)	(10,023)	-
Pension Debt Redemption	(54,758)	-	-	-
Loan proceeds	-	2,306,000	2,306,000	-
	<u>(64,781)</u>	<u>2,305,977</u>	<u>2,305,977</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	(136,821)	(136,821)	2,405,777	2,542,598
Fund balance -- beginning	<u>18,089,950</u>	<u>18,089,950</u>	<u>16,694,779</u>	<u>(1,395,171)</u>
Fund balance -- ending	<u>\$ 17,953,129</u>	<u>\$ 17,953,129</u>	<u>\$ 19,100,556</u>	<u>\$ 1,147,427</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, 2006

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Billings for interfund services:				
General	\$ 2,172,974	\$ 2,116,673	\$ 2,116,673	\$ -
Transportation Operating	1,039,126	1,015,853	1,015,853	-
Emergency Communication	110,153	110,153	110,153	-
Development Services	400,863	400,863	400,863	-
Cable	6,431	6,431	6,431	-
Sewer System Operating	286,446	281,446	281,446	-
Water	498,289	477,535	477,535	-
Hydroelectric Power Operating	3,352	3,352	3,352	-
Golf	42,884	42,884	42,884	-
Portland International Raceway	8,132	8,132	8,132	-
Solid Waste Management	8,668	8,668	8,668	-
Health Insurance Operating	85	85	85	-
Facilities Services Operating	40,825	40,825	40,825	-
CityFleet Operating	97,058	97,058	97,058	-
Printing and Distribution Services Operating	24,732	24,732	24,732	-
Insurance and Claims Operating	149	149	149	-
Technology Services	111,248	111,248	111,248	-
Other:				
Investment earnings	263,470	263,470	563,845	300,375
Miscellaneous	115,329	115,329	294,181	178,852
Total revenues	<u>5,230,214</u>	<u>5,124,886</u>	<u>5,604,113</u>	<u>479,227</u>
EXPENDITURES				
Current:				
Personal services	892,767	892,767	845,902	46,865
Materials and services	3,498,895	3,498,895	2,997,015	501,880
Overhead charges - General Fund	158,614	158,614	158,614	-
General operating contingencies	204,917	99,589	-	99,589
Debt service and related costs:				
Interest	-	51,220	51,220	-
Capital outlay	10,000	10,000	-	10,000
Total expenditures	<u>4,765,193</u>	<u>4,711,085</u>	<u>4,052,751</u>	<u>658,334</u>
Revenues over (under) expenditures	<u>465,021</u>	<u>413,801</u>	<u>1,551,362</u>	<u>1,137,561</u>
OTHER FINANCIAL SOURCES (USES)				
Transfers to other funds:				
Campaign Finance	(7,708)	(7,708)	(7,708)	-
Pension Debt Redemption	(51,220)	-	-	-
Total other financing sources (uses)	<u>(58,928)</u>	<u>(7,708)</u>	<u>(7,708)</u>	<u>-</u>
Net change in fund balance	406,093	406,093	1,543,654	1,137,561
Fund balance -- beginning	<u>13,399,846</u>	<u>13,399,846</u>	<u>14,169,028</u>	<u>769,182</u>
Fund balance -- ending	<u>\$ 13,805,939</u>	<u>\$ 13,805,939</u>	<u>\$ 15,712,682</u>	<u>\$ 1,906,743</u>

City of Portland, Oregon
Technology Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local cost sharing	\$ 206,768	\$ 206,768	\$ 208,953	\$ 2,185
Rents and reimbursements	89,680	89,680	75,555	(14,125)
Other service charges	3,506,140	3,631,140	3,786,387	155,247
Billings for interfund services:				-
General	17,792,419	19,450,146	18,967,772	(482,374)
Transportation Operating	4,220,223	4,557,223	4,824,409	267,186
Assessment Collection	268	268	268	-
Emergency Communication	2,260,966	2,260,966	2,186,042	(74,924)
Development Services	1,761,878	2,091,878	1,971,635	(120,243)
Public Safety	269	255,269	234,164	(21,105)
Cable	14,791	37,791	31,870	(5,921)
Business License Surcharge	439	439	439	-
Convention and Tourism	1,435	1,435	1,435	-
Parks Local Option Levy	6,411	6,411	6,411	-
Children's Investment	12,113	12,113	13,425	1,312
Portland Parks Memorial Trust	443	10,782	17,824	7,042
BFRES Facilities GO Bond Construction	274,774	274,774	73,969	(200,805)
Local Improvement District Construction	11,368	11,368	11,368	-
Parks Capital Construction and Maintenance	31,336	36,336	33,105	(3,231)
Sewer System Operating	3,037,507	3,290,307	3,256,539	(33,768)
Water	3,840,514	4,280,514	4,110,492	(170,022)
Hydroelectric Power Operating	12,610	12,610	13,234	624
Golf	39,248	39,248	36,092	(3,156)
Portland International Raceway	20,808	20,808	21,187	379
Solid Waste Management	53,172	57,272	55,558	(1,714)
Parking Facilities	34,079	34,079	33,972	(107)
Spectator Facilities Operating	8,549	8,549	8,549	-
Environmental Remediation	744	744	2,052	1,308
Health Insurance Operating	280,055	233,705	173,258	(60,447)
Facilities Services Operating	617,705	617,705	653,675	35,970
CityFleet Operating	168,986	223,986	193,337	(30,649)
Printing and Distribution Services Operating	168,888	168,888	159,030	(9,858)
Insurance and Claims Operating	107,685	107,685	104,180	(3,505)
Workers' Compensation Self Insurance Operating	108,583	108,583	111,980	3,397
Fire and Police Disability and Retirement	54,604	66,604	65,282	(1,322)
Other:				
Sales - other	2,000	152,000	183,413	31,413
Refunds	-	-	9,971	9,971
Investment earnings	200,000	585,000	696,739	111,739
Other interest income	-	-	1,074	1,074
Miscellaneous	30,000	30,000	25,170	(4,830)
Total revenues	38,977,458	42,973,074	42,359,815	(613,259)

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, 2006

	<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	18,354,626	19,578,819	18,101,372	1,477,447
Materials and services	19,136,330	22,783,786	18,782,585	4,001,201
General operating contingencies	5,985,582	4,871,352	-	4,871,352
Overhead charges - General Fund	844,595	844,595	844,595	-
Debt service and related costs:				
Principal	1,473,000	1,473,000	1,473,000	-
Interest	423,713	772,239	747,897	24,342
Capital outlay	1,465,000	4,891,921	2,704,682	2,187,239
	<u>47,682,846</u>	<u>55,215,712</u>	<u>42,654,131</u>	<u>12,561,581</u>
Revenues over (under) expenditures	<u>(8,705,388)</u>	<u>(12,242,638)</u>	<u>(294,316)</u>	<u>11,948,322</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	868,957	1,352,272	1,288,083	(64,189)
Transportation Operating	-	4,300	4,299	(1)
Emergency Communication	-	13,417	13,285	(132)
Public Safety	-	168,417	65,313	(103,104)
Federal Grants	-	206,526	151,999	(54,527)
Water	-	10,000	9,730	(270)
Transfers to other funds				
General	-	(324,567)	(324,567)	-
Campaign Finance	(41,615)	(41,615)	(41,615)	-
Pension Debt Redemption	(348,526)	-	-	-
Water	-	(26,392)	(26,392)	-
CityFleet Operating	-	(34,000)	(19,000)	15,000
Printing and Distribution Services Operating	-	(1,400)	(1,400)	-
Bonds and notes issued	2,164,430	618,430	-	(618,430)
	<u>2,643,246</u>	<u>1,945,388</u>	<u>1,119,735</u>	<u>(825,653)</u>
Net change in fund balance	<u>(6,062,142)</u>	<u>(10,297,250)</u>	<u>825,419</u>	<u>11,122,669</u>
Fund balance -- beginning	<u>14,510,304</u>	<u>18,807,534</u>	<u>18,913,168</u>	<u>105,634</u>
Fund balance -- ending	<u>\$ 8,448,162</u>	<u>\$ 8,510,284</u>	<u>\$ 19,738,587</u>	<u>\$ 11,228,303</u>

City of Portland, Oregon
Portland Police Association Health Insurance
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Health care charges	\$ 8,285,518	\$ 8,285,518	\$ 8,017,618	\$ (267,900)
Investment earnings	16,775	16,775	39,114	22,339
Miscellaneous	156,926	156,926	491,590	334,664
				-
Total revenues	<u>8,459,219</u>	<u>8,459,219</u>	<u>8,548,322</u>	<u>89,103</u>
EXPENDITURES				
Current:				
Materials and services	8,274,902	8,304,262	8,074,485	229,777
General operating contingencies	735,064	705,704	-	705,704
Overhead charges - General Fund	41,263	41,263	41,263	-
Total expenditures	<u>9,051,229</u>	<u>9,051,229</u>	<u>8,115,748</u>	<u>935,481</u>
Net change in fund balance	(592,010)	(592,010)	432,574	1,024,584
Fund balance -- beginning	<u>592,010</u>	<u>592,010</u>	<u>592,883</u>	<u>873</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,025,457</u>	<u>\$ 1,025,457</u>



PITTOCK MANSION

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.

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, 2006

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Current year's taxes	\$ 78,601,160	\$ 78,601,160	\$ 79,644,229	\$ 1,043,069
Prior years' property taxes	1,500,000	1,500,000	1,709,628	209,628
Other service charges	-	-	18	18
Billing for interfund services:				
General	7,200	7,200	7,200	-
Investment earnings	800,000	800,000	1,378,806	578,806
Miscellaneous	-	-	165,487	165,487
Total revenues	80,908,360	80,908,360	82,905,368	1,997,008
EXPENDITURES				
Current:				
Materials and services	87,502,596	87,502,596	82,043,045	5,459,551
General operating contingencies	3,368,424	3,368,424	-	3,368,424
Overhead charges - General Fund	101,332	101,332	101,332	-
Debt service and related costs:				
Principal	20,000,000	20,000,000	15,945,000	4,055,000
Interest	500,000	531,264	447,942	83,322
Debt issuance costs	-	-	19,193	(19,193)
Total expenditures	111,472,352	111,503,616	98,556,512	12,947,104
Revenues over (under) expenditures	(30,563,992)	(30,595,256)	(15,651,144)	14,944,112
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Fire and Police Disability and Retirement Reserve	750,000	750,000	-	(750,000)
Transfers to other funds:				
Campaign Finance	(2,925)	(2,925)	(2,925)	-
Pension Debt Redemption	(31,264)	-	-	-
Bonds and notes issued	20,000,000	20,000,000	15,945,000	(4,055,000)
Bonds and notes premium	-	-	208,720	208,720
Total other financing sources (uses)	20,715,811	20,747,075	16,150,795	(4,596,280)
Net change in fund balances	(9,848,181)	(9,848,181)	499,651	10,347,832
Fund balance -- beginning	9,848,181	9,848,181	11,358,813	1,510,632
Fund balance -- ending	\$ -	\$ -	\$ 11,858,464	\$ 11,858,464

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, 2006

	<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 to other funds:				
Fire and Police Disability and Retirement	\$ (750,000)	\$ (750,000)	\$ -	\$ 750,000
Fund balance – beginning	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Fund balance – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,000</u>	<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, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other service charges	\$ 9,700	\$ 9,700	\$ -	\$ (9,700)
Investment earnings	<u>2,500</u>	<u>2,500</u>	<u>2,816</u>	<u>316</u>
Total revenues	<u>12,200</u>	<u>12,200</u>	<u>2,816</u>	<u>(9,384)</u>
EXPENDITURES				
Current:				
Materials and services	<u>9,700</u>	<u>9,700</u>	<u>7,398</u>	<u>2,302</u>
Revenues over (under) expenditures	<u>2,500</u>	<u>2,500</u>	<u>(4,582)</u>	<u>(7,082)</u>
Fund balance -- beginning	<u>96,069</u>	<u>96,069</u>	<u>78,350</u>	<u>(17,719)</u>
Fund balance -- ending	<u>\$ 98,569</u>	<u>\$ 98,569</u>	<u>\$ 73,768</u>	<u>\$ (24,801)</u>



EASTBANK ESPLANADE

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

City of Portland, Oregon
Schedule of Bond Principal Transactions
For the Year Ended June 30, 2006

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2005	Bonds Issued/ Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2006
GENERAL OBLIGATION BONDS:									
Governmental Activities									
Parks	2001A	3.70-5.00	07/01/2001	2001-2015	29,810,000	29,180,000	-	140,000	29,040,000
"	2004B	4.00	04/27/2004	2004-2005	9,200,000	9,200,000	-	2,950,000	6,250,000
Emergency Facilities	1999A	4.50-5.125	06/01/1999	2001-2019	24,500,000	19,220,000	-	1,010,000	18,210,000
"	2004A	2.00-4.25	01/28/2004	2004-2024	13,965,000	13,620,000	-	540,000	13,080,000
Total General Obligation Bonds: Governmental Activities					77,475,000	71,220,000	-	4,640,000	66,580,000
Business-type Activities									
Water	2004C	3.00-3.40	06/09/2004	2004-2010	7,640,000	7,540,000	-	55,000	7,485,000
Other water districts' assumed by annexation						2,155	-	2,155	-
Total General Obligation Bonds: Business-type Activities					7,640,000	7,542,155	-	57,155	7,485,000
TOTAL GENERAL OBLIGATION BONDS					85,115,000	78,762,155	-	4,697,155	74,065,000
LIMITED TAX IMPROVEMENT BONDS:									
Governmental Activities									
Limited Tax Improvement	1996A	5.55	06/01/1996	2002-2016	7,525,000	995,000	-	995,000	-
"	1998A	4.875	06/01/1998	2002-2018	8,460,000	645,000	-	265,000	380,000
"	1999A	4.875	04/01/1999	2002-2019	8,685,000	2,425,000	-	465,000	1,960,000
"	2003A	3.00-4.35	05/22/2003	2003-2023	21,430,000	15,290,000	-	1,835,000	13,455,000
TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities					46,100,000	19,355,000	-	3,560,000	15,795,000
URBAN RENEWAL & REDEVELOPMENT BONDS:									
Governmental Activities									
South Park Blocks	2000A	5.00-5.75	10/15/2000	2002-2020	23,325,000	23,325,000	-	-	23,325,000
"	2000B	6.84-7.34	10/15/2000	2002-2013	16,560,000	12,695,000	-	945,000	11,750,000
Waterfront Renewal	2000A	5.10-5.75	10/31/2000	2001-2020	33,060,000	33,060,000	-	-	33,060,000
"	2000B	6.79-7.26	10/31/2000	2001-2013	24,970,000	20,155,000	-	1,665,000	18,490,000
"	2002A	3.00	09/15/2002	2003-2007	3,765,000	1,780,000	-	690,000	1,090,000
"	2002B	3.00-3.50	09/15/2002	2003-2008	13,050,000	7,365,000	-	1,960,000	5,405,000
Airport Way	2000A	5.10-5.50	06/01/2000	2001-2020	51,000,000	48,170,000	-	45,265,000	2,905,000
"	2002A	3.00-3.50	10/01/2002	2002-2010	13,500,000	10,120,000	-	1,620,000	8,500,000
"	2002A	3.00-3.50	10/01/2002	2002-2010	13,500,000	10,120,000	-	1,620,000	8,500,000
Oregon Convention Center	2005A	3.00-5.00	09/29/2005	2006-2020	45,370,000	-	45,370,000	825,000	44,545,000
"	2000A	5.25-5.75	08/01/2000	2001-2020	32,900,000	32,900,000	-	-	32,900,000
"	2000B	7.45-7.75	08/01/2000	2001-2014	16,840,000	16,480,000	-	-	16,480,000
River District	2003A	3.25-5.00	06/17/2003	2004-2023	33,180,000	33,180,000	-	-	33,180,000
"	2003B	1.80-4.10	06/17/2003	2004-2015	28,760,000	24,105,000	-	2,340,000	21,765,000
Interstate Corridor	2004A	2.50-5.25	12/09/2004	2005-2025	32,310,000	32,310,000	-	1,110,000	31,200,000
Overnight financing			2006	2006	33,495,000	-	33,495,000	33,495,000	-
TOTAL URBAN RENEWAL & REDEVELOPMENT BONDS: Governmental Activities					402,085,000	295,645,000	78,865,000	89,915,000	284,595,000

* variable rate, see Note III.F. Long-term debt

Continued next page

City of Portland, Oregon
Schedule of Bond Principal Transactions, Continued
For the Year Ended June 30, 2006

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2005	Bonds Issued/ Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2006
LIMITED TAX AND LIMITED TAX REVENUE BONDS:									
Governmental Activities									
Pension	1999C	7.27-7.701	11/01/1999	2000-2022	84,291,994	84,291,994	-	-	84,291,994
"	1999C	7.93	11/01/1999	2000-2029	30,090,303	30,090,303	-	-	30,090,303
"	1999D&E	*	11/01/1999	2000-2019	105,391,744	113,739,030	-	-	113,739,030
Capital Financing - Facilities	1998A	4.30-5.00	04/15/1998	1999-2018	28,900,000	22,250,000	-	1,280,000	20,970,000
Oregon Convention Center	2001A	5.00-5.50	02/13/2001	2201-2030	81,940,000	80,830,000	-	1,010,000	79,820,000
Deferred Interest	2001B	4.52-5.36	02/13/2001	2001-2022	18,058,888	18,058,888	-	-	18,058,888
Streetcar Project	2002A	4.00	04/01/2002	2002-2006	1,060,000	280,000	-	280,000	-
System Development	2002A	4.00-4.50	04/01/2002	2002-2011	2,245,000	1,570,000	-	235,000	1,335,000
Integrated Regional Network Enterprise (IRNE)	2002A	4.00-4.625	04/01/2002	2002-2013	7,795,000	7,035,000	-	815,000	6,220,000
Emergency Operations Center Expansion (EOC)	2002A	4.00-4.50	04/01/2002	2002-2012	220,000	160,000	-	20,000	140,000
Headwaters Apt Project	2005A	3.00-5.00	04/18/2005	2005-2035	10,480,000	10,480,000	-	-	10,480,000
"	2005B	4.70	04/18/2005	2005-2035	1,260,000	1,260,000	-	-	1,260,000
Housing Projects	2005C	3.90-4.45	06/21/2005	2005-2014	3,170,000	3,170,000	-	365,000	2,805,000
"	2005D	3.25-5.00	06/21/2005	2005-2025	6,975,000	6,975,000	-	-	6,975,000
Capital Improve & Renovation	1998B	4.25-4.90	06/15/1998	1999-2018	8,499,490	2,080,000	-	120,000	1,960,000
"	1999B	5.00-5.875	11/01/1999	2001-2020	10,135,000	4,665,000	-	210,000	4,455,000
"	1999B	5.00-5.875	11/01/1999	2001-2008	2,935,000	1,030,000	-	460,000	570,000
"	1999B	5.00-5.875	11/01/1999	2001-2006	5,560,000	365,000	-	365,000	-
Portland Center for Performing Arts	2001C	4.10-5.25	05/01/2001	2001-2021	2,100,000	1,820,000	-	80,000	1,740,000
Walnut Park	2003A	2.00-2.75	01/15/2003	2003-2009	2,265,000	1,550,000	-	375,000	1,175,000
Radio Shop	2003A	2.00-4.00	01/15/2003	2003-2009	930,000	770,000	-	90,000	680,000
Emergency Operations Center Expansion (EOC)	2003A	2.00-4.00	01/15/2003	2003-2009	160,000	130,000	-	15,000	115,000
Portland/Justice Building	2003A	2.00-2.75	01/15/2003	2003-2009	14,195,000	7,015,000	-	2,290,000	4,725,000
800MHZ	2003A	2.00-4.00	01/15/2003	2003-2013	2,635,000	2,175,000	-	245,000	1,930,000
"	2004A	2.00-5.00	03/25/2004	2004-2013	3,420,000	3,000,000	-	450,000	2,550,000
"	2004A	2.00-5.00	03/25/2004	2004-2013	21,096,000	20,500,000	-	777,000	19,723,000
"	2004A	2.00-5.00	03/25/2004	2004-2013	624,000	580,000	-	48,000	532,000
Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities					456,432,419	425,870,215	-	9,530,000	416,340,215
Business-type Activities									
Pension	1999C	7.27-7.701	11/01/1999	2000-2022	26,678,646	26,678,646	-	-	26,678,646
"	1999C	7.93	11/01/1999	2000-2029	9,523,661	9,523,661	-	-	9,523,661
"	1999D&E	*	11/01/1999	2009	35,998,710	35,998,710	-	-	35,998,710
Central City Streetcar	1999A	4.00-5.00	04/15/1999	2001-2024	29,160,000	25,760,000	-	890,000	24,870,000
Arena	2005A	4.35	03/03/2005	2005-2011	10,555,000	9,405,000	-	1,200,000	8,205,000
"	2005B	3.25-5.00	03/03/2005	2005-2017	17,810,000	17,810,000	-	-	17,810,000
Civic Stadium	2001D	6.00-7.00	05/15/2001	2012	35,000,000	31,715,000	-	1,000,000	30,715,000
Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities					164,326,017	156,891,017	-	3,090,000	153,801,017
TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS					620,758,436	582,761,232	-	12,620,000	570,141,232

* variable rate, see Note III.F. Long-term debt

Continued next page

City of Portland, Oregon
Schedule of Bond Principal Transactions, Continued
For the Year Ended June 30, 2006

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2005	Bonds Issued/ Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2006
REVENUE BONDS:									
Governmental Activities									
Gas Tax	1996A	5.25	09/01/1996	1997-2016	6,580,000	305,000	-	305,000	-
"	1998A	4.30-5.00	06/01/1998	1999-2018	3,070,000	2,280,000	-	130,000	2,150,000
"	2005A	2.85-5.00	03/17/2005	2005-2016	4,400,000	4,350,000	-	50,000	4,300,000
Total Revenue Bonds: Governmental Activities					14,050,000	6,935,000	-	485,000	6,450,000
Business-type Activities									
Water	1997A	4.75-5.00	11/15/1997	1998-2017	30,000,000	24,460,000	-	950,000	23,510,000
"	2000A	5.00-5.50	03/15/2000	2001-2021	35,000,000	32,900,000	-	590,000	32,310,000
"	2004A	3.00- 5.00	05/06/2004	2004-2015	29,900,000	28,525,000	-	2,025,000	26,500,000
"	2004B	4.00-5.00	05/06/2004	2004-2023	61,900,000	59,260,000	-	1,940,000	57,320,000
Golf	LOC	2.49-5.26	01/10/2003	2004-2013	6,333,333	5,247,000	-	566,000	4,681,000
Sewage Disposal	1996A	5.125-5.50	11/01/1996	1997-2017	110,000,000	1,655,000	-	1,655,000	-
"	1997A	5.00-6.00	08/15/1997	1998-2015	262,500,000	237,620,000	-	14,720,000	222,900,000
"	1998A	4.00-5.25	09/15/1998	1999-2018	160,000,000	133,110,000	-	5,200,000	127,910,000
"	2003A	3.00-5.25	04/03/2003	2004-2023	88,370,000	78,425,000	-	7,435,000	70,990,000
"	2003B	5.00	06/11/2003	2004-2023	150,000,000	150,000,000	-	-	150,000,000
"	2004A	3.00-5.00	11/30/2004	2005-2024	163,500,000	163,500,000	-	5,010,000	158,490,000
"	2004B	3.00-5.00	11/30/2004	2005-2017	93,080,000	93,080,000	-	-	93,080,000
"	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	2007-2031	177,845,000	-	177,845,000	-	177,845,000
"	2006B	4.50-5.00	05/25/2006	2007-2031	87,135,000	-	87,135,000	-	87,135,000
Hydroelectric Power	1979A	7.00	06/01/1979	1972-2012	38,000,000	22,300,000	-	22,300,000	-
"	1993	6.40-6.50	08/01/1993	1994-2006	7,980,000	1,615,000	-	1,615,000	-
"	2006	5.523	04/05/2006	2006-2016	21,370,000	-	21,370,000	-	21,370,000
Parking Facilities	2001A	3.75-4.25	08/15/2001	2002-2012	10,200,000	5,900,000	-	750,000	5,150,000
Total Revenue Bonds: Business-type Activities					1,677,963,333	1,182,447,000	286,350,000	64,756,000	1,404,041,000
TOTAL REVENUE BONDS					1,692,013,333	1,189,382,000	286,350,000	65,241,000	1,410,491,000
TOTAL BONDED DEBT PRINCIPAL PRIMARY GOVERNMENT					2,846,071,769	2,165,905,387	365,215,000	176,033,155	2,355,087,232
Fiduciary Funds									
Allocation of Limited Tax Pension Obligation	1999C	7.27-7.701	11/01/1999	2000-2022	194,360	194,360	-	-	194,360
"	1999C	7.93	11/01/1999	2000-2029	69,382	69,382	-	-	69,382
"	1999D&E	*	11/01/1999	2000-2019	262,260	262,260	-	-	262,260
Total Fiduciary Funds					526,002	526,002	-	-	526,002
TOTAL BONDED DEBT PRINCIPAL					2,846,597,771	2,166,431,389	365,215,000	176,033,155	2,355,613,234
SUMMARY							Governmental Activities	Business-type Activities	Total
Bonded Debt: Primary Government							789,760,215	1,565,327,017	2,355,087,232
Plus unamortized premiums							9,489,894	51,007,151	60,497,045
Less unamortized discounts							(83,977)	(2,746,825)	(2,830,802)
Less deferred loss on refunding							-	(6,351,334)	(6,351,334)
NET BONDED DEBT							799,166,132	1,607,236,009	2,406,402,141

* variable rate, see Note III.F. Long-term debt

City of Portland, Oregon
Schedule of Bond Interest Transactions
For the Year Ended June 30, 2006

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2005	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2006
GENERAL OBLIGATION BONDS:							
Governmental Activities							
Parks	2001A	3.70-5.00	07/01/2001	9,635,803	-	1,336,610	8,299,193
"	2004B	4.00	04/27/2004	745,400	-	368,000	377,400
Emergency Facilities	1999A	4.50-5.125	06/01/1999	8,061,962	-	966,987	7,094,975
"	2004A	2.00-4.25	01/28/2004	5,831,484	-	482,886	5,348,598
Total General Obligation Bonds: Governmental Activities				24,274,649	-	3,154,483	21,120,166
Business-type Activities							
Water	2004C	3.00-3.40	06/09/2004	849,585	-	234,825	614,760
Other water districts' assumed by annexation				51	-	51	-
Total General Obligation Bonds: Business-type Activities				849,636	-	234,876	614,760
TOTAL GENERAL OBLIGATION BONDS				25,124,285	-	3,389,359	21,734,926
LIMITED TAX IMPROVEMENT BONDS:							
Governmental Activities							
Limited Tax Improvement	1996A	5.55	06/01/1996	607,448	(555,694)	51,754	-
"	1998A	4.875	06/01/1998	408,769	(158,560)	27,909	222,300
"	1999A	4.875	04/01/1999	1,655,063	(303,835)	109,078	1,242,150
"	2003A	3.00-4.35	05/22/2003	8,611,337	24,070	590,442	8,044,965
TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities				11,282,617	(994,019)	779,183	9,509,415
URBAN RENEWAL & REDEVELOPMENT BONDS:							
Governmental Activities							
South Park Blocks	2000A	5.00-5.75	10/15/2000	15,767,465	-	1,329,972	14,437,493
"	2000B	6.84-7.34	10/15/2000	4,111,150	-	904,008	3,207,142
Waterfront Renewal	2000A	5.10-5.75	10/31/2000	22,771,811	-	1,866,274	20,905,537
"	2000B	6.79-7.26	10/31/2000	7,505,472	-	1,440,950	6,064,522
"	2002A	3.00	09/15/2002	86,100	-	53,400	32,700
"	2002B	3.00-3.50	09/15/2002	535,425	-	237,875	297,550
Airport Way	2000A	5.10-5.50	06/01/2000	28,358,153	(23,319,213)	4,722,003	316,937
"	2002A	3.00-3.50	10/01/2002	1,186,625	-	370,000	816,625
"	2005A	3.00-5.00	09/25/2005	-	22,006,420	1,499,520	20,506,900
Oregon Convention Center	2000A	5.25-5.75	08/01/2000	22,653,327	-	1,852,082	20,801,245
"	2000B	7.45-7.75	08/01/2000	7,790,675	-	1,251,318	6,539,357
River District	2003A	3.25-5.00	06/17/2003	23,294,333	-	1,617,405	21,676,928
"	2003B	1.80-4.10	06/17/2003	4,607,681	-	776,928	3,830,753
Interstate Corridor	2004A	2.50-5.25	12/09/2004	18,340,432	-	1,423,431	16,917,001
Overnight financing		*	2006	-	5,370	5,370	-
TOTAL URBAN RENEWAL & REDEVELOPMENT BONDS: Governmental Activities				157,008,649	(1,307,423)	19,350,536	136,350,690

* variable rate, see Note III.F. Long-term debt

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City of Portland, Oregon
Schedule of Bond Interest Transactions, Continued
For the Year Ended June 30, 2006

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2005	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2006
LIMITED TAX AND LIMITED TAX REVENUE BONDS:							
Governmental Activities							
Pension	1999C	7.27-7.701	11/01/1999	92,292,354	301,583	6,146,148	85,844,623
"	1999C	7.93	11/01/1999	207,310,559	-	-	207,310,559
"	1999D&E	*	11/01/1999	72,072,417	2,332,547	4,434,924	65,304,946
Capital Financing - Facilities	1998A	4.30-5.00	04/15/1998	8,496,850	-	1,076,270	7,420,580
Oregon Convention Center	2001A	5.00-5.50	02/13/2001	79,861,700	-	4,132,762	75,728,938
Deferred Interest	2001B	4.52-5.36	02/13/2001	21,416,112	-	-	21,416,112
Streetcar Project	2002A	4.00	04/01/2002	11,200	-	11,200	-
System Development	2002A	4.00-4.50	04/01/2002	251,738	-	68,225	183,513
Integrated Regional Network Enterprise (IRNE)	2002A	4.00-4.625	04/01/2002	1,395,888	-	308,613	1,087,275
Emergency Operations Center Expansion (EOC)	2002A	4.00-4.50	04/01/2002	29,800	-	7,000	22,800
Headwaters Apt Project	2005A	3.00-5.00	04/18/2005	10,017,413	-	476,673	9,540,740
"	2005B	4.70	04/18/2005	1,156,458	-	56,423	1,100,035
Housing Projects	2005C	3.90-4.45	06/21/2005	652,142	-	125,722	526,420
"	2005D	3.25-5.00	06/21/2005	4,203,748	-	266,735	3,937,013
Capital Improve & Renovation	1998B	4.25-4.90	06/15/1998	758,340	-	96,902	661,438
"	1999B	5.00-5.875	11/01/1999	2,370,795	-	257,390	2,113,405
"	1999B	5.00-5.875	11/01/1999	84,250	-	51,500	32,750
"	1999B	5.00-5.875	11/01/1999	18,250	-	18,250	-
Portland Center for Performing Arts	2001C	4.10-5.25	05/01/2001	868,840	-	88,330	780,510
Walnut Park	2003A	2.00-2.75	01/15/2003	111,325	-	40,887	70,438
Radio Shop	2003A	2.00-4.00	01/15/2003	129,550	-	25,163	104,387
Emergency Operations Center Expansion (EOC)	2003A	2.00-4.00	01/15/2003	22,238	-	4,263	17,975
Portland/Justice Building	2003A	2.00-2.75	01/15/2003	359,725	-	169,900	189,825
800MHZ	2003A	2.00-4.00	01/15/2003	364,875	-	71,050	293,825
"	2004A	2.00-5.00	03/25/2004	531,500	-	136,500	395,000
"	2004A	2.00-5.00	03/25/2004	5,322,390	-	847,240	4,475,150
"	2004A	2.00-5.00	03/25/2004	125,130	-	25,800	99,330
Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities				510,235,587	2,634,130	18,943,870	488,657,587
Business-type Activities							
Pension	1999C	7.27-7.701	11/01/1999	29,210,218	(298,290)	2,338,974	27,169,534
"	1999C	7.93	11/01/1999	65,613,080	-	-	65,613,080
"	1999D&E	*	11/01/1999	22,970,044	454,172	1,687,752	20,828,120
Central City Streetcar	1999A	4.00-5.00	04/15/1999	14,484,388	-	1,199,213	13,285,175
Arena	2005A	4.35	03/03/2005	1,516,410	-	409,117	1,107,293
"	2005B	3.25-5.00	03/03/2005	7,957,650	-	838,787	7,118,863
Civic Stadium	2001D	6.00-7.00	05/15/2001	24,015,915	-	2,137,405	21,878,510
Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities				165,767,705	155,882	8,611,248	157,000,575
TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS				676,003,292	2,790,012	27,555,118	645,658,162

* variable rate, see Note III.F. Long-term debt

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City of Portland, Oregon
Schedule of Bond Interest Transactions, Continued
For the Year Ended June 30, 2006

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2005	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2006
REVENUE BONDS:							
Governmental Activities							
Gas Tax	1996A	5.25	09/01/1996	16,012	-	16,012	-
"	1998A	4.30-5.00	06/01/1998	849,035	-	108,175	740,860
"	2005A	2.85-5.00	03/17/2005	994,355	-	147,660	846,695
Total Revenue Bonds: Governmental Activities				<u>1,859,402</u>	<u>-</u>	<u>271,847</u>	<u>1,587,555</u>
Business-type Activities							
Water	1997A	4.75-5.00	11/15/1997	10,324,062	-	1,195,562	9,128,500
"	2000A	5.00-5.50	03/15/2000	21,665,486	-	1,745,867	19,919,619
"	2004A	3.00- 5.00	05/06/2004	7,953,887	-	1,294,700	6,659,187
"	2004B	4.00-5.00	05/06/2004	30,790,925	-	2,792,800	27,998,125
Golf	LOC	2.49-5.26	01/10/2003	1,210,295	-	240,910	969,385
Sewage Disposal	1996A	5.125-5.50	11/01/1996	84,819	-	84,819	-
"	1997A	5.00-6.00	08/15/1997	75,654,200	-	12,184,200	63,470,000
"	1998A	4.00-5.25	09/15/1998	57,357,488	-	6,197,650	51,159,838
"	2003A	3.00-5.25	04/03/2003	30,364,750	-	3,871,138	26,493,613
"	2003B	5.00	06/11/2003	128,864,232	-	7,191,781	121,672,451
"	2004A	3.00-5.00	11/30/2004	92,185,413	-	7,778,075	84,407,338
"	2004B	3.00-5.00	11/30/2004	49,137,600	-	4,575,250	44,562,350
"	2005A	5.00	06/16/2005	102,541,312	-	4,526,563	98,014,749
"	2006A	4.50-5.00	05/25/2006	-	127,865,300	-	127,865,300
"	2006B	4.50-5.00	05/25/2006	-	65,770,846	-	65,770,846
Hydroelectric Power	1979A	7.00	06/01/1979	10,270,750	(8,523,891)	1,746,859	-
"	1993	6.40-6.50	08/01/1993	105,718	(24,010)	81,708	-
"	2006	5.523	04/05/2006	-	7,009,933	-	7,009,933
Parking Facilities	2001A	3.75-4.25	08/15/2001	1,012,288	-	234,563	777,725
Total Revenue Bonds: Business-type Activities				<u>619,523,225</u>	<u>192,098,178</u>	<u>55,742,445</u>	<u>755,878,958</u>
TOTAL REVENUE BONDS				<u>621,382,627</u>	<u>192,098,178</u>	<u>56,014,292</u>	<u>757,466,513</u>
TOTAL BONDED DEBT INTEREST PRIMARY GOVERNMENT				<u>1,490,801,470</u>	<u>192,586,748</u>	<u>107,088,488</u>	<u>1,570,719,706</u>
Fiduciary Funds							
Allocation of Limited Tax Pension Obligation	1999C	7.27-7.701	11/01/1999	212,807	(3,293)	18,160	197,940
"	1999C	7.93	11/01/1999	478,015	-	-	478,015
"	1999D&E	"	11/01/1999	166,463	2,500	13,104	150,859
Total Fiduciary Funds				<u>857,285</u>	<u>(793)</u>	<u>31,264</u>	<u>826,814</u>
TOTAL BONDED DEBT INTEREST				<u>1,491,658,755</u>	<u>192,585,955</u>	<u>107,119,752</u>	<u>1,571,546,520</u>

* variable rate, see Note III.F. Long-term debt

City of Portland, Oregon
Schedule of Future Bond Principal Requirements
June 30, 2006

Fiscal Year Ending	General Obligation Bonds				Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Governmental Activities	Revenue Bonds		Subtotal Bonded Debt	Fiduciary Fund	Total Bonded Debt
	Water	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Total		Governmental Activities	Business-type Activities			
2007	\$ 1,405,000	\$ 3,210,000	\$ 1,600,000	\$ 6,215,000	\$ 1,100,000	\$ 12,865,000	\$ 12,138,732	\$ 3,946,775	\$ 16,085,507	\$ 510,000	\$ 48,690,000	\$ 49,200,000	\$ 85,465,507	\$ -	\$ 85,465,507
2008	1,450,000	3,340,000	1,660,000	6,450,000	1,085,000	13,565,000	14,215,532	4,826,154	19,041,686	525,000	53,083,000	53,608,000	93,729,686	-	93,729,686
2009	1,495,000	3,595,000	1,715,000	6,805,000	-	13,020,000	13,186,985	5,392,542	18,579,527	550,000	55,674,000	56,224,000	94,628,527	4,493	94,633,020
2010	1,545,000	3,745,000	1,790,000	7,080,000	-	15,085,000	13,821,735	6,020,133	19,841,868	570,000	58,438,000	59,008,000	101,014,868	8,314	101,023,182
2011	1,590,000	3,900,000	1,855,000	7,345,000	-	15,980,000	15,218,074	6,910,922	22,128,996	580,000	61,845,000	62,425,000	107,878,996	10,473	107,889,469
2012	-	4,075,000	1,935,000	6,010,000	-	16,890,000	15,510,692	7,611,910	23,522,602	600,000	64,499,000	65,099,000	111,521,602	12,860	111,534,462
2013	-	4,280,000	2,015,000	6,295,000	810,000	17,870,000	18,979,320	8,357,894	25,337,214	630,000	67,707,000	68,337,000	118,649,214	15,342	118,664,556
2014	-	4,470,000	2,105,000	6,575,000	-	18,920,000	17,535,076	9,198,874	26,733,950	650,000	69,795,000	70,445,000	122,673,950	18,009	122,691,959
2015	-	4,675,000	2,195,000	6,870,000	-	19,900,000	19,307,118	10,100,858	29,407,978	680,000	73,270,000	73,950,000	130,127,978	20,893	130,148,863
2016	-	-	2,295,000	2,295,000	-	20,930,000	21,200,852	32,275,694	53,376,546	695,000	76,860,000	77,555,000	133,055,694	23,987	133,079,681
2017	-	-	2,400,000	2,400,000	-	22,055,000	18,943,970	10,079,822	29,023,792	220,000	85,660,000	85,880,000	139,358,792	27,362	139,386,154
2018	-	-	2,520,000	2,520,000	380,000	23,255,000	25,228,400	9,017,802	34,246,202	240,000	77,455,000	77,695,000	138,096,202	31,034	138,127,236
2019	-	-	2,655,000	2,655,000	1,960,000	24,510,000	22,964,310	8,292,824	31,257,134	-	86,260,000	86,260,000	146,642,134	34,968	146,677,102
2020	-	-	835,000	835,000	-	25,825,000	25,489,505	9,139,133	34,628,638	-	91,345,000	91,345,000	152,633,638	39,252	152,672,890
2021	-	-	870,000	870,000	-	6,100,000	26,787,886	15,103,498	43,891,384	-	95,340,000	95,340,000	146,201,384	43,841	146,245,225
2022	-	-	905,000	905,000	-	6,410,000	32,166,925	11,283,373	43,450,298	-	92,155,000	92,155,000	142,920,298	48,841	142,969,139
2023	-	-	940,000	940,000	10,480,000	6,710,000	12,541,220	3,742,780	16,284,000	-	96,455,000	96,455,000	130,889,000	55,066	130,924,066
2024	-	-	1,000,000	1,000,000	-	2,295,000	12,739,427	7,165,242	19,904,669	-	29,225,000	29,225,000	52,424,669	61,875	52,486,544
2025	-	-	-	-	-	2,410,000	12,959,476	14,409,881	25,369,357	-	25,825,000	25,825,000	42,604,357	11,094	42,615,451
2026	-	-	-	-	-	-	12,485,794	1,356,480	13,822,274	-	14,000,000	14,000,000	27,822,274	10,675	27,832,949
2027	-	-	-	-	-	-	12,718,563	1,305,134	14,023,697	-	14,670,000	14,670,000	28,693,697	10,271	28,703,968
2028	-	-	-	-	-	-	13,007,881	1,255,858	14,263,739	-	15,360,000	15,360,000	29,623,739	9,882	29,633,621
2029	-	-	-	-	-	-	13,412,942	1,208,288	14,621,232	-	16,075,000	16,075,000	30,696,232	9,508	30,705,736
2030	-	-	-	-	-	-	10,095,000	-	10,095,000	-	16,800,000	16,800,000	26,895,000	9,149	26,904,149
2031	-	-	-	-	-	-	610,000	-	610,000	-	17,555,000	17,555,000	18,165,000	8,803	18,173,803
2032	-	-	-	-	-	-	640,000	-	640,000	-	-	-	640,000	-	640,000
2033	-	-	-	-	-	-	665,000	-	665,000	-	-	-	665,000	-	665,000
2034	-	-	-	-	-	-	700,000	-	700,000	-	-	-	700,000	-	700,000
2035	-	-	-	-	-	-	690,000	-	690,000	-	-	-	690,000	-	690,000
Total Principal	\$ 7,485,000	\$ 35,290,000	\$ 31,290,000	\$ 74,065,000	\$ 15,795,000	\$ 284,595,000	\$ 416,340,215	\$ 153,801,017	\$ 570,141,232	\$ 6,450,000	\$ 1,404,041,000	\$ 1,410,491,000	\$ 2,355,087,232	\$ 526,002	\$ 2,355,613,234

Fiscal Year Ending	1,405,000	3,210,000	1,600,000	6,215,000	1,100,000	12,865,000	12,138,732	3,946,775	16,085,507	510,000	48,690,000	49,200,000	85,465,507	-	85,465,507
2007	1,405,000	3,210,000	1,600,000	6,215,000	1,100,000	12,865,000	12,138,732	3,946,775	16,085,507	510,000	48,690,000	49,200,000	85,465,507	-	85,465,507
2008	1,450,000	3,340,000	1,660,000	6,450,000	1,085,000	13,565,000	14,215,532	4,826,154	19,041,686	525,000	53,083,000	53,608,000	93,729,686	-	93,729,686
2009	1,495,000	3,595,000	1,715,000	6,805,000	-	13,020,000	13,186,985	5,392,542	18,579,527	550,000	55,674,000	56,224,000	94,628,527	4,493	94,633,020
2010	1,545,000	3,745,000	1,790,000	7,080,000	-	15,085,000	13,821,735	6,020,133	19,841,868	570,000	58,438,000	59,008,000	101,014,868	8,314	101,023,182
2011	1,590,000	3,900,000	1,855,000	7,345,000	-	15,980,000	15,218,074	6,910,922	22,128,996	580,000	61,845,000	62,425,000	107,878,996	10,473	107,889,469
2012-2016	-	17,500,000	10,545,000	28,045,000	810,000	94,510,000	90,933,058	46,344,378	137,277,436	3,255,000	352,131,000	355,386,000	616,028,436	91,101	616,119,537
2017-2021	-	-	9,280,000	9,280,000	2,340,000	101,745,000	121,413,871	51,633,079	173,046,950	460,000	438,060,000	436,520,000	722,931,950	176,457	723,108,407
2022-2026	-	-	2,845,000	2,845,000	10,480,000	17,825,000	82,872,842	24,957,756	107,830,598	-	257,660,000	257,660,000	396,640,598	187,551	396,828,149
2027-2031	-	-	-	-	-	-	49,844,386	3,769,278	53,613,664	-	80,460,000	80,460,000	134,073,664	47,613	134,121,277
2032-2036	-	-	-	-	-	-	2,695,000	-	2,695,000	-	-	-	2,695,000	-	2,695,000
Total	\$ 7,485,000	\$ 35,290,000	\$ 31,290,000	\$ 74,065,000	\$ 15,795,000	\$ 284,595,000	\$ 416,340,215	\$ 153,801,017	\$ 570,141,232	\$ 6,450,000	\$ 1,404,041,000	\$ 1,410,491,000	\$ 2,355,087,232	\$ 526,002	\$ 2,355,613,234

City of Portland, Oregon
Schedule of Future Bond Interest Requirements
June 30, 2006

Fiscal Year Ending	General Obligation Bonds				Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Governmental Activities	Revenue Bonds		Sub-total Subtotal Bonded Debt	Fiduciary Fund	Total Total Bonded Debt
	Water	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Total		Governmental Activities	Business-type Activities			
2007	\$ 212,925	\$ 1,581,430	\$ 1,393,624	\$ 3,187,979	\$ 665,107	\$ 14,954,320	\$ 21,300,833	\$ 8,619,330	\$ 29,920,163	\$ 247,745	\$ 69,827,177	\$ 70,074,922	\$ 118,802,491	\$ 30,471	\$ 118,832,962
2008	170,100	1,453,175	1,329,436	2,952,711	632,108	14,441,055	20,740,202	8,415,403	29,155,605	224,935	65,919,066	66,144,001	113,325,480	30,144	113,355,624
2009	125,925	1,319,575	1,261,836	2,707,336	597,495	13,849,251	20,031,986	8,149,567	28,181,553	208,187	64,053,857	64,262,044	109,597,679	29,537	109,627,216
2010	78,780	1,170,383	1,190,460	2,439,623	597,495	13,161,983	19,968,458	7,846,780	27,815,238	190,038	60,543,956	60,733,994	104,748,333	28,764	104,777,097
2011	27,030	1,011,220	1,115,436	2,153,686	597,495	12,334,512	19,350,207	7,518,300	26,868,507	170,377	58,331,174	58,501,551	100,455,751	27,922	100,483,673
2012	-	835,720	1,034,787	1,870,507	597,495	11,424,265	18,748,455	7,179,559	25,928,014	149,628	54,485,037	54,634,665	94,454,946	27,009	94,481,955
2013	-	631,870	949,755	1,581,725	597,495	10,442,081	18,169,522	6,797,833	24,967,355	127,578	51,258,480	51,386,058	88,974,724	25,937	89,000,661
2014	-	439,370	860,293	1,299,663	569,955	9,394,819	17,586,604	6,332,515	23,919,119	103,862	48,559,155	48,663,017	83,846,573	24,684	83,871,257
2015	-	233,750	764,049	997,799	569,955	8,417,856	16,909,081	5,818,087	22,727,168	78,643	44,376,013	44,454,656	77,167,434	23,286	77,190,700
2016	-	-	659,261	659,261	569,955	7,383,886	16,300,159	5,250,890	21,551,049	51,562	41,474,380	41,525,942	71,690,073	21,638	71,711,711
2017	-	-	549,686	549,686	569,955	6,255,519	15,606,053	4,626,442	20,234,495	23,000	36,808,713	36,831,713	64,441,368	19,792	64,461,160
2018	-	-	435,012	435,012	569,955	5,063,581	14,710,115	4,044,518	18,754,633	12,000	33,619,053	33,631,053	58,454,234	17,711	58,471,965
2019	-	-	314,524	314,524	551,430	3,805,854	13,467,223	3,508,713	16,975,936	-	28,019,427	28,019,427	49,666,971	15,376	49,682,347
2020	-	-	187,511	187,511	455,880	2,489,131	12,326,139	2,975,563	15,301,702	-	24,306,117	24,306,117	42,740,341	12,767	42,753,108
2021	-	-	154,111	154,111	455,880	1,165,081	9,980,462	2,288,833	12,269,295	-	19,002,069	19,002,069	33,046,436	9,006	33,055,442
2022	-	-	119,312	119,312	455,880	855,106	7,657,546	1,289,761	8,947,307	-	16,006,114	16,006,114	26,383,719	4,765	26,388,484
2023	-	-	81,980	81,980	455,880	556,850	28,944,450	8,430,755	37,375,205	-	11,732,285	11,732,285	50,202,200	58,213	50,260,413
2024	-	-	42,500	42,500	-	235,250	29,948,379	8,713,272	38,661,651	-	6,643,650	6,643,650	45,583,051	61,403	45,644,454
2025	-	-	-	-	-	120,500	30,976,039	8,879,616	39,855,655	-	5,304,238	5,304,238	45,280,393	64,691	45,345,084
2026	-	-	-	-	-	-	32,017,228	9,344,593	41,361,821	-	4,347,100	4,347,100	45,708,921	68,079	45,777,000
2027	-	-	-	-	-	-	33,110,696	9,823,118	42,933,814	-	3,670,525	3,670,525	46,604,339	71,565	46,675,904
2028	-	-	-	-	-	-	34,237,055	10,318,769	44,555,824	-	2,986,075	2,986,075	47,541,899	75,176	47,617,075
2029	-	-	-	-	-	-	35,384,678	10,828,357	46,213,035	-	2,269,350	2,269,350	48,482,385	78,888	48,561,273
2030	-	-	-	-	-	-	680,613	-	680,613	-	1,545,975	1,545,975	2,226,588	-	2,226,588
2031	-	-	-	-	-	-	164,170	-	164,170	-	789,975	789,975	954,145	-	954,145
2032	-	-	-	-	-	-	133,865	-	133,865	-	-	-	133,865	-	133,865
2033	-	-	-	-	-	-	102,075	-	102,075	-	-	-	102,075	-	102,075
2034	-	-	-	-	-	-	69,035	-	69,035	-	-	-	69,035	-	69,035
2035	-	-	-	-	-	-	34,260	-	34,260	-	-	-	34,260	-	34,260
Total Principal	\$ 614,760	\$ 8,676,593	\$ 12,443,573	\$ 21,734,926	\$ 9,509,415	\$ 136,350,690	\$ 488,657,588	\$ 157,000,574	\$ 645,658,162	\$ 1,587,555	\$ 755,878,958	\$ 757,466,513	\$ 1,570,719,706	\$ 826,814	\$ 1,571,546,520

Fiscal Year Ending	2007	2008	2009	2010	2011	2012-2016	2017-2021	2022-2026	2027-2031	2032-2036
	212,925	170,100	125,925	78,780	27,030	-	-	-	-	-
	1,581,430	1,453,175	1,319,575	1,170,383	1,011,220	2,140,810	-	-	-	-
	1,393,624	1,329,436	1,261,836	1,190,460	1,115,436	4,268,145	1,640,844	243,792	-	-
	3,187,979	2,952,711	2,707,336	2,439,623	2,153,686	6,408,955	1,640,844	243,792	-	-
	665,107	632,108	597,495	597,495	597,495	2,904,855	2,803,100	911,760	-	-
	14,954,320	14,441,055	13,849,251	13,161,983	12,334,512	47,082,897	18,778,966	1,767,706	-	-
	21,300,833	20,740,202	20,031,986	19,968,458	19,350,207	87,713,821	66,091,892	129,543,642	103,577,212	339,235
	8,619,330	8,415,403	8,149,567	7,846,780	7,518,300	31,378,884	83,536,081	36,657,997	134,547,456	-
	29,920,163	29,155,605	28,181,553	27,815,238	26,868,507	119,092,705	141,790,378	166,201,839	30,970,244	339,235
	247,745	224,935	208,187	190,038	170,377	511,273	35,000	-	-	-
	69,827,177	65,919,066	64,053,857	60,543,956	58,331,174	240,153,064	141,755,378	44,033,388	11,261,900	-
	70,074,922	66,144,001	64,262,044	60,733,994	58,501,551	240,664,337	141,790,378	44,033,388	11,261,900	-
	118,802,491	113,325,480	109,597,679	104,748,333	100,455,751	416,133,749	248,349,349	213,158,263	145,809,356	339,235
	30,471	30,144	29,537	28,764	27,922	122,544	74,652	257,151	225,629	-
	118,832,962	113,355,624	109,627,216	104,777,097	100,483,673	416,258,293	248,424,001	213,415,434	146,034,985	339,235
	\$ 614,760	\$ 8,676,593	\$ 12,443,573	\$ 21,734,926	\$ 9,509,415	\$ 136,350,690	\$ 488,657,588	\$ 157,000,574	\$ 645,658,162	\$ 1,587,555
	\$ 755,878,958	\$ 757,466,513	\$ 1,570,719,706	\$ 826,814	\$ 1,571,546,520					

City of Portland, Oregon
Schedule of Property Tax Transactions and Outstanding Balances
For the Year Ended June 30, 2006

Tax Year	Balance Receivable, July 1, 2005	Add Levy as Extended by Assessor	Deduct Discounts	Add Interest	(Deduct) Collections	Add (Deduct) Corrections and Adjustments	Balance Receivable, June 30, 2006
2005-06		\$ 346,053,142	\$ 8,433,981	\$ 132,434	\$ (324,530,783)	\$ (1,583,901)	\$ 11,636,911
2004-05	\$ 11,681,849	-	-	219,731	(7,462,584)	(1,051,015)	3,387,981
2003-04	3,923,113	-	-	153,734	(1,723,513)	(555,176)	1,798,158
2002-03	1,878,526	-	-	131,667	(868,269)	(186,896)	955,028
2001-02	889,436	-	-	79,439	(784,177)	(116,251)	68,447
2000-01	200,837	-	-	6,854	(76,142)	(38,551)	92,998
1999-00	74,980	-	-	14,407	(42,854)	(3,080)	43,453
1998-99	35,248	-	-	2,762	(8,033)	(662)	29,315
1997-98	42,042	-	-	2,112	(5,470)	(618)	38,066
1996-97 & prior	113,700	-	-	11,365	(23,483)	(4,098)	97,484
Total	18,839,731	\$ 346,053,142	\$ 8,433,981	\$ 754,505	\$ (335,525,308)	\$ (3,540,248)	\$ 18,147,841

Summary by Fund and Fund Type:

General Fund	\$ 241,619,533	\$ 13,220,703
Special Revenue Funds:		
Parks Local Option Levy	10,892,974	537,988
Children's Investment	11,241,460	555,237
Subtotal	22,134,434	1,093,225
Debt Service Funds:		
River District Urban Renewal Area Debt Redemption	13,270,083	653,883
Bonded Debt Interest and Sinking	7,923,571	437,383
Waterfront Renewal Bond Sinking	14,165,323	789,780
Interstate Corridor Debt Service	4,906,171	237,462
South Park Block Redemption	7,016,129	376,412
Airport Way Debt	5,930,225	339,432
Lents Town Center Urban Renewal Area Debt Redemption	5,083,620	263,913
Central Eastside Industrial District	3,872,461	212,611
Convention Center Area Debt	6,898,342	375,429
North Macadam Urban Renewal Area Debt Redemption	1,374,580	79,206
Gateway Urban Renewal Area Debt Redemption	1,330,836	68,402
Subtotal	71,771,341	3,833,913
Total	\$ 335,525,308	\$ 18,147,841

	Collections	Changes in Property Taxes Subject to Accrual at June 30, 2005	Lodging Tax and Other	Payments in Lieu of Taxes	GAAP Basis Financial Statements
Reconciliation to tax revenues per GAAP basis financial statements:					
General Fund	\$ 241,619,533	\$ (482,007)	\$ 13,303,241	\$ 1,533,219	\$ 255,973,986
Special Revenue Funds:					
Parks Local Option Levy	10,892,974	5,188	-	-	10,898,162
Children's Investment	11,241,460	5,341	-	-	11,246,801
Convention and Tourism	-	-	2,660,649	-	2,660,649
Subtotal	22,134,434	10,529	2,660,649	-	24,805,612
Debt Service Funds:					
River District Urban Renewal	13,270,083	14,593	-	-	13,284,676
Bonded Debt Interest and Sinking	7,923,571	(16,054)	-	-	7,907,517
Waterfront Renewal Bond Sinking	14,165,323	(30,370)	-	-	14,134,953
North Interstate Corridor Urban Renewal	4,906,171	5,924	-	-	4,912,095
South Park Block Redemption	7,016,129	(13,487)	-	-	7,002,642
Airport Way	5,930,225	(22,007)	-	-	5,908,218
Lents Town Center Urban Renewal	5,083,620	(3,840)	-	-	5,079,780
Central Eastside Industrial District	3,872,461	(12,178)	-	-	3,860,283
Convention Center Area Debt	6,898,342	(12,983)	-	-	6,885,359
North Macadam Urban Renewal	1,374,580	(6,990)	-	-	1,367,590
Gateway Urban Renewal	1,330,836	(78)	-	-	1,330,758
Subtotal	71,771,341	(97,470)	-	-	71,673,871
Total	\$ 335,525,308	\$ (568,948)	\$ 15,963,890	\$ 1,533,219	\$ 352,453,469

City of Portland, Oregon
Schedule of Property Taxes Receivable by Levy Year by Fund
For the Year Ended June 30, 2006

Special Revenue Funds					Debt Service Funds										
Tax Year	Total	General	Parks Local Option Levy	Children's Investment	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Renewal Bond Sinking	Interstate Corridor Debt Service	South Park Block Redemption	Airport Way Debt Service	Lents Town Center Urban Renewal	Central Eastside Industrial District	Convention Center Area Debt Service	North Macadam Urban Renewal	Gateway Urban Renewal
2005-06	\$ 11,636,911	\$ 8,366,956	\$ 382,890	\$ 395,138	\$ 464,743	\$ 274,354	\$ 489,684	\$ 171,935	\$ 243,159	\$ 203,953	\$ 177,166	\$ 134,019	\$ 239,131	\$ 47,366	\$ 46,417
2004-05	3,387,981	2,467,115	103,319	106,626	111,027	77,788	145,310	43,338	71,008	66,038	50,237	42,411	69,743	20,197	13,824
2003-04	1,798,158	1,323,668	51,779	53,473	52,066	50,698	78,071	16,233	37,824	37,437	23,361	22,545	37,195	7,948	5,860
2002-03	955,028	751,595	-	-	23,667	24,426	47,206	6,859	22,703	24,440	11,700	13,696	22,312	4,123	2,301
2001-02	68,447	56,769	-	-	1,033	2,286	2,873	192	1,223	1,680	476	704	1,160	51	-
2000-01	92,998	74,773	-	-	1,254	3,031	4,861	-	2,274	2,516	772	1,199	2,286	32	-
1999-00	43,453	35,385	-	-	93	1,406	2,300	-	1,015	1,266	201	665	1,122	-	-
1998-99	29,315	24,888	-	-	-	(186)	593	-	1,864	(713)	-	436	2,433	-	-
1997-98	38,066	30,825	-	-	-	925	1,865	-	967	1,360	-	583	1,541	-	-
1996-97 & prior	97,484	88,729	-	-	-	2,655	17,017	(1,095)	(5,625)	1,455	-	(3,647)	(1,494)	(511)	-
Total	\$ 18,147,841	\$ 13,220,703	\$ 537,988	\$ 555,237	\$ 653,883	\$ 437,383	\$ 789,780	\$ 237,462	\$ 376,412	\$ 339,432	\$ 263,913	\$ 212,611	\$ 375,429	\$ 79,206	\$ 68,402

City of Portland, Oregon
Schedule of Property Taxes Collected by Levy Year by Fund
For the Year Ended June 30, 2006

Special Revenue Funds					Debt Service Funds											
			Parks Local	Children's	River District	Bonded	Waterfront	Interstate		South Park	Airport Way	Lents Town	Central	Convention	North	Gateway
Tax Year	Total	General	Option Levy	Investment	Urban	Debt interest & Sinking	Renewal Bond Sinking	Corridor Debt Service		Block Redemption	Debt Service	Center Urban Renewal	Eastside Industrial District	Center Area Debt Service	Macadam Urban Renewal	Urban Renewal
2005-06	\$ 324,530,783	\$ 233,464,521	\$ 10,620,964	\$ 10,960,701	\$ 12,935,309	\$ 7,663,354	\$ 13,679,834	\$ 4,785,578		\$ 6,780,303	\$ 5,701,405	\$ 4,930,861	\$ 3,730,716	\$ 6,666,860	\$ 1,317,734	\$ 1,292,643
2004-05	7,462,584	5,438,364	224,414	231,595	244,421	174,144	319,806	95,443		156,384	145,322	110,639	93,438	153,612	44,531	30,471
2003-04	1,723,513	1,285,913	47,596	49,164	49,862	35,614	74,789	15,568		36,265	35,852	22,388	21,625	35,639	7,626	5,612
2002-03	868,269	683,015	-	-	21,709	21,224	43,217	6,293		20,810	22,357	10,734	12,565	20,453	3,782	2,110
2001-02	784,177	619,340	-	-	17,613	24,478	39,609	3,289		19,089	21,305	8,123	12,003	18,454	874	-
2000-01	76,142	61,227	-	-	1,056	2,446	3,953	-		1,846	2,071	650	1,021	1,839	33	-
1999-00	42,854	34,886	-	-	113	1,386	2,264	-		982	1,248	225	675	1,075	-	-
1998-99	8,033	6,557	-	-	-	204	558	-		101	376	-	237	-	-	-
1997-98	5,470	4,419	-	-	-	133	272	-		143	200	-	84	219	-	-
1996-97 & prior	23,483	21,291	-	-	-	588	1,021	-		206	89	-	97	191	-	-
Total	\$ 335,525,308	\$ 241,619,533	\$ 10,892,974	\$ 11,241,460	\$ 13,270,083	\$ 7,923,571	\$ 14,165,323	\$ 4,906,171	\$ 7,016,129	\$ 5,930,225	\$ 5,083,620	\$ 3,872,461	\$ 6,898,342	\$ 1,374,580	\$ 1,330,836	



SCHRUNK PLAZA BELL

STATISTICAL SECTION

STATISTICAL SECTION

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	263
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	268
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	274
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	282
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	284
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the 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. The City implemented Governmental Accounting Standards Board Statement No. 34 in 2002; therefore, schedules presenting government-wide information include information beginning in that year.



WASHINGTON PARK ZOO

**City of Portland, Oregon
Net Assets by Component
Last Five Fiscal Years¹
(accrual basis of accounting)**

	Fiscal Year				
	2006	2005	2004	2003	2002
Governmental activities:					
Invested in capital assets, net of related debt	\$ 2,358,468,902	\$ 2,224,370,896	\$ 2,276,806,195	\$ 2,309,821,737	\$ 2,406,449,504
Restricted	92,280,515	49,610,773	49,785,785	45,915,790	40,928,166
Unrestricted	(1,151,782,192)	(849,583,790)	(788,474,651)	(752,063,038)	(659,665,783)
Total governmental activities net assets	<u>\$ 1,298,967,225</u>	<u>\$ 1,424,397,879</u>	<u>\$ 1,538,117,329</u>	<u>\$ 1,603,674,489</u>	<u>\$ 1,787,711,887</u>
Business-type activities:					
Invested in capital assets, net of related debt	\$ 1,289,618,615	\$ 1,159,942,274	\$ 1,129,632,905	\$ 1,051,237,590	\$ 982,133,524
Restricted	10,407,271	11,482,805	11,108,557	10,516,820	10,941,581
Unrestricted	100,607,343	111,605,718	96,351,491	102,496,586	103,497,202
Total business-type activities net assets	<u>\$ 1,400,633,229</u>	<u>\$ 1,283,030,797</u>	<u>\$ 1,237,092,953</u>	<u>\$ 1,164,250,996</u>	<u>\$ 1,096,572,307</u>
Primary government:					
Invested in capital assets, net of related debt	\$ 3,648,087,517	\$ 3,384,313,170	\$ 3,406,439,100	\$ 3,361,059,327	\$ 3,388,583,028
Restricted	102,687,786	61,093,578	60,894,342	56,432,610	51,869,747
Unrestricted	(1,051,174,849)	(737,978,072)	(692,123,160)	(649,566,452)	(556,168,581)
Total primary government net assets	<u>\$ 2,699,600,454</u>	<u>\$ 2,707,428,676</u>	<u>\$ 2,775,210,282</u>	<u>\$ 2,767,925,485</u>	<u>\$ 2,884,284,194</u>

¹ Data only available beginning FY 2002 as a result of GASB 34 implementation that year

City of Portland, Oregon
Changes in Net Assets
Last Five Fiscal Years¹
(accrual basis of accounting)

	Fiscal Year				
	2006	2005	2004	2003	2002
Expenses					
Governmental activities:					
Public safety	\$ 402,791,253	\$ 367,555,695	\$ 323,540,069	\$ 314,634,618	\$ 260,264,724
Parks, recreation and culture	56,277,014	53,128,816	52,785,697	49,043,321	4,992,413
Community development	117,247,997	114,225,541	82,717,602	95,315,852	88,823,066
Transportation and metered parking	232,391,159	220,406,789	215,372,390	223,259,730	215,288,305
Legislative/Admin/Support services	174,658,640	122,993,533	103,897,971	140,187,742	87,831,529
Interest on long-term debt	46,733,850	39,790,431	46,218,942	42,280,402	50,425,689
Total governmental activities expenses	<u>1,030,099,913</u>	<u>918,100,805</u>	<u>824,532,671</u>	<u>864,721,665</u>	<u>707,625,726</u>
Business-type activities:					
Environmental services	141,320,525	161,920,527	131,818,242	135,883,241	147,421,274
Water	78,612,800	78,010,156	77,212,445	67,074,325	75,719,077
Hydroelectric power	4,309,732	2,845,958	3,088,163	3,365,244	3,218,424
Parking facilities	7,343,850	7,780,324	7,029,560	8,834,101	9,428,828
Golf	6,024,174	5,746,381	5,876,808	6,176,184	5,808,633
Motor sports	1,382,360	1,450,819	1,440,085	1,214,176	1,225,131
Spectator facilities	6,955,608	9,391,042	7,461,866	7,765,174	9,321,956
Total business-type activities expenses	<u>245,949,049</u>	<u>267,145,207</u>	<u>233,927,169</u>	<u>230,312,445</u>	<u>252,143,323</u>
Total primary government expenses	<u>\$ 1,276,048,962</u>	<u>\$ 1,185,246,012</u>	<u>\$ 1,058,459,840</u>	<u>\$ 1,095,034,110</u>	<u>\$ 959,769,049</u>
Program Revenues					
Governmental activities:					
Fees, fines and charges for services:					
Public safety	\$ 21,428,149	\$ 20,791,106	\$ 19,125,680	\$ 16,333,077	\$ 14,701,234
Parks, recreation and culture	19,681,284	21,391,325	18,322,726	16,777,565	18,909,377
Community development	78,013,694	51,192,021	46,409,485	63,829,252	48,998,164
Transportation and metered parking	131,036,479	124,134,875	101,969,665	108,277,452	100,385,517
Legislative/Admin/Support services	188,468,633	172,150,325	164,797,915	135,462,360	136,112,153
Operating grants and contributions	52,126,898	52,304,455	36,436,606	24,024,541	27,849,940
Capital grants and contributions	43,561,907	3,337,595	4,671,989	22,012,781	20,577,462
Total governmental activities program revenues	<u>534,317,044</u>	<u>445,301,702</u>	<u>391,734,066</u>	<u>386,717,028</u>	<u>367,533,847</u>
Business-type activities:					
Charges for services:					
Environmental services	210,973,349	196,236,601	181,436,335	168,624,493	1,165,677,556
Water	90,506,041	81,868,923	92,113,473	86,695,443	82,593,123
Hydroelectric power	4,312,950	4,642,528	4,553,359	4,541,628	3,918,689
Parking facilities	11,174,857	9,819,459	9,275,009	9,615,447	10,536,010

	Fiscal Year				
	2006	2005	2004	2003	2002
Golf	6,152,162	5,793,855	6,035,269	5,960,115	6,038,985
Motor sports	1,778,963	1,637,836	1,464,644	1,391,478	1,260,648
Spectator facilities	6,846,642	6,977,926	6,585,475	7,441,080	8,716,051
Operating grants	-	3,431,790	4,316,805	1,579,598	499,128
Capital grants and contributions	6,188,992	1,240,018	2,859,149	12,449,239	6,152,249
Total business-type activities program revenues	337,933,956	311,648,936	308,639,518	298,298,521	1,285,392,439
Total primary government program revenues	\$ 872,251,000	\$ 756,950,638	\$ 700,373,584	\$ 685,015,549	\$ 1,652,926,286
Net Expense/(Revenue)					
Governmental activities	\$ (495,782,869)	\$ (472,799,103)	\$ (432,798,605)	\$ (478,004,637)	\$ (340,091,879)
Business-type activities	91,984,907	44,503,729	74,712,349	67,986,076	1,033,249,116
Total primary government net expense	\$ (403,797,962)	\$ (428,295,374)	\$ (358,086,256)	\$ (410,018,561)	\$ 693,157,237
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 334,965,727	\$ 320,933,919	\$ 314,666,579	\$ 274,757,776	\$ 261,205,959
Lodging taxes	15,963,890	14,170,141	13,324,822	12,828,007	12,490,238
Investment earnings	16,484,142	9,105,038	3,905,760	8,778,862	13,689,665
Gain (loss) on sale of capital assets	-	-	(5,220,885)	416,949	94,280
Gain (loss) on sale of property held for resale	-	-	2,404,881	(701,748)	-
Transfers	2,938,456	3,930,251	3,379,035	3,827,236	1,821,223
Transfers of capital assets	-	(1,238,946)	-	-	-
Total governmental activities	370,352,215	346,900,403	332,460,192	299,907,082	289,301,365
Business-type activities:					
Investment earnings	9,004,698	5,364,366	1,508,643	3,475,088	7,581,810
Gain (loss) on sale of capital assets	-	-	-	44,761	(1,373,267)
Transfers	(2,938,456)	(3,930,251)	(3,379,035)	(3,827,236)	(1,821,223)
Total business-type activities	6,066,242	1,434,115	(1,870,392)	(307,387)	4,387,320
Total primary government	\$ 376,418,457	\$ 348,334,518	\$ 330,589,800	\$ 299,599,695	\$ 293,688,685
Change in Net Assets					
Governmental activities	\$ (125,430,654)	\$ (125,898,700)	\$ (100,338,413)	\$ (178,097,555)	\$ (50,790,514)
Business-type activities	98,051,149	45,937,844	72,841,957	67,678,689	1,037,636,436
Total primary government change in net assets	\$ (27,379,505)	\$ (79,960,856)	\$ (27,496,456)	\$ (110,418,866)	\$ 986,845,922

¹ Data only available beginning FY 2002 as a result of GASB 34 implementation that year

City of Portland, Oregon
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Fund										
Reserved	\$ -	\$ 446,016	\$ 415,012	\$ 363,791	\$ 394,421	\$ 378,566	\$ 366,768	\$ 380,787	\$ 348,136	\$ 370,481
Unreserved	119,280,600	93,496,556	67,621,138	57,280,147	51,408,719	49,638,129	51,363,743	54,662,862	67,381,855	62,401,985
Total general fund	<u>119,280,600</u>	<u>93,942,572</u>	<u>68,036,150</u>	<u>57,643,938</u>	<u>51,803,140</u>	<u>50,016,695</u>	<u>51,730,511</u>	<u>55,043,649</u>	<u>67,729,991</u>	<u>62,772,466</u>
All other governmental funds										
Reserved	92,280,515	33,281,111	32,712,627	46,505,523	51,102,945	2,404,244	1,500,560	1,542,107	1,580,858	1,221,102
Unreserved, reported in:										
Major fund:										
Transportation Operating fund	16,773,455	15,433,232	21,364,777	19,291,967	17,298,673	13,779,799	12,205,945	23,841,949	15,930,558	13,498,156
Nonmajor funds:										
Special revenue funds	28,858,030	55,217,802	27,429,976	15,733,772	18,510,278	18,025,860	15,730,051	18,687,307	22,905,919	15,897,884
Debt service funds	64,986	-	-	-	-	43,873,723	46,367,950	15,935,335	19,806,077	18,015,910
Capital projects funds	4,272,949	20,552,392	20,031,625	9,161,335	2,007,911	6,947,584	24,689,480	30,094,182	20,990,706	37,050,718
Permanent fund	-	-	-	-	15,309	-	-	-	-	-
Total all other governmental funds	<u>142,249,935</u>	<u>124,484,537</u>	<u>101,539,005</u>	<u>90,692,597</u>	<u>88,935,116</u>	<u>85,031,210</u>	<u>100,493,986</u>	<u>90,100,880</u>	<u>81,214,118</u>	<u>85,683,770</u>
Total governmental funds	<u>\$ 261,530,535</u>	<u>\$ 218,427,109</u>	<u>\$ 169,575,155</u>	<u>\$ 148,336,535</u>	<u>\$ 140,738,256</u>	<u>\$ 135,047,905</u>	<u>\$ 152,224,497</u>	<u>\$ 145,144,529</u>	<u>\$ 148,944,109</u>	<u>\$ 148,456,236</u>

City of Portland, Oregon
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Revenues										
Taxes	\$ 350,920,250	\$ 335,755,929	\$ 327,756,515	\$ 288,081,693	\$ 272,960,152	\$ 262,622,004	\$ 244,396,068	\$ 178,494,821	\$ 171,866,024	\$ 167,767,037
Licenses and permits	163,336,697	150,908,460	148,667,397	123,526,404	110,601,433	111,630,087	103,833,633	102,942,590	99,684,456	93,310,451
Intergovernmental	163,146,678	143,173,781	124,107,397	95,712,179	105,780,685	104,363,373	107,435,945	104,242,563	89,905,640	86,534,319
Charges for services	136,456,915	115,929,942	109,038,347	114,479,729	105,696,768	97,811,640	95,774,098	86,658,501	84,047,428	81,987,818
Loan collections	2,717,027	2,672,429	3,238,821	6,478,903	7,983,230	7,687,282	5,043,316	4,252,470	6,199,247	7,680,132
Assessments	9,999,245	8,355,490	10,014,016	12,776,748	15,157,386	13,101,515	18,140,776	16,832,628	17,973,182	19,131,623
Investment earnings	12,612,043	7,079,381	3,841,779	6,666,051	9,582,997	16,089,702	13,967,752	12,434,378	40,264,203	27,916,552
Miscellaneous	16,872,660	22,270,616	14,524,582	12,556,519	19,513,770	25,132,351	19,534,249	16,221,207	-	-
Total revenues	856,061,515	786,146,028	741,188,854	660,278,226	647,276,421	638,437,954	608,125,837	522,079,158	509,940,180	484,327,932
Expenditures										
Current:										
Public safety	\$ 312,268,173	\$ 296,457,985	\$ 286,455,438	\$ 262,993,986	\$ 259,413,556	\$ 253,107,290	\$ 181,725,290	\$ 177,339,231	\$ 167,302,989	\$ 165,108,273
Parks, recreation and culture	59,611,313	57,749,953	55,784,784	46,699,998	47,413,683	46,810,213	40,954,220	37,031,995	33,738,220	34,274,325
Community development	115,384,409	111,498,804	97,229,024	105,187,740	93,045,144	383,966,626	418,199,403	83,936,919	73,263,312	66,624,551
Transportation and metered parking	92,553,766	83,957,866	80,890,199	89,673,943	84,254,784	87,864,128	89,087,693	84,345,134	80,779,951	79,585,385
Legislative/Admin/Support services	167,238,732	109,982,848	93,920,882	131,298,588	79,794,887	45,683,452	122,256,950	60,795,550	54,980,228	65,721,152
Debt service and related costs:										
Principal	61,837,018	91,863,588	92,283,953	77,882,862	49,302,719	71,066,839	120,473,538	59,079,394	68,780,256	121,988,967
Interest	37,815,058	35,207,044	36,437,263	38,412,139	38,361,985	41,834,095	24,724,916	11,488,194	13,066,234	15,606,549
Debt issuance costs	1,275,799	1,693,682	-	-	-	-	-	-	-	-
Capital outlay	85,419,896	68,216,783	46,874,625	41,656,553	45,442,400	50,157,179	49,657,327	40,967,982	38,361,300	35,450,409
Total expenditures	933,404,164	856,628,553	789,876,168	793,805,809	697,029,158	980,489,822	1,047,079,337	554,984,399	530,272,490	584,359,611
Revenues over (under) expenditures	(77,342,649)	(70,482,525)	(48,687,314)	(133,527,583)	(49,752,737)	(342,051,868)	(438,953,500)	(32,905,241)	(20,332,310)	(100,031,679)
Other financing sources (uses)										
Transfers in	88,865,311	50,639,434	70,920,342	55,584,851	50,150,206	58,474,528	73,785,001	59,332,877	43,485,336	110,233,730
Transfers out	(90,802,370)	(59,221,158)	(75,479,205)	(56,037,768)	(55,332,855)	(61,816,733)	(79,185,285)	(131,242,475)	(48,768,132)	(115,606,469)
Proceeds from sale of capital assets	80,851	17,865	-	216,573	94,280	-	-	-	-	-
Proceeds from sale of property held for resale	-	-	1,785,731	6,408,252	-	-	-	-	-	-
Bonds and notes issued	165,062,633	112,904,951	69,919,066	198,421,014	77,961,513	340,869,096	451,489,318	101,023,359	25,805,848	89,345,020
Bonds and note premium	2,974,854	1,521,458	1,002,630	4,639,809	203,692	-	-	-	-	-
Loan proceeds	1,824,000	5,565,000	3,067,000	-	120,000	935,000	-	-	-	-
Payments to refunded bond escrow agent	(47,568,215)	(4,293,832)	-	(62,134,933)	(28,505,000)	(13,567,096)	-	-	-	-
Change in inventory held for resale	-	-	(1,510,000)	-	-	-	-	-	-	-
Total other financing sources (uses)	120,437,064	107,133,718	69,705,564	147,097,798	44,691,836	324,894,795	446,089,034	29,113,761	20,523,052	83,972,281
Net change in fund balances	\$ 43,094,415	\$ 36,651,193	\$ 21,018,250	\$ 13,570,215	\$ (5,060,901)	\$ (17,157,073)	\$ 7,135,534	\$ (3,791,480)	\$ 190,742	\$ (16,059,398)
Debt service as a percentage of noncapital expenditures	13.5%	19.5%	21.0%	18.3%	15.5%	13.8%	17.0%	15.9%	20.0%	33.5%

City of Portland, Oregon
Program Revenues by Function
Last Five Fiscal Years¹
(accrual basis of accounting)

Function	Fiscal Year				
	2006	2005	2004	2003	2002
Governmental activities:					
Public safety	\$ 35,679,723	\$ 33,043,577	\$ 25,125,871	\$ 21,225,170	\$ 20,683,304
Parks, recreation and culture	20,097,069	21,721,963	22,091,777	20,592,780	19,532,032
Community development	103,148,200	77,761,925	58,307,773	79,910,037	69,990,804
Transportation and metered parking	152,929,983	136,063,241	121,266,594	129,331,544	120,981,575
Legislative/Admin/Support services	222,462,069	176,710,996	164,942,051	135,657,497	136,346,132
Subtotal governmental activities	<u>534,317,044</u>	<u>445,301,702</u>	<u>391,734,066</u>	<u>386,717,028</u>	<u>367,533,847</u>
Business-type activities:					
Environmental services	216,030,473	200,557,147	186,427,924	172,181,539	171,177,163
Water	91,635,821	82,220,185	94,297,838	97,167,234	83,687,294
Hydroelectric power	4,312,950	4,642,528	4,553,359	4,541,628	3,918,689
Parking facilities	11,174,857	9,819,459	9,275,009	9,615,447	10,536,010
Golf	6,154,250	5,793,855	6,035,269	5,960,115	6,038,985
Motor sports	1,778,963	1,637,836	1,464,644	1,391,478	1,318,247
Spectator facilities	6,846,642	6,977,926	6,585,475	7,441,080	8,716,051
Subtotal business-type activities	<u>337,933,956</u>	<u>311,648,936</u>	<u>308,639,518</u>	<u>298,298,521</u>	<u>285,392,439</u>
Total primary government	<u>\$ 872,251,000</u>	<u>\$ 756,950,638</u>	<u>\$ 700,373,584</u>	<u>\$ 685,015,549</u>	<u>\$ 652,926,286</u>

¹ Data only available beginning FY 2002 as a result of GASB 34 implementation that year

City of Portland, Oregon
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Year	Property Taxes	Lodging Taxes	Other Taxes	Total Taxes
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
2004	313,770,748	13,324,822	660,945	327,756,515
2003	274,419,237	12,828,007	834,449	288,081,693
2002	259,468,436	12,490,238	1,001,478	272,960,152
2001	399,709,222	13,382,959	860,267	413,952,448
2000	300,432,168	12,858,528	666,031	313,956,727
1999	169,557,214	12,228,534	403,237	182,188,985
1998	184,517,161	11,762,701	500,394	196,780,256
1997	164,409,842	11,132,209	600,565	176,142,616

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	Taxable Assessed Value as a Percentage of Real Market Value
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
2004	30,826,976,948	2,054,301,986	2,121,291,127	35,002,570,061	8.19	55,492,382,935	63.08
2003	29,482,653,044	2,267,808,782	2,387,871,826	34,138,333,652	6.97	52,662,700,989	64.82
2002	28,379,516,573	2,286,625,438	2,664,949,976	33,331,091,987	6.72	50,355,904,812	66.19
2001	27,157,156,799	2,177,764,956	2,551,073,757	31,885,995,512	6.90	46,323,764,398	68.83
2000	25,945,879,552	1,993,764,648	2,256,304,385	30,195,948,585	6.79	42,945,730,222	70.31
1999	25,243,872,403	1,635,084,171	1,864,817,433	28,743,774,007	6.83	36,763,897,331	78.18
1998	23,546,577,704	1,335,435,989	1,642,448,602	26,524,462,295	6.78	34,521,973,850	76.83
1997	28,594,818,687	1,226,843,248	1,617,298,692	31,438,960,627	5.75	31,438,960,627	100.00

Sources: Tax Supervising and Conservation Commission and Divisions of Assessment and Taxation for Multnomah, Clackamas and Washington Counties

Notes: 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.

*Beginning in FY 1997-98 after Measure 50 passed, estimated actual value was changed to Real Market Value (RMV). Counties use trend forecasts, compare property sales and perform select physical reappraisals to establish RMV. Ideally this amount is what the property would sell for on January 1 in a competitive market. Maximum Assessed Value (MAV) was also established in FY 1997-98 as 90% of the property's 1995-96 real market value. Thereafter, growth of the MAV is limited to 3% annually for unchanged properties. For new properties being constructed and improved properties, MAV is established as a portion of RMV. This portion equals the ratio of Assessed Value (AV) to RMV for the year by class of property. Finally, AV is the value that is taxed, or the lessor of RMV or MAV.

City of Portland, Oregon
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Fiscal Years

Fiscal Year	City of Portland				Overlapping Rates						Total
	General	Special Revenue	Debt Service	Total	Multnomah County	Education Districts	Urban Renewal PDC ¹	Port of Portland	Metropolitan Service District	Tri-Met	
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
2004	7.20	0.80	0.19	8.19	5.27	8.09	0.40	0.07	0.29	0.11	22.42
2003	6.77	N/A	0.20	6.97	5.17	8.17	0.42	0.07	0.28	0.12	21.20
2002	6.47	N/A	0.25	6.72	5.21	7.98	0.38	0.07	0.32	0.14	20.82
2001	6.64	N/A	0.26	6.90	5.30	7.83	0.38	0.07	0.34	0.13	20.95
2000	6.54	N/A	0.25	6.79	5.25	7.17	0.30	0.08	0.33	0.14	20.06
1999	6.83	N/A	N/A	6.83	5.39	7.13	0.40	0.08	0.36	0.15	20.34
1998	6.78	N/A	N/A	6.78	4.89	7.50	0.01	0.07	0.39	0.16	19.80
1997	5.75	N/A	N/A	5.75	4.00	5.73	0.58	0.08	0.28	0.12	16.54

Source: Multnomah County Division of Assessment and Taxation

N/A: Data not available

¹Portland Development Commission. FY 1996-97 through FY 2005-06 includes taxes collected on the incremental assessed value of property within each urban renewal district and an urban renewal special levy imposed citywide.

**City of Portland, Oregon
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2006			1997		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Qwest Communications, Inc.	\$ 324,547,600	1	0.87 %	\$ -	-	- %
Port of Portland	271,618,460	2	0.73	-	-	-
Portland General Electric	255,639,280	3	0.69	156,678,000	3	0.50
PacifiCorp	236,208,000	4	0.64	180,429,200	2	0.57
Siltronic Corp.	178,237,850	5	0.48	72,249,810	10	0.23
Oregon Steel Mills, Inc.	154,010,820	6	0.41	-	-	-
LC Portland LLC (Glimcher Realty Tr.)	139,251,690	7	0.37	-	-	-
United Airlines, Inc.	132,866,700	8	0.36	-	-	-
Northwest Natural Gas Company	130,103,480	9	0.35	-	-	-
Freightliner LLC (DaimlerChrysler)	125,363,195	10	0.34	-	-	-
U.S. West Communications, Inc.	-	-	-	397,392,041	1	1.26
Oregon Arena Corporation	-	-	-	124,000,000	4	0.39
Alaska Airlines, Inc.	-	-	-	121,041,000	5	0.39
United Airlines, Inc.	-	-	-	118,286,000	6	0.38
SI-Lloyd Associaters (Lloyd Center)	-	-	-	108,701,600	7	0.35
Delta Airlines, Inc.	-	-	-	95,270,000	8	0.30
U.S. Bancorp	-	-	-	81,019,000	9	0.26
Total	\$ 1,947,847,075		5.24 %	\$ 1,455,066,651		4.63 %
Total assessed valuation	37,177,488,891			\$ 31,438,960,627		

Source: Tax Supervising & Conservation Commission Annual Report 2005-06

City of Portland, Oregon
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Levy for the Fiscal Year ¹	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 346,053,142	\$ 324,530,783	93.78 %	\$ 10,994,525	\$ 335,525,308	96.96 %
2005	333,043,855	310,716,109	93.30	10,425,985	321,142,094	96.43
2004	324,373,722	303,118,079	93.45	10,461,732	313,579,811	96.67
2003	283,977,674	264,478,216	93.13	9,003,537	273,481,753	96.30
2002	267,740,485	249,631,465	93.24	9,563,916	259,195,381	96.81
2001	257,864,993	240,735,484	93.36	6,337,756	247,073,240	95.81
2000	237,784,750	222,808,516	93.70	7,777,448	230,585,964	96.97
1999	228,449,144	214,635,187	93.95	7,702,987	222,338,174	97.33
1998	213,328,413	203,465,984	95.38	8,133,508	211,599,492	99.19
1997	208,823,279	196,542,897	94.12	7,124,618	203,667,515	97.53

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 payment in full by November 15 and 2% for payment of 2/3 for payment of 2/3 of the total taxes due.

¹Total tax levy includes special levies for urban renewal projects.

City of Portland, Oregon
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Governmental activities										
Capitalized lease obligations	\$ 472,083	\$ 808,220	\$ 1,111,355	\$ 1,482,970	\$ 1,775,370	\$ **	\$ **	\$ **	\$ **	\$ **
General obligation bonds	66,580,000	71,220,000	75,460,000	65,290,000	68,840,000	71,885,000	75,780,000	79,455,000	57,670,000	61,130,000
Limited tax improvement bonds	15,795,000	19,355,000	23,770,000	29,650,000	11,500,000	16,210,000	22,250,000	30,850,000	38,830,000	41,635,000
Urban renewal and redevelopment bonds	284,595,000	295,645,000	273,075,000	285,060,000	256,634,371	239,576,646	105,867,118	62,504,877	70,546,805	104,318,466
Limited tax and limited tax revenue bonds	416,340,215	425,870,215	448,630,215	476,586,230	444,195,215	452,810,649	321,177,010	9,639,470	16,936,690	65,400,858
Revenue bonds	6,450,000	6,935,000	7,120,000	12,060,512	12,440,512	8,255,000	8,600,000	8,925,000	9,240,000	*
Total governmental activities	790,232,298	819,833,435	829,166,570	870,129,712	795,385,468	788,737,295	533,674,128	191,374,347	193,223,495	272,484,324
Business-type activities										
Capitalized lease obligations	1,167,271	1,776,810	2,517,418	3,398,507	4,279,001	5,238,450	5,512,511	5,426,558	5,988,000	5,494,381
General obligation bonds	7,485,000	7,542,155	9,624,399	11,416,606	30,103,780	35,975,897	41,577,868	46,899,852	51,981,704	57,903,493
Limited tax and limited tax revenue bonds	153,801,017	156,891,017	147,831,017	150,411,017	152,751,017	148,831,630	112,482,314	108,708,518	81,879,154	*
Revenue bonds	1,404,041,000	1,182,447,000	1,073,105,102	1,046,001,435	876,508,102	902,153,102	784,109,102	772,248,102	633,223,102	611,733,102
Total business-type activities	1,566,494,289	1,348,656,982	1,233,077,936	1,211,227,565	1,063,641,900	1,092,199,079	943,681,795	933,283,030	773,071,960	675,130,976
Total primary government	\$ 2,356,726,586	\$ 2,168,490,417	\$ 2,062,244,506	\$ 2,081,357,277	\$ 1,859,027,368	\$ 1,880,936,374	\$ 1,477,355,923	\$ 1,124,657,377	\$ 966,295,455	\$ 947,615,300
Percentage of personal income	N/A*	3.10%	3.13%	3.21%	2.91%	3.02%	2.60%	2.08%	1.90%	2.00%
Per capita	\$ 4,236	\$ 3,939	\$ 3,783	\$ 3,867	\$ 3,467	\$ 3,538	\$ 2,883	\$ 2,207	\$ 1,900	\$ 1,884

Source: Bureau of Financial Services

* Data not yet available for this fiscal year.

** Information not available by activity type

City of Portland, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2006	\$ 66,580,000	\$ 37,177,488,891	0.18 %	\$ 120
2005	71,220,000	36,126,155,540	0.20	129
2004	75,460,000	35,002,570,061	0.22	138
2003	65,290,000	34,138,333,652	0.19	121
2002	68,848,780	33,331,091,987	0.21	128
2001	71,885,000	31,885,995,512	0.23	135
2000	75,780,000	30,195,948,585	0.25	148
1999	79,455,000	28,743,774,007	0.28	156
1998	57,670,000	26,524,462,295	0.22	113
1997	61,130,000	31,438,960,627	0.19	122

Note: Represents general obligation bonded debt issued for funding parks and emergency facilities projects

City of Portland, Oregon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2006

Jurisdiction	Net Property Tax Backed Debt	Percentage within City of Portland	Amount Applicable to City of Portland
Clackamas Community College	\$ 45,780,000	0.25 %	\$ 114,175
Clackamas County School District No. 7J	79,215,000	0.03	22,418
Clackamas County School District No. 12	85,980,000	0.66	566,608
Columbia County School District 1J	1,560,000	6.68	104,266
Metro	113,842,201	41.68	47,452,731
Multnomah County	67,510,000	83.27	56,214,834
Multnomah County School District No. 3	16,725,000	98.02	16,393,059
Multnomah County School District No. 7	49,720,000	22.29	11,083,533
Multnomah County School District No. 28J	30,789,978	53.53	16,482,830
Multnomah County School District No. 40	48,365,000	100.00	48,364,952
Multnomah County School District No. 51J	11,424,464	3.84	438,608
Portland Community College	73,895,000	45.01	33,261,396
Tri-Met	77,420,000	41.93	32,465,071
Tualatin Hills Park & Recreation District	15,310,000	0.02	3,583
Washington County	48,595,000	0.31	148,361
Washington County School District No. 23J	267,395,000	0.31	828,122
Washington County School District No. 48J	113,710,000	0.11	125,763
		Total	\$ 264,070,310

Source: The Oregon State Treasury, Debt Management Division

**City of Portland, Oregon
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)**

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Debt limit	\$ 1,959,275,415	\$ 1,764,190,422	\$ 1,664,771,788	\$ 1,579,881,030	\$ 1,510,677,144	\$ 1,389,712,932	\$ 1,288,371,907	\$ 1,102,916,920	\$ 1,035,659,216	\$ 943,168,819
Total net debt applicable to limit	66,007,710	70,890,199	74,903,069	64,397,433	67,865,115	71,378,503	75,454,122	78,835,658	56,870,738	67,453,823
Legal debt margin	<u>\$ 1,893,267,705</u>	<u>\$ 1,693,300,223</u>	<u>\$ 1,589,868,719</u>	<u>\$ 1,515,483,597</u>	<u>\$ 1,442,812,029</u>	<u>\$ 1,318,334,429</u>	<u>\$ 1,212,917,785</u>	<u>\$ 1,024,081,262</u>	<u>\$ 978,788,478</u>	<u>\$ 875,714,996</u>
Total net debt applicable to the limit as a percentage of debt limit	3.49%	4.19%	4.71%	4.25%	4.70%	5.41%	6.22%	7.70%	5.81%	7.70%

Legal Debt Margin Calculation for Fiscal Year 2006

Real market value	<u>\$ 65,309,180,486</u>
Debt limit (3% of real market value)	<u>1,959,275,415</u>
Debt applicable to limit:	
General obligation bonds	66,580,000
Less: Amount set aside for repayment of general obligation debt	<u>(572,290)</u>
Total net debt applicable to limit	<u>66,007,710</u>
Legal debt margin	<u>\$ 1,893,267,705</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
Last Ten Fiscal Years**

Sewer Revenue Bonds¹

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Transfers From (to) Rate Stabilization Fund	Net Available Revenue	Debt Service						Total	First Lien Coverage	Combined Coverage
					First Lien Principal	First Lien Interest	Second Lien Principal	Second Lien Interest	Third Lien Principal	Third Lien Interest			
2006	\$ 209,087,256	\$ 74,493,741	\$ (23,000,000)	\$ 111,593,515	\$ 26,585,000	\$ 35,346,556	\$ 7,435,000	\$ 6,823,253	\$ 37,421	\$ 4,012	\$ 76,231,242	1.80	1.46
2005	191,771,991	72,071,539	(6,100,000)	113,600,452	20,605,000	32,841,698	6,590,000	6,967,253	-	-	67,003,951	2.13	1.70
2004	180,266,170	69,747,474	(8,825,000)	101,693,696	22,375,000	34,200,633	3,355,000	6,243,303	-	-	66,173,936	1.80	1.54
2003	168,857,709	67,339,793	(5,175,000)	96,342,916	23,805,000	37,580,434	-	-	-	-	61,385,434	1.57	-
2002	166,061,738	79,276,359	5,275,000	92,060,379	22,675,000	38,704,111	-	-	-	-	61,379,111	1.50	-
2001	146,245,844	68,562,264	3,975,000	81,658,580	21,565,000	34,928,667	-	-	-	-	56,493,667	1.45	-
2000	138,696,982	65,661,659	3,575,000	76,610,323	20,430,000	32,585,298	-	-	-	-	53,015,298	1.45	-
1999	130,025,005	64,249,881	2,175,000	67,950,124	15,515,000	31,362,913	-	-	-	-	46,877,913	1.45	-
1998	118,106,572	59,294,439	4,216,275	63,028,408	17,675,000	24,349,023	-	-	-	-	42,024,023	1.50	-
1997	102,223,475	57,875,170	11,950,000	56,298,305	11,025,000	26,565,632	-	-	-	-	37,590,632	1.50	-

Source: ¹Bureau of Environmental Services

Note: 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.

**City of Portland, Oregon
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Water Revenue Bonds²

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 93,600	\$ 50,055	\$ 43,545	\$ 5,505	\$ 7,029	3.47
2005	85,161	46,180	38,981	6,200	6,857	2.99
2004	93,815	51,245	42,570	3,275	4,781	5.28
2003	89,542	44,986	44,556	3,130	4,932	5.53
2002	83,720	47,352	36,368	2,990	5,074	4.51
2001	72,061	46,417	25,644	2,390	4,802	3.57
2000	76,500	45,758	30,742	2,290	3,434	5.37
1999	74,776	43,257	31,519	2,190	3,530	5.51
1998	70,505	39,078	31,427	1,450	2,395	8.17
1997	67,912	39,238	28,674	890	2,168	9.38

Source: ²Bureau of Water Works

Note: 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.

**City of Portland, Oregon
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Fiscal Year	Golf Revenue Bonds ³					
	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 6,063,779	\$ 4,852,225	\$ 1,211,554	\$ 566,000	\$ 240,910	1.50
2005	5,818,218	4,530,425	1,287,793	550,000	256,805	1.60
2004	6,129,052	5,080,627	1,048,425	536,333	270,160	1.30
2003	6,059,802	5,258,173	801,629	-	71,295	11.24
2002	6,074,698	4,857,765	1,216,933	-	141,770	8.58
2001	6,390,691	4,870,621	1,520,070	341,000	265,226	2.51
2000	5,361,961	4,496,441	865,520	260,000	59,505	2.71
1999	5,416,920	4,403,242	1,013,678	245,000	60,274	3.32
1998	5,537,480	4,160,428	1,377,052	230,000	74,765	4.52
1997	5,387,312	4,134,622	1,252,690	220,000	88,268	4.06

Source: ³Portland Parks and Recreation

Note: 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.

**City of Portland, Oregon
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Parking Revenue Bonds⁴						
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 28,637,615	\$ 11,955,019	\$ 16,682,596	\$ 750,000	\$ 234,563	16.94
2005	23,657,222	10,223,375	13,433,847	1,120,000	276,563	9.62
2004	22,242,880	9,696,341	12,546,539	1,415,000	319,013	7.24
2003	22,094,020	10,686,887	11,407,133	1,380,000	360,413	6.55
2002	23,071,404	10,195,005	12,876,399	385,000	233,510	20.82
2001	15,168,294	3,532,974	11,635,320	910,000	507,061	8.21
2000	14,446,931	3,538,922	10,908,009	860,000	556,635	7.70
1999	13,557,283	3,038,255	10,519,028	810,000	603,041	7.44
1998	12,706,373	2,717,492	9,988,881	765,000	648,944	7.06
1997	11,850,253	2,753,090	9,097,163	720,000	694,345	6.43

Source: ⁴Parking Facilities

Note: 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.

**City of Portland, Oregon
Demographic Statistics
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	City of Portland Population¹	Metropolitan Statistical Area Population²	Personal Income (expressed in thousands)²	Per Capita Personal Income²	Portland Public Schools Enrollment³	Unemployment Rate⁴
2006	556,370	NA	\$ NA	\$ NA	47,008	5.8%
2005	550,560	2,062,109	69,853,340	33,875	47,656	7.1
2004	545,140	2,040,279	65,958,599	32,328	48,883	8.3
2003	538,180	2,012,379	64,908,688	32,255	52,969	7.8
2002	536,240	1,976,096	63,933,229	32,353	54,150	6.1
2001	531,600	1,936,027	62,189,975	32,122	54,427	4.5
2000	512,395	1,906,262	56,918,006	29,858	54,746	4.3
1999	509,610	1,875,365	54,105,615	28,851	55,831	4.2
1998	508,500	1,839,867	50,912,454	27,672	56,583	4.1
1997	503,000	1,797,066	47,265,531	26,301	58,022	4.3

NA: Data not available for this fiscal year

Sources:

¹ Portland State University Population Research Center estimate as of July 1

² Department of Commerce, Bureau of Economic Analysis

Portland-Vancouver-Beaverton, 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, District #1 annual October count (FY 2001 revised to include charter programs)

⁴ U.S. Department of Labor, Bureau of Labor Statistics

Portland-Vancouver-Beaverton, OR-WA MSA (Calendar year-end figure used for following June 30 fiscal year-end. Prior year figures revised by source as MSA previously reported as PMSA without Skamania County, Washington.)

**City of Portland, Oregon
Principal Employers
Current Year and Nine Years Ago**

Employer	2006			1997		
	Employees¹	Rank	Percentage of Total Metropolitan Statistical Area Employment²	Employees³	Rank	Percentage of Total Metropolitan Statistical Area Employment²
State of Oregon	21,200	1	2.05%	9,900	3	1.03%
U.S. Government	18,400	2	1.78	16,000	1	1.66
Intel Corporation	15,500	3	1.50	9,500	4	0.99
Providence Health System	14,007	4	1.35	8,938	8	0.93
Safeway Inc.	13,453	5	1.30	-	-	-
Oregon Health & Science University	11,400	6	1.10	11,000	2	1.14
Fred Meyer Stores	9,663	7	0.93	8,905	6	0.92
Legacy Health System	7,900	8	0.76	-	-	-
Kaiser Foundation Health Plan of the NW	7,900	9	0.76	7,663	7	0.80
Portland Public Schools	6,759	10	0.65	6,200	9	0.64
U.S. Bancorp	-	-	-	6,242	8	0.65
City of Portland, Oregon	-	-	-	5,172	10	0.54
Total	126,182		12.18%	89,520		9.29%
Total MSA² employment	1,035,949			963,714		

Sources:

¹ *Portland Metropolitan Fact Book-2006* published by the Portland Oregon Visitor's Association

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 Oregon Employment Department, Portland Chamber of Commerce and the *Business Journal* (nine years ago)

City of Portland, Oregon
Full-time-Equivalent Employees by Function/Program
Last Five Fiscal Years¹

Function/Program	Full-time-Equivalent Employees as of June 30²				
	2006³	2005	2004	2003	2002
Public safety	2,108	2,103	2,101	2,127	2,138
Parks, recreation and culture	412	425	423	367	402
Community development	474	464	455	462	464
Transportation and metered parking	757	770	708	702	702
Legislative/Admin/Support services	935	916	740	704	714
Environmental services	478	486	474	456	456
Water	485	434	557	540	532
Hydroelectric power	3	3	3	3	3
Total employees	5,652	5,601	5,461	5,361	5,411

Sources: City of Portland - FY 2006-07 Adopted Budget, Volume 1
City of Portland - FY 2004-05 Adopted Budget, Volume 1

- ¹ Employees by function/program only available beginning in FY 2002 as a result of GASB 34 implementation that year
- ² A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,088.
- ³ Amount represents revised year-end estimate as published in the Adopted Budget FY 2006-07

City of Portland, Oregon
Operating Indicators by Function/Program
Last Five Fiscal Years¹

Function/Program	Fiscal Year				
	2006 ²	2005	2004	2003	2002
Public safety					
Number of crimes (parts 1 and 2) ***	87,219	90,285	87,668	84,160	90,015
Number of police incidents (dispatched/reported/initiated) ***	464,415	458,416	484,964	473,099	465,064
Number of fire, medical and other incidents **	61,466	59,696	60,672	58,939	60,388
Fire loss per capita **	\$ 46	\$ 50	\$ 64	\$ 36	\$ 41
Number of calls on emergency 9-1-1 lines **	495,800	549,691	615,966	587,135	612,767
Calls per capita, emergency and non-emergency**	1.1	1.3	1.4	1.4	1.4
Disaster exercises conducted *	4	5	8	NA	NA
Parks, recreation and culture					
Number of recreation programs**	NA	1,967	2,203	1,955	2,129
Estimated attendance counts (millions) **	6	6	6	4	4
Number of acres maintained (including golf courses and PIR) **	10,613	10,481	10,511	10,425	10,235
Number of hours volunteered **	457,307	454,777	440,526	425,623	423,727
Community development					
Construction inspections **	191,347	161,274	173,963	177,276	166,775
Building permits **	11,031	10,238	9,590	9,746	9,070
Tons of recycling collected **	553	572	570	571	535
One night shelter count of homeless **	2,840	2,752	2,660	2,526	2,500
Homeless adults served **	10,091	10,016	9,783	9,146	8,592
Transportation and metered parking					
Paving maintenance backlog (miles;28-foot-wide equivalents) **	627	597	586	585	528
Miles resurfaced/sealed/rehabilitated (28-foot-wide equivalents) **	59	79	51	45	93
Streets swept (curb miles) **	49,482	51,616	50,007	57,861	54,799
Legislative/Admin/Support services					
Litigation cases *	2,000	1,789	1,525	1,350	1,432
Number of Audit Services reports issued *	11	4	7	9	7
Number of Active Federal Grants *	250	250	231	186	160
Percentage availability of all vehicles *	1	1	1	1	1
Number of duplicating work orders completed *	26,500	25,353	29,000	27,719	29,051
Environmental services					
Wastewater treated (billions of gallons) **	29	27	27	27	28
Feet of pipe repaired **	38,065	37,662	52,255	29,813	36,057
Miles of pipe cleaned **	263	228	266	212	169
Water					
Population served with water **	801,930	770,241	782,284	786,683	830,834
Annual per capita water usage (gallons) **	39,323	40,754	43,607	43,228	43,835
Water delivered (billions of gallons) **	34	33	37	36	38
Hydroelectric power					
Power sold to PGE (mwh) *	84,200	65,612	79,488	72,510	97,814

NA: Data not available for this fiscal year

Sources:

* Adopted Budget City of Portland, Oregon, Fiscal Year 2006-07, Volume 1

** City of Portland Service Efforts and Accomplishments: 2005-06 (Fiscal year data)

*** City of Portland Service Efforts and Accomplishments: 2005-06 (2005 calendar year data)

¹ Operating indicators by function/program only available beginning in FY 2002 as a result of GASB 34 implementation that year

² Amount represents year-end estimate as published in the most recent Adopted Budget

City of Portland, Oregon
Capital Asset Statistics by Function/Program
Last Five Fiscal Years¹

Function/Program	Fiscal Year				
	2006 ²	2005	2004	2003	2002
Public safety					
Number of front-line emergency vehicles	65	63	63	63	62
Fire stations	30	29	29	29	27
Police precincts	5	5	5	5	5
Police vehicles	652	600	641	645	606
Parks, recreation and culture					
Developed parks	180	178	171	168	170
Sports fields	333	365	365	365	365
Arts and community centers	18	18	19	19	19
Pools	13	13	14	14	14
Golf courses	5	5	5	5	5
Transportation and metered parking					
Lane miles of streets	3,941	3,949	3,943	3,951	3,880
Miles of bikeways	262	260	254	252	235
Number of street lights	54,011	53,614	53,139	54,732	54,426
Environmental services					
Sanitary, storm and combined pipeline (miles)	2,287	2,284	2,341	2,330	2,325
Water					
Miles of water mains	2,083	1,963	1,957	1,943	1,939
Fire hydrants	14,045	13,336	13,213	13,113	12,780
Local water storage (millions of gallons)	298	300	298	298	298
Hydroelectric power					
Powerhouses	2	2	2	2	2

NA: Data not available for this fiscal year

Sources:

City of Portland Service Efforts and Accomplishments: 2005-06, Office of the City Auditor
City of Portland, Oregon Comprehensive Annual Financial Reports FY2001-02 through FY2004-05, Bureau of Financial Services, Accounting Division
City of Portland, Oregon Hydroelectric Power Fund Independent Auditor's Report and Financial Statements August 31, 2001 and 2000 through August 31, 2005 and 2004
CityFleet
Portland Fire and Rescue
Portland Police Bureau
Portland Office of Transportation
Portland Water Bureau

¹ Capital assets by function/program only available beginning in FY 2002 as a result of GASB 34 implementation that year

² Amount represents year-end estimate as published in the most recent Adopted Budget

Audit Comments and Disclosures Required by State Regulations



Skidmore Fountain, 1888

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *OREGON MINIMUM STANDARDS***

The City Council
City of Portland, Oregon
Portland, Oregon

We have audited the financial statements of the City of Portland, Oregon as of and for the year ended June 30, 2006, and have issued our report thereon dated November 14, 2006, which stated that we did not audit the financial statements of Portland Development Commission, the discretely presented component unit, which were audited by other auditors, and that our opinion, insofar as it relates to the amounts included for Portland Development Commission is based on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of 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 financial statements are free from material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2006 and 2007.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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.

Expenditures in Excess of Appropriations

The results of our tests disclosed instances of noncompliance relating to over expenditures of budgeted appropriations that are described in Note II.B. of the City's financial statements.

Internal Control Structure

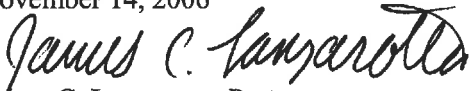
The results of our tests did not disclose deficiencies in the design or operation of the internal control over financial reporting.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information of the City Council, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

November 14, 2006


James C. Lanzarotta, Partner

For Moss Adams LLP
Certified Public Accountants
Eugene, Oregon

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

The City Council
City of Portland, Oregon
Portland, Oregon

We have audited the financial statements of the governmental activities, the business-type activities the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon as of and for the year ended June 30, 2006, and have issued our report thereon dated November 14, 2006, which states that we did not audit the financial statements of Portland Development Commission, the discretely presented component unit, which were audited by other auditors, and that our opinion, insofar as it relates to the amounts included for Portland Development Commission is based on the report of the other auditor. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Portland's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Portland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the City of Portland in a separate letter dated November 14, 2006.

This report is intended solely for the information and use of the City Council, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams, LLP

Eugene, Oregon
November 14, 2006