

*The City of*  
***Portland, Oregon***



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

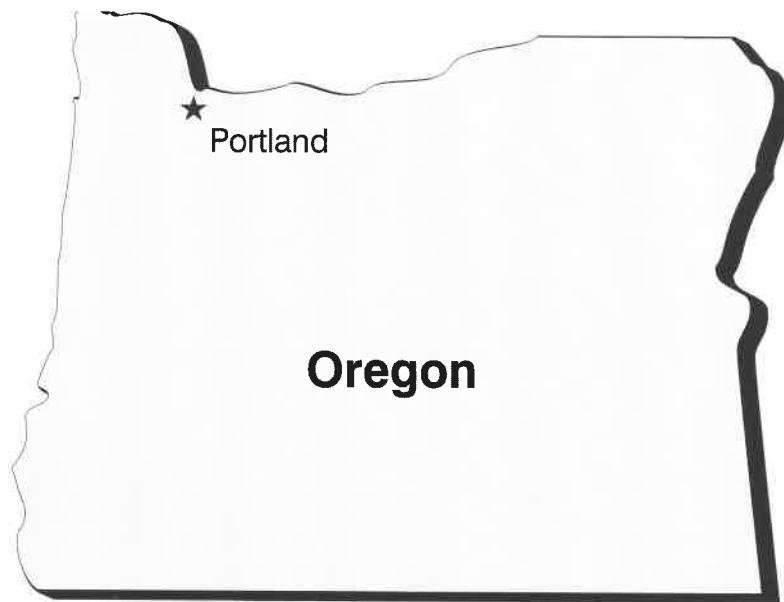
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**FISCAL YEAR ENDED JUNE 30, 2003**

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# CITY OF PORTLAND, OREGON

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## Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2003



Office of Management & Finance  
Timothy Grewe, Chief Administrative Officer



PORTLAND BUILDING

**City of Portland, Oregon  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2003  
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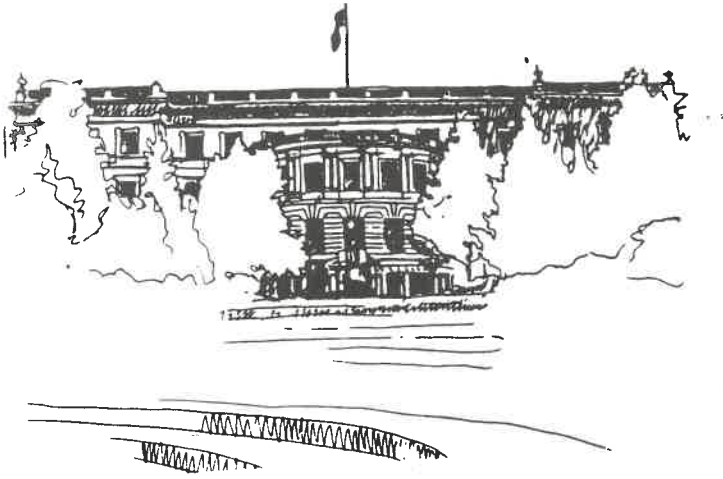
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# INTRODUCTORY SECTION

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Portland City Hall, 1895



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE  
**Vera Katz, Mayor**  
**Timothy Grewe, Chief Administrative Officer**

**Bureau of Financial Services**  
Kenneth L. Rust  
Director and CFO  
1120 SW Fifth Ave., Suite 1250  
Portland, Oregon 97204  
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FAX (503) 823-5788

November 3, 2003

Mayor Vera Katz, 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, 2003.

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, organizational charts, a list of principal officials, and the Government Finance Officer's 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 538,000, comprises an area of approximately 146 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 almost 2.0 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.

Accounting Division  
Marty Scott, Interim Manager

1120 SW 5th Ave. Room 1250  
Portland, Oregon 97204

(503) 823-4384  
Fax (503) 823-6003

Letter of Transmittal, Continued:

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: communications, facilities, financial, fleet, human resources, information, 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 remained in recession over the course of FY2002-03. Both the state and regional economies continued to experience declining employment levels and higher unemployment rates. The local area continues to experience unemployment rates that hover around 8 percent. Over the course of the last nine months the metro area's unemployment rate has been among the highest in the country. For all of FY2002-03 local area unemployment averaged an estimated 7.5 percent. For the last two quarters of FY2002-03, as well as the first quarter of FY2003-04, the unemployment rate has averaged just over 8 percent. At the State level the numbers are not much different for the last three quarters. This compares to a national unemployment rate of about 6.2 percent for FY2002-03.

Letter of Transmittal, Continued:

Local area inflation remains quite low. For the 12 months ended December 2002 inflation was about 0.2 percent while year-over-year price escalation for 12 months ending June 2003 inflation was about 1.4 percent. Energy costs remain a problem area but electricity and natural gas price increases this fall were much smaller than last year. Healthcare costs, as measured by the local area consumer price index for medical care services, has also been muted with escalation running in the 4 to 5 percent range.

Lower inflation has helped the City maintain current service levels, but the economic downturn continues to depress revenue growth. Property tax revenue growth slowed considerably during FY2002-03 and business license year-over-year revenue growth was again negative.

## **B. Outlook**

The economic outlook for FY2003-04 remains guarded. The national economy is beginning to show some strength although job growth remains uncertain. Most observers believe that the third and fourth quarters of calendar 2003 will show strong gross domestic product growth along with some moderate employment growth. The City's current economic and revenue forecast, however, was based on the assumption that the local area economy will remain depressed for most of FY2003-04. The July-September quarter unemployment numbers clearly support this outlook.

The City reduced current service levels in the FY2003-04 budget to again bring budgets into line with a slower regional economy and lower revenue projections. These reductions also brought budgets into line with expected FY2003-04 resources and the five-year financial plan estimates for the period ending FY2007-08. The FY2004-05 budget may require further reductions from current service levels if the regional economy does not improve by spring of 2004.

## **C. Major City achievements**

The Council continued efforts to ensure the delivery of cost-effective services to citizens in the course of addressing Council priorities and goals while managing through the financial effects of the regional recession, which has impacted the flow of resources used to support programs. Some of the City's achievements include:

- Passage of the Parks Local Operating Levy. Originally intended to expand and enhance programs and address facility needs, some of these funds will now be used to back up programs that would have suffered reductions.
- Opening of the Children's Museum Second Generation.
- Purchase of strategically located land parcels for future parks by the Parks Bureau with support from Council. Council has also ensured on-going funding for the basic operations and maintenance costs associated with the new parcels.
- Computer-based training for wild land fires suppression.
- Availability of paramedic services from all 29 fire stations.
- Initiation of a multi-year effort to improve the internal operations of City bureaus. Within the Bureau of Development Services, the focus has been on process improvements and systems that assist interaction between the City and the business community. Achievements include a streamlined permit process; enhancements to the permit tracking system: TRACS; establishment of a major project group to usher large, complex projects through the permit process in a more coordinated and efficient manner; and successful cross training of plumbing inspectors to take on mechanical system inspections as well.

Letter of Transmittal, Continued:

- Continued success in dealing with the need to improve the watersheds within Portland by the enterprise bureaus. Environmental Services has commenced major work elements (Westside Tunnel) of the combined Sewer Overflow project on the west side of the Willamette River and is now completing planning work for similar projects on the east side of the river.
- Interconnection of the Integrated Regional Network Enterprise (IRNE) with AT&T's I-Net.
- Adoption of a citywide green building policy through the efforts of the Office of Sustainable Development with assistance from multiple external and internal stakeholders. This policy will guide private and public developers in addressing a reasonable balance between the needs of business and the need to ensure adequate protection of the physical environment of Portland and the region.
- Continued success meeting City recycling goals through such efforts as major energy conservation projects in City buildings.
- Initiation of the Housing Connections, a federally funded, multi-partner project that will create a virtual one-stop housing center accessible for free via the Internet. This concept will assist low-income Portland area residents in finding and retaining stable housing.
- Reorganization and strengthening of the liens division of the Auditor's Office to address the backlog of liens and foreclosures. This reform, which balances the business needs of the City with a humanitarian approach to those who may be subject to liens and foreclosures, is anticipated to increase City revenues by up to \$354,000 annually.

**D. Current initiatives**

Current initiatives for FY2003-04 include:

- The City Attorney's office will investigate the establishment of a Special Litigation Unit with the intent of reducing legal costs of the City.
- The Council is creating the City's Office of Emergency Management. This office centralizes leadership and coordination of emergency management services of the various bureaus such as Fire, Police, Water, Environmental Services, and Transportation, into a single organization under the direction of the Mayor.
- Parks is developing a funding strategy to retain as much of the 60 acres of open and developed excess school property as possible future parks. Parks currently partners with the school district in the use, management, and maintenance of many of these properties.
- The City continues to improve the delivery of services to the citizens. A continuing focus is the area of neighborhood services such as inspections, including nuisance inspections. The City is reorganizing the bureaus of Development Services and the Office of Neighborhood Involvement to ensure a more effective and citizen-friendly structure for delivery of these services.
- The City will continue efforts to improve relationships with local businesses. During FY2002-03 the City began a multi-year effort focusing on regulatory improvement. The City will annually develop a regulatory improvement work plan to identify those areas that should, can, and will be improved. For FY2003-04 this effort will thoroughly examine the City Code and other controlling documents to ensure City policies and procedures are consistent between bureaus.
- The City will develop a small business permit and inspection pilot program and customer service improvements through a major emphasis on customer service training for those employees working directly with our citizens and businesses.

Letter of Transmittal, Continued:

- Internal efforts are being combined with externally focused initiatives such as an update to the City's ten year old strategic plan, Portland's Future Focus, and work to develop and implement a cohesive and inclusive urban design to guide the future of development and redevelopment in Portland.
- Building on past achievements, the City will partner with the Housing Authority of Portland in the HOPE VI project. This \$137 million project encompasses the redevelopment of a major depressed area within the City. Current residents have been temporarily relocated while redevelopment proceeds. The project will result in an increase in the number of affordable housing units and will incorporate the development into the neighborhood in contrast to the existing design that separates the development from the neighborhood. This City effort includes the bureaus of Housing and Community Development, Transportation, Water, Environmental Services, the Portland Development Commission, and other smaller bureaus.

#### **E. Future initiatives**

The City will continue to be challenged by the effects of the regional recession, which has impacted the flow of resources used to support programs. The City will also have to respond to increased pension fund liabilities, citizen-based initiatives and the actions of other agencies such as the federal government and the State of Oregon. Some of these future initiatives include the:

- Limitation on property tax growth and the impact on revenues affected by the recession, which will limit the City's ability to continue to provide the historical levels of service.
- Reform of the Public Employees Retirement System (PERS) to control costs and reduce future projected deficits.
- Reform of health care costs to employers and employees.
- Deterioration of the transportation infrastructure system, which remains a significant challenge.
- Acceleration of the Water Bureau's security reinforcement and vulnerabilities mitigation within the water system.
- Replacement of the utility bureaus' customer information system, the billing system used for sewer, water, and storm water services.
- Enhanced treatment of the City's Bull Run water source to address federal regulations.
- Development of policy and compensation scenarios for wireless industry use of rights-of-way and for potential discretionary City general fund resources.

### **OTHER FINANCIAL INFORMATION**

#### **A. Accounting system and budgetary control**

The City's accounting system supports an adequate internal control structure. This structure helps to safeguard the City's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. 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.

Letter of Transmittal, Continued:

The City is required by state law to budget all funds with the exception of certain trust and agency funds. The budgeting process includes citizen input through various stages of preparation, public hearings, and approval of the original budget adopted by the City Council, along with review and approval by the Tax Supervising Conservation Commission. Additional resources not anticipated in the adopted budget may be added through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the City Council. Adopted and supplemental budgets may be modified by the use of appropriation transfers between the major cost categories. Such transfers require approval by the City Council.

Budgetary control is maintained through monitoring of the following major cost categories at the bureau level:

- Personal Services – includes the salaries and fringe benefits of full-time and part-time employees
- Materials and Services – includes rent, utilities, supplies, contracts for professional services, maintenance, and internal services such as printing, data processing, fleet, telephone, and insurance
- Capital Outlay – includes the cost of land, buildings, improvements, and equipment
- Other Expenditures – includes special appropriations not included in above categories

Budgetary basis expenditures do not include encumbrances. Encumbrances are used as a management tool and canceled at year-end. Associated appropriations are carried over and re-appropriated in the next fiscal year by Council action. Total expenditures may not legally exceed total appropriations in each of the above cost categories.

#### **B. Debt administration**

The City issues various types of debt for the purpose of carrying out its capital financing activities and currently has \$2,076,475,800 of outstanding bonded indebtedness. In addition to this debt, the City has entered into a number of other financing arrangements with financial institutions, the State of Oregon and other public bodies for energy improvements, building purchases and other projects. See the Management Discussion and Analysis on pages 29 – 31 and note III.G. on pages 69 - 79 for further details of the City's outstanding debt.

#### **C. Cash management**

Temporary excess cash of all funds is pooled and invested in short-term instruments. Investments are restricted to collateralized time deposits, certain commercial paper, bankers' acceptances, repurchase agreements secured by U. S. Treasury securities, and securities guaranteed by the U.S. government and its agencies and the State Treasurer's Investment Pool in accordance with Oregon Revised Statutes sections 294.035 and 294.046.

The City's investment policy defines each instrument's maximum percentage of the total portfolio. It further defines their maximum maturity and where each instrument is held for safekeeping. As economic conditions change, the policy can be amended by the City Council to reflect new trends and opportunities.

The primary objective of the investment policy is to establish a conservative set of investment criteria that will prudently protect the City's principal sums and enable the City to generate a fair rate of return from its investment activities. The investment policy applies to all funds on deposit at the City's Treasury.



**D. Risk management**

Risk Management's function is to prevent and mitigate losses to the City's assets: property, personnel, and finances. Risk Management administers the City's self-insurance programs (workers' compensation, liability, and employee benefits), as well as purchasing commercial insurance where appropriate (most notably for property coverage and a selection of benefits coverage). Bureaus pay for the cost related to the Workers' Compensation and Insurance and Claims Funds through a cost allocation formula based on exposure and loss experience. Rates for the Health Insurance Fund are actuarially prepared and a premium billed to each bureau based on the number of each bureau's employees in the program and the coverage provided.

**OTHER INFORMATION**

**A. Independent audit**

The City's Charter requires an annual audit of the City's financial records. These records, represented in the Comprehensive Annual Financial Report (CAFR), have been audited by the City's independent Certified Public Accountants, Moss Adams LLP. This audit included the City's Single Audit for FY2002-03 pursuant to OMB Circular A-133.

**B. Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Portland, Oregon, for its CAFR for the last twenty-one 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 generally accepted accounting principles 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.

In addition, the GFOA presented an award of Distinguished Budget Presentation to the City of Portland, Oregon, for its annual budget for the fiscal year beginning July 1, 2002. The City has earned this distinction for twelve consecutive awards, covering the last fifteen years.

**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,



Timothy Grewe  
Chief Administrative Officer  
Office of Management & Finance



Kenneth L. Rust  
Bureau Director and Chief Financial Officer  
Bureau of Financial Services

*ELECTED OFFICIALS OF THE CITY OF PORTLAND*

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**Vera Katz**  
Mayor



**Dan Saltzman**  
Commissioner of Public Affairs



**Randy Leonard**  
Commissioner of Public Safety



**Gary Blackmer**  
City Auditor



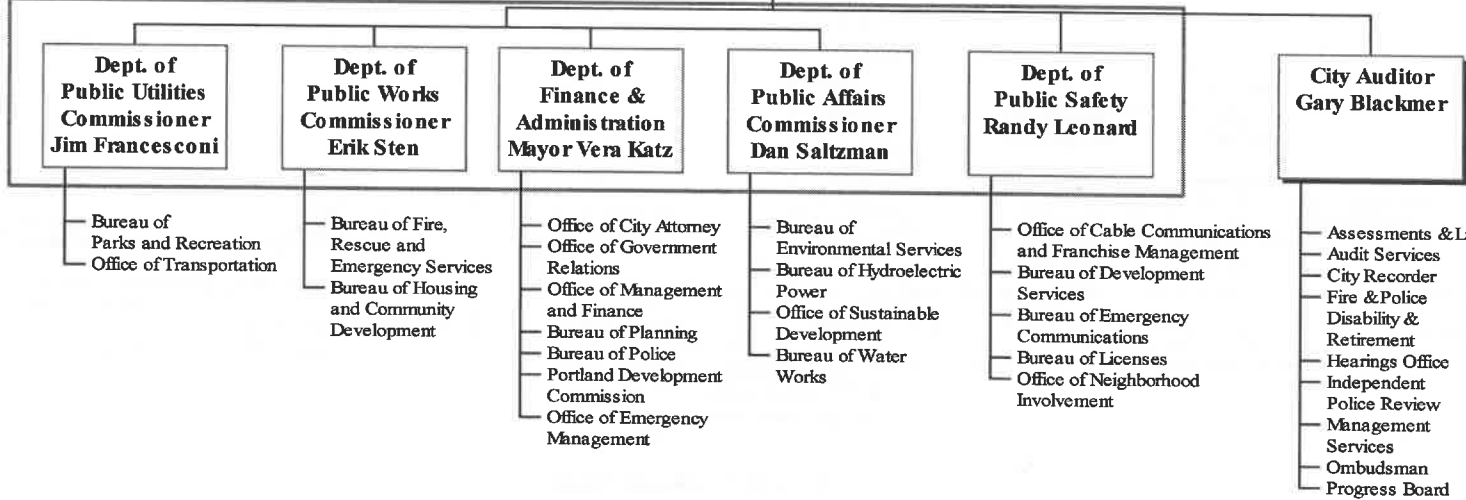
**Erik Sten**  
Commissioner of Public Works



**Jim Francesconi**  
Commissioner of Public Utilities

**Citizens of the  
City of Portland**

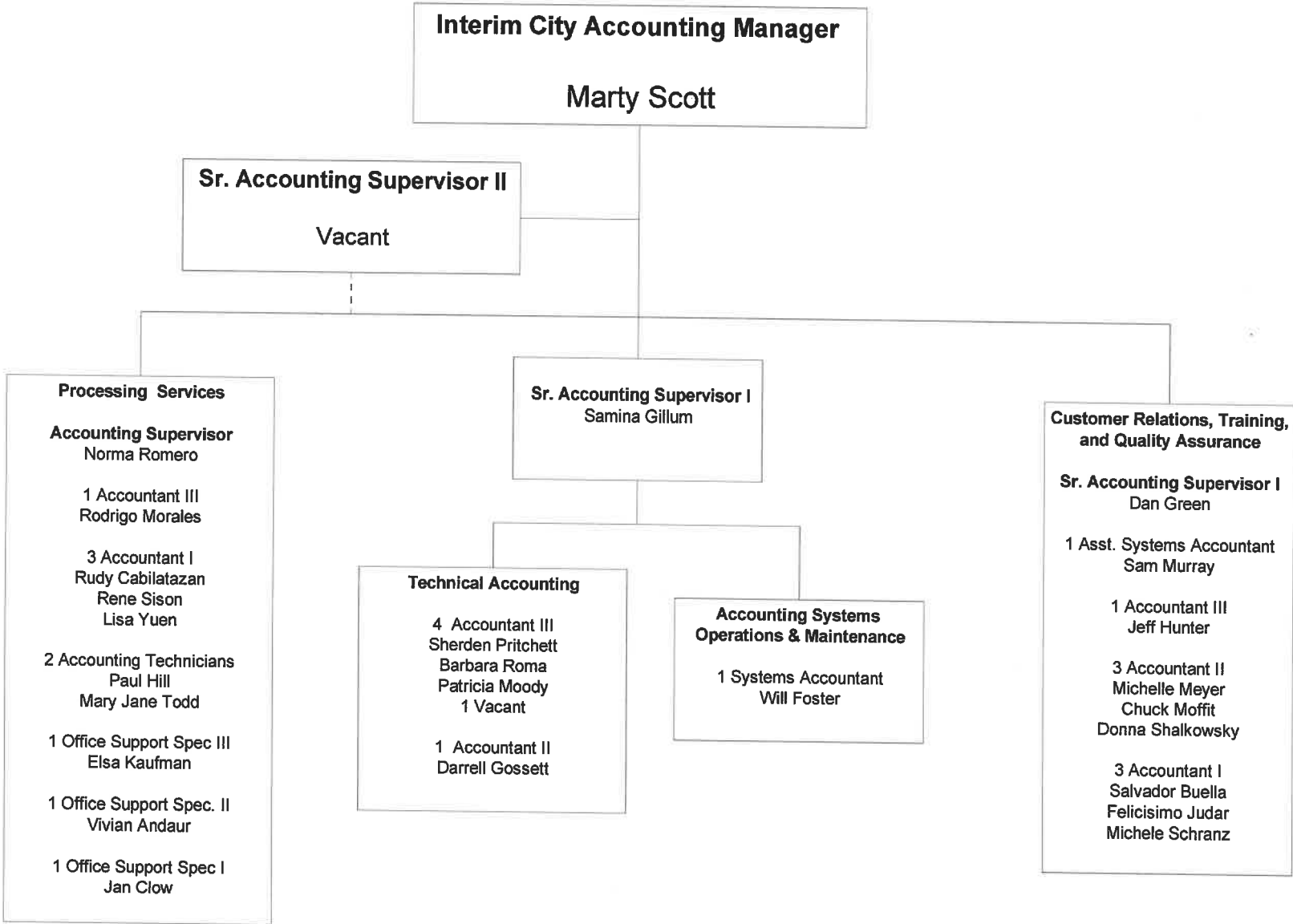
**City Council**



## Office of Management and Finance



**Office of Management and Finance  
Accounting Division  
FY 2002-2003**



# 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, 2002

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.

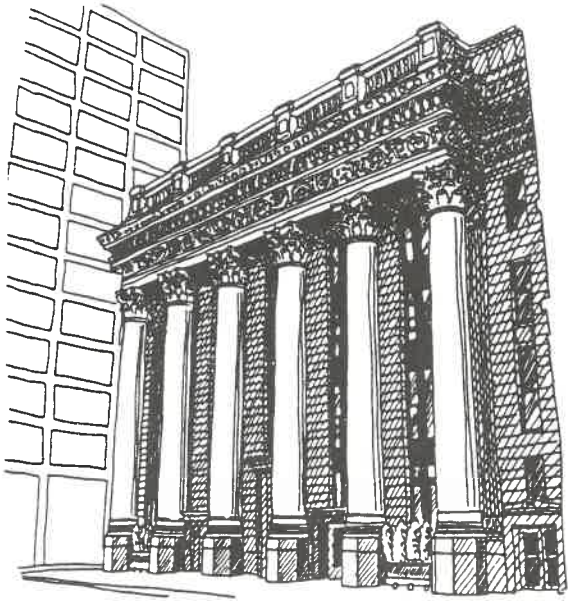


President

Executive Director

# FINANCIAL SECTION

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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 aggregate remaining fund information of the City of Portland, Oregon, as of and for the year ended June 30, 2003, which collectively comprise the City of Portland'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 an opinion 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 disclosure 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 provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of other auditor's, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



# MOSS ADAMS LLP

In accordance with *Government Auditing Standards*, we have also issued our reported dated November 3, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management discussion and analysis and budgetary comparison information on pages 15 through 32 and 89 through 95 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portland, Oregon's basic financial statements. The combining and individual fund statements, budgetary comparison information for non major funds, and other financial schedules, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditor's, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other data included in this report, designated as "Statistical Section" in the accompanying table of contents has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

November 3, 2003



Jessie Bridgham, 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, 2003. 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 financial highlights of the City of Portland for fiscal year ending June 30, 2003:

- The assets of the City exceeded its liabilities at the close of FY2002-03 by \$2,767,925,485 (*net assets*), while *unrestricted net assets* totaled (\$649,566,452). 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 18.
- The City's total net assets decreased by \$116,358,709 from FY2001-02. The majority of this decrease is due to the impact of depreciation for governmental activities totaling \$150,281,504. Of this amount \$133,650,165 is attributed to transportation infrastructure.
- The City's governmental funds reported combined ending fund balances of \$148,336,535, an increase of \$7,598,279 in comparison to FY2001-02. This increase in fund balance was attributed to an increase of \$13,570,215 resulting from operations, a decrease of \$32,093 resulting from a current year change in inventories and a prior period adjustment of \$5,939,843. For additional detail concerning the prior period adjustment, see page 57 for note I.D.13. of the basic financial statements. Of the combined ending governmental fund balances, \$101,467,221 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 \$57,280,147 or 15.7 percent of total General Fund expenditures.
- The City's total bonded debt increased by \$223,502,803 or 12 percent over FY2001-02. The key factors in this change were increases of \$28,425,629 in urban renewal bonds, \$30,051,015 in limited tax revenue bonds and \$169,113,333 in revenue bonds. General obligation bonds decreased by \$22,237,174 and special assessment bonds increased by \$18,150,000.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 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 34-35 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 thirty-eight 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-six 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.

## Management's Discussion and Analysis, Continued

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 38-41 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, communication, general liability and fleet self-insurance, workers' compensation self-insurance, and information 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 42-47 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 48-49 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 51-88 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 page 89-95 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 97-145 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 exceeded liabilities by \$2,767,925,485 at the close of FY2002-03.

The largest portion of the City's net assets reflects an investment of \$3,361,059,327 or 121.4 percent, in capital assets (i.e. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. 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.

**A. Analysis of net assets**

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

	<b>Governmental Activities</b>		
	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 511,226,149	\$ 528,839,045	\$ 17,612,896
Capital assets	<u>2,709,887,402</u>	<u>2,628,194,377</u>	<u>(81,693,025)</u>
Total assets	<u>3,221,113,551</u>	<u>3,157,033,422</u>	<u>(64,080,129)</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	1,319,909,684	1,405,541,909	85,632,225
Other liabilities	<u>113,491,980</u>	<u>147,817,024</u>	<u>34,325,044</u>
Total liabilities	<u>1,433,401,664</u>	<u>1,553,358,933</u>	<u>119,957,269</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt:			
Restricted	2,406,449,504	2,309,821,737	(96,627,767)
Unrestricted	<u>40,928,166</u>	<u>45,915,790</u>	<u>4,987,624</u>
	<u>(659,665,783)</u>	<u>(752,063,038)</u>	<u>(92,397,255)</u>
Total net assets	<u>\$ 1,787,711,887</u>	<u>\$ 1,603,674,489</u>	<u>\$ (184,037,398)</u>

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

	<b>Business-type Activities</b>		
	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 254,650,881	\$ 385,518,318	\$ 130,867,437
Capital assets	1,935,597,299	2,063,124,433	127,527,134
Total assets	<u>2,190,248,180</u>	<u>2,448,642,751</u>	<u>258,394,571</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	1,026,069,838	1,175,748,370	149,678,532
Other liabilities	67,606,035	108,643,385	41,037,350
Total liabilities	<u>1,093,675,873</u>	<u>1,284,391,755</u>	<u>190,715,882</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt:			
Restricted	982,133,524	1,051,237,590	69,104,066
Unrestricted	10,941,581	10,516,820	(424,761)
	<u>103,497,202</u>	<u>102,496,586</u>	<u>(1,000,616)</u>
Total net assets	\$ <u>1,096,572,307</u>	\$ <u>1,164,250,996</u>	\$ <u>67,678,689</u>

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

	<b>Total Net Assets</b>		
	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 765,877,030	\$ 914,357,363	\$ 148,480,333
Capital assets	4,645,484,701	4,691,318,810	45,834,109
Total assets	<u>5,411,361,731</u>	<u>5,605,676,173</u>	<u>194,314,442</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	2,345,979,522	2,581,290,279	235,310,757
Other liabilities	181,098,015	256,460,409	75,362,394
Total liabilities	<u>2,527,077,537</u>	<u>2,837,750,688</u>	<u>310,673,151</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt:			
Restricted	3,388,583,028	3,361,059,327	(27,523,701)
Unrestricted	51,869,747	56,432,610	4,562,863
	<u>(556,168,581)</u>	<u>(649,566,452)</u>	<u>(93,397,871)</u>
Total net assets	\$ <u>2,884,284,194</u>	\$ <u>2,767,925,485</u>	\$ <u>(116,358,709)</u>

Management's Discussion and Analysis, Continued

An additional portion of the City's net assets, \$56,857,371 or approximately 2.1 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 \$649,566,452.

At the end of FY2002-03, 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. A detail of this outstanding debt is as follows: Special Assessments Bonds \$18,150,000, Urban Renewal and Redevelopment Bonds \$28,425,629, Public Employee Retirement System (PERS) Bonds \$211,379,554 and a net pension obligation liability for FPD&R fund \$512,270,991. Business-type activities have a positive balance for all three categories of net assets.

**B. Analysis of changes in net assets**

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

	<b>Governmental Activities</b>		
	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>Change</b>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 319,106,445	\$ 340,679,706	\$ 21,573,261
Operating grants and contributions	27,849,940	24,024,541	(3,825,399)
Capital grants and contributions	20,577,462	22,012,781	1,435,319
<i>General revenues:</i>			
Property taxes	261,205,959	274,757,776	13,551,817
Lodging taxes	12,490,238	12,828,007	337,769
Investment earnings	13,689,665	8,778,862	(4,910,803)
Gain (loss) on sale of capital assets	94,280	416,949	322,669
Loss - sale of property held for resale	-	(701,748)	(701,748)
<b>Total revenues</b>	<b>655,013,989</b>	<b>682,796,874</b>	<b>27,782,885</b>
<b>Expenses</b>			
Public safety	260,264,724	314,634,618	54,369,894
Parks, recreation and culture	49,992,413	49,043,321	(949,092)
Community development	88,823,066	95,315,852	6,492,786
Transportation	215,288,385	223,259,730	7,971,345
Legislative/Admin/Support services	87,831,529	140,187,742	52,356,213
Interest on long-term debt	50,425,689	42,280,402	(8,145,287)
<b>Total expenses</b>	<b>752,625,806</b>	<b>864,721,665</b>	<b>112,095,859</b>
Revenues over (under) expenses	(97,611,817)	(181,924,791)	(84,312,974)
Transfers	1,821,223	3,827,236	2,006,013
Change in net assets	(95,790,594)	(178,097,555)	(82,306,961)
<b>Net assets -- beginning</b>	<b>1,883,502,481</b>	<b>1,787,711,887</b>	<b>3,671,214,368</b>
Prior period adjustment		(5,939,843)	
<b>Net assets -- beginning, as restated</b>		<b>1,781,772,044</b>	
<b>Net assets -- ending</b>	<b>\$ 1,787,711,887</b>	<b>\$ 1,603,674,489</b>	<b>\$ (184,037,398)</b>

Management's Discussion and Analysis, Continued

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

	<b>Business-type Activities</b>		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 278,741,062	\$ 284,269,684	\$ 5,528,622
Operating grants and contributions	499,128	1,579,598	1,080,470
Capital grants and contributions	6,152,249	12,449,239	6,296,990
<i>General revenues:</i>			
Investment earnings	7,581,810	3,475,088	(4,106,722)
Gain (loss) on sale of capital assets	(1,373,267)	44,761	1,418,028
<b>Total revenues</b>	<u>291,600,982</u>	<u>301,818,370</u>	<u>10,217,388</u>
<b>Expenses</b>			
Environmental services	147,421,274	135,883,241	(11,538,033)
Water	75,719,077	67,074,325	(8,644,752)
Hydroelectric power	3,218,424	3,365,244	146,820
Parking	9,428,828	8,834,101	(594,727)
Golf	5,808,633	6,176,184	367,551
Motor sports	1,225,131	1,214,176	(10,955)
Spectator facilities	9,321,956	7,765,174	(1,556,782)
<b>Total expenses</b>	<u>252,143,323</u>	<u>230,312,445</u>	<u>(21,830,878)</u>
Revenues over (under) expenses	39,457,659	71,505,925	32,048,266
Transfers	(1,821,223)	(3,827,236)	(5,648,459)
Change in net assets	<u>37,636,436</u>	<u>67,678,689</u>	<u>30,042,253</u>
<b>Net assets -- beginning</b>	<u>1,058,935,871</u>	<u>1,096,572,307</u>	<u>37,636,436</u>
<b>Net assets -- ending</b>	<u>\$ 1,096,572,307</u>	<u>\$ 1,164,250,996</u>	<u>\$ 67,678,689</u>



Management's Discussion and Analysis, Continued

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

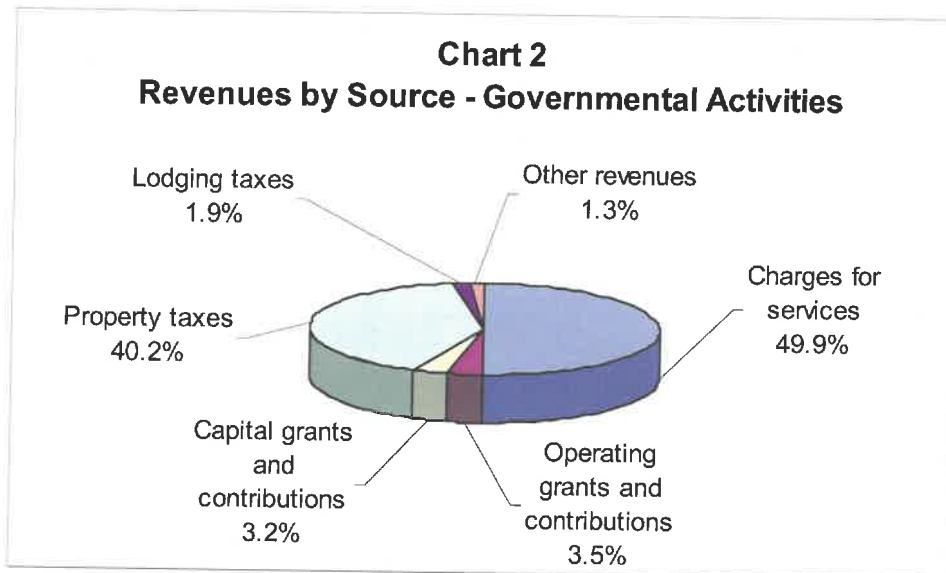
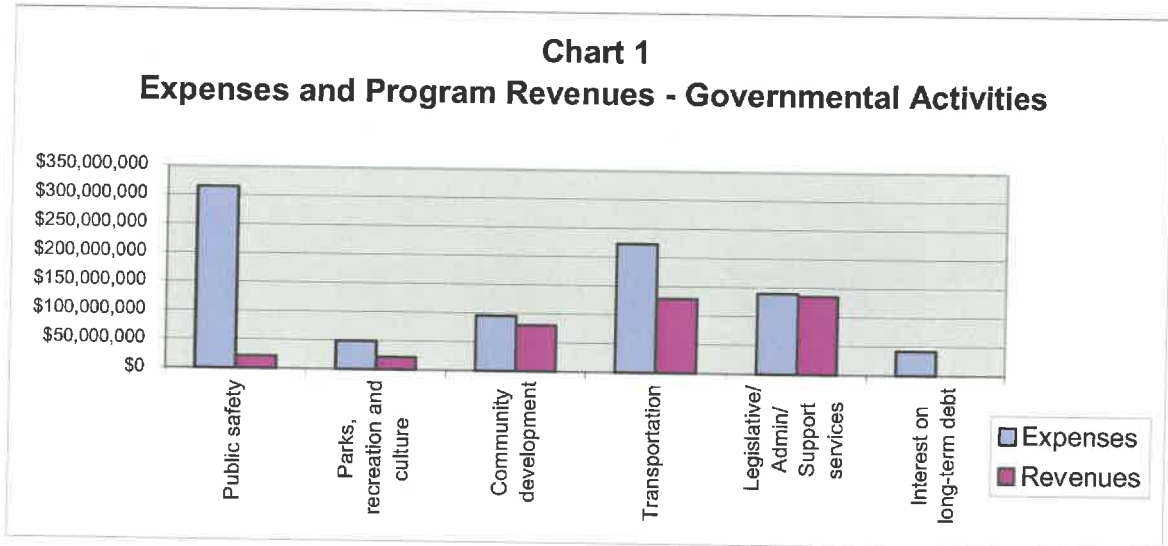
	Total Net Assets		
	FY 2001-02	FY 2002-03	Change
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 597,847,507	\$ 624,949,390	\$ 27,101,883
Operating grants and contributions	28,349,068	25,604,139	(2,744,929)
Capital grants and contributions	26,729,711	34,462,020	7,732,309
<i>General revenues:</i>			
Property taxes	261,205,959	274,757,776	13,551,817
Lodging taxes	12,490,238	12,828,007	337,769
Investment earnings	21,271,475	12,253,950	(9,017,525)
Gain (loss) on sale of capital assets	(1,278,987)	461,710	1,740,697
Loss - sale of property held for resale	-	(701,748)	(701,748)
<b>Total revenues</b>	<u>946,614,971</u>	<u>984,615,244</u>	<u>38,000,273</u>
<b>Expenses</b>			
Public safety	260,264,724	314,634,618	54,369,894
Parks, recreation and culture	49,992,413	49,043,321	(949,092)
Community development	88,823,066	95,315,852	6,492,786
Transportation	215,288,385	223,259,730	7,971,345
Legislative/Admin/Support services	87,831,529	140,187,742	52,356,213
Interest on long-term debt	50,425,689	42,280,402	(8,145,287)
Environmental services	147,421,274	135,883,241	(11,538,033)
Water	75,719,077	67,074,325	(8,644,752)
Hydroelectric power	3,218,424	3,365,244	146,820
Parking	9,428,828	8,834,101	(594,727)
Golf	5,808,633	6,176,184	367,551
Motor sports	1,225,131	1,214,176	(10,955)
Spectator facilities	9,321,956	7,765,174	(1,556,782)
<b>Total expenses</b>	<u>1,004,769,129</u>	<u>1,095,034,110</u>	<u>90,264,981</u>
Revenues over (under) expenses	(58,154,158)	(110,418,866)	(52,264,708)
<b>Net assets -- beginning</b>	2,942,438,352	2,884,284,194	(58,154,158)
Prior period adjustment		(5,939,843)	
<b>Net assets -- beginning, as restated</b>		<u>2,878,344,351</u>	
<b>Net assets -- ending</b>	<u>\$ 2,884,284,194</u>	<u>\$ 2,767,925,485</u>	<u>\$ (116,358,709)</u>

As noted above, the City of Portland's overall net assets decreased by \$116,358,709 during FY2002-03. This decrease is explained in the government and business-type activities discussion below.

**Governmental activities.** Governmental activities decreased the City's net assets by \$184,037,398. The key factor giving rise to this decrease was depreciation expense, which totaled \$150,281,504. Of this amount, the transportation system contributed \$133,650,165 due primarily to infrastructure depreciation expense.

The conversion from modified to full accrual also negatively impacted the net change in governmental activities. Of this negative impact, \$63,291,323 was new bonds issued in excess of current bond retirements.

The following graphs provide a visual representation of the expenses and revenues for governmental activities for FY2002-03.



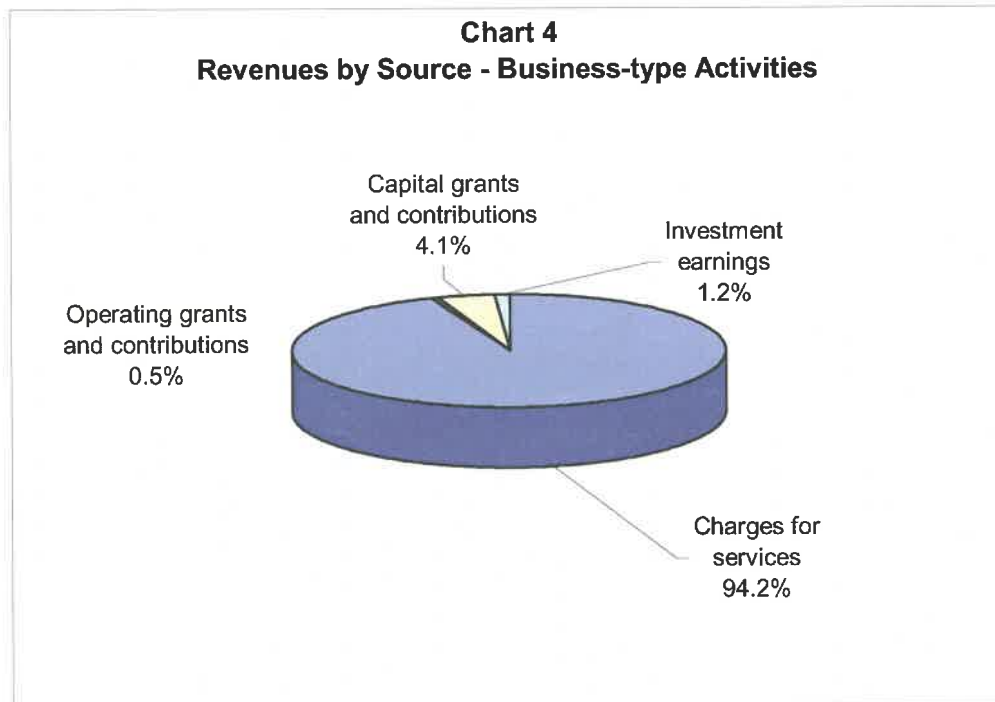
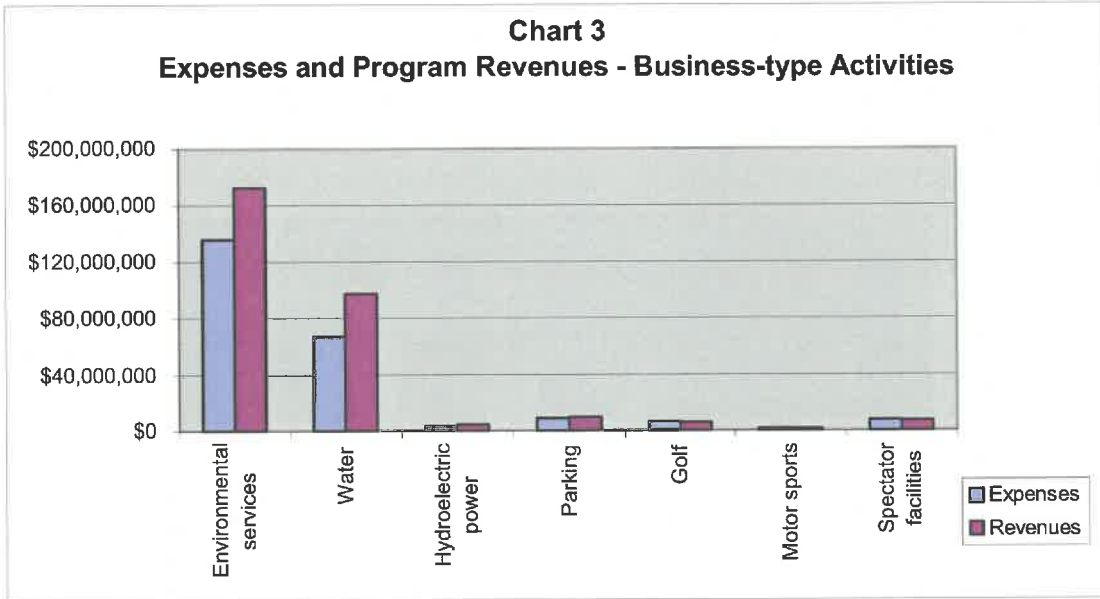
For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

**Business-type activities.** Business-type activities increased the City's net assets by \$67,678,689. The key elements of this increase were charges for services relating to business-type activities, which

Management's Discussion and Analysis, Continued

increased \$5,528,622 due to rate increases, which were offset by reduced water demand in FY2002-03 and reductions in water and sewer expenses totaling \$20,182,785.

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 of Portland'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 \$148,336,535, an increase of \$7,598,279. Of the combined ending fund balances, \$101,467,221 or 68.4 percent constitutes *unreserved fund balance*, which is available for spending at the government's discretion, subject to Council approval policies, in the appropriate fund type. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) as parks endowments \$154,059, 2) for petty cash purposes \$72,245, 3) as inventory used mainly for repair and maintenance of the City's transportation system \$1,815,202, 4) as property held for resale \$1,510,000, and 5) to pay for future debt service payments \$43,317,808.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *unreserved fund balance* of the General Fund was \$57,280,147, while *total fund balance* reached \$57,643,938. The primary difference between unreserved fund balance and total fund balance is a reserve for inventories.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance and total fund balance each represent almost 15.7 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$5,840,798 during FY2002-03. Key factors in this growth are as follows:

- Property tax revenue increased by \$10,637,781 or 5.2 percent. This increase was primarily caused by a 2.4 percent growth in existing assessed value, along with new construction activity.
- Business license fees decreased \$6,568,529 or 14.3 percent. This decrease was primarily due to a change in the City's method of recognizing business license revenues and a related prior period adjustment to conform with GAAP requirements.

See pages 97-119 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.

Unrestricted net assets of the Sewage Disposal Fund and the Water Fund at the end of the year amounted to \$54,986,289 and \$27,335,470, respectively. The total growth in net assets for the Sewage Disposal Fund and the Water Fund was \$37,391,649 and \$30,899,212, respectively.

The unrestricted net assets for other enterprise funds totaled \$20,174,827, while the change in net assets for other enterprise funds equaled (\$612,172). 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 \$2,992,401 and can be briefly summarized as follows:

- \$5,867,457 increase in personal services. This budgetary increase resulted primarily from the City's Budget Monitoring Process (BMP) and included \$4.7 million for additional Police Bureau grants and \$1 million to fund employee cost of living adjustments and additional staff for the Parks Bureau.
- \$9,621,000 increase in materials and services. This budgetary increase resulted primarily from the City's BMP and included 1) \$2.1 million for business license refunds, costs associated with the proposed purchase of Portland General Electric and other encumbrances 2) \$652,027 in carry over for the Fire Bureau primarily for the Metropolitan Medical Response Systems grant 3) \$661,009 in carryover for the Parks Bureau for additional services from other bureaus, and 4) \$453,034 in carryover for the Planning Bureau for additional services from other bureaus and 5) \$4.3 million in carryover and grants for Bureau of Housing and Community Development.
- \$1,365,966 increase in capital outlay. This budgetary increase resulted primarily from \$675,000 in carryover for equipment for the Bureau of Fire, Rescue and Emergency Services and \$250,000 for yearend expenditures for the Police Bureau vehicles.
- \$3,512,433 decrease in general operating contingencies. This budgetary decrease resulted primarily from the City's BMP and included an adjustment for 1) \$1,428,156 encumbrance carryover, 2) \$2.0 million in bureau revenue adjustments.
- \$10,349,589 decrease in debt service. This budgetary decrease resulted from the decision not to issue Tax Anticipation Notes for FY2002-03.

Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. During FY2002-03, City revenues exceeded budgetary estimates and expenditures by \$10,564,355, thus eliminating the need to draw upon existing fund balance. Major factors attributing to this favorable net change are as follows:

- Discretionary revenues came in \$2.4 million over budget and bureau program revenues exceeded budgeted amounts by \$1.8 million.
- The Bureau of Police had lower expenses than anticipated resulting in a favorable budgetary balance of \$7,202,601. This was primarily due to unfilled staff vacancies during FY2002-03.
- General operating contingencies were less than anticipated by \$1,682,248.

## 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, 2003, amounts to \$4,691,318,810 (net of accumulated depreciation). This investment in capital assets includes land, plant, buildings and improvements, machinery and equipment, infrastructure, capitalized leases, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$45,834,109 or 1.0 percent (a 3.0 percent decrease for governmental activities and a 6.6 percent increase for business-type activities).

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

- Governmental infrastructure grew \$47,372,945 but this growth was overshadowed by its increase of \$133,650,162 in accumulated depreciation. The increase in governmental infrastructure was

Management's Discussion and Analysis, Continued

primarily due to Transportation infrastructure, which increased \$46,945,945, with \$16,877,645 (36.0 percent) of this amount being provided by developers in the form of non-cash transactions.

- Business-type activities infrastructure increased \$156,270,427. Sewer projects accounted for \$127,726,826 of this total with major projects at the Columbia Blvd. Waste Treatment Plant, Columbia Slough and Tanner Creek.

The following table provides comparative information on the City's capital assets for FY2001-02 and FY2002-03.

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

<b>Governmental Activities</b>			
<b>Asset Category</b>	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>Change</b>
Land	\$ 58,395,228	\$ 59,884,943	\$ 1,489,715
Plant, buildings and improvements	323,143,103	340,951,165	17,808,062
Equipment	99,274,217	103,262,223	3,988,006
Infrastructure	3,907,472,594	3,954,845,539	47,372,945
Construction in progress	36,579,474	32,529,741	(4,049,733)
Capitalized leases	1,859,477	1,856,552	(2,925)
Accumulated depreciation and amortization	(1,716,836,691)	(1,865,135,786)	(148,299,095)
<b>Total</b>	<b>\$ 2,709,887,402</b>	<b>\$ 2,628,194,377</b>	<b>\$ (81,693,025)</b>

<b>Business-type Activities</b>			
<b>Asset Category</b>	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>Change</b>
Land	\$ 59,240,511	\$ 63,026,087	\$ 3,785,576
Plant, buildings and improvements	227,952,712	235,197,276	7,244,564
Equipment	38,968,135	40,481,962	1,513,827
Infrastructure	1,747,894,851	1,904,165,278	156,270,427
Construction in progress	213,535,539	203,037,160	(10,498,379)
Capitalized leases	7,541,000	7,541,000	-
Accumulated depreciation and amortization	(359,535,449)	(390,324,330)	(30,788,881)
<b>Total</b>	<b>\$ 1,935,597,299</b>	<b>\$ 2,063,124,433</b>	<b>\$ 127,527,134</b>

<b>Total Net Capital Assets</b>			
<b>Asset Category</b>	<b>FY 2001-02</b>	<b>FY 2002-03</b>	<b>Change</b>
Land	\$ 117,635,739	\$ 122,911,030	\$ 5,275,291
Plant, buildings and improvements	551,095,815	576,148,441	25,052,626
Equipment	138,242,352	143,744,185	5,501,833
Infrastructure	5,655,367,445	5,859,010,817	203,643,372
Construction in progress	250,115,013	235,566,901	(14,548,112)
Capitalized leases	9,400,477	9,397,552	(2,925)
Accumulated depreciation and amortization	(2,076,372,140)	(2,255,460,116)	(179,087,976)
<b>Total</b>	<b>\$ 4,645,484,701</b>	<b>\$ 4,691,318,810</b>	<b>\$ 45,834,109</b>

Additional information on the City of Portland's capital assets can be found in note III.D. on pages 63-65 of this report. See additional capital lease details in note III.F. on pages 67-68.

**B. Debt administration**

As of June 30, 2003, the City had total bonded debt outstanding of \$2,076,475,800. Unamortized premiums and discounts for governmental activities net to \$5,947,667, while premiums and discounts for business-type activities net to (\$4,380,638). Of the total bonded debt outstanding, \$76,706,606 is general obligation debt, which is backed by the full faith and credit and unlimited taxing power of the City. 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 \$626,997,247 of limited tax revenue bonds outstanding, an increase of \$30,051,015 over FY2001-02. 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. New bonds issued during FY2003 will be used primarily to provide funding for local schools and to upgrade facilities in the Portland Building and the Justice Center. While these bonds are secured by the full faith and credit of the City, their source of repayment is frequently derived from specific revenue sources.

An additional \$285,060,000 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 amount is an increase of \$28,425,629 over FY2001-02. New bonds issued during FY2002-03 will be used primarily to finance capital projects in the River District.

The City had approximately \$29,650,000 of outstanding special assessment bonds as of June 30, 2003, an increase of \$18,150,000 over FY2001-02. New bonds issued during FY2002-03 will be used to finance local improvements and will be repaid from assessment payments from property owners who benefit from local improvements projects.

The remainder of the City's debt is the revenue bonds, totaling \$1,058,061,947, an increase of \$169,113,333 over FY2001-02, which represents bonds secured solely by specified revenue sources, such as water, sewer, parking, golf and gas tax revenues. New bonds issued during FY2002-03 will be used to fund capital improvements to the City's sewer system, primarily projects related to the combined sewer overflow program.

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



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

**Governmental Activities**

	FY 2001-02	FY 2002-03	Change
General obligation bonds	\$ 68,840,000	\$ 65,290,000	\$ (3,550,000)
Special assessment	11,500,000	29,650,000	18,150,000
Urban renewal bonds	256,634,371	285,060,000	28,425,629
Limited tax revenue bonds	444,195,215	476,586,230	32,391,015
Revenue bonds	12,440,512	12,060,512	(380,000)
<b>Total</b>	<b>\$ 793,610,098</b>	<b>\$ 868,646,742</b>	<b>\$ 75,036,644</b>

**Business-type Activities**

	FY 2001-02	FY 2002-03	Change
General obligation bonds	\$ 30,103,780	\$ 11,416,606	\$ (18,687,174)
Limited tax revenue bonds	152,751,017	150,411,017	(2,340,000)
Revenue bonds	876,508,102	1,046,001,435	169,493,333
<b>Total</b>	<b>\$ 1,059,362,899</b>	<b>\$ 1,207,829,058</b>	<b>\$ 148,466,159</b>

**Total Outstanding Debt**

	FY 2001-02	FY 2002-03	Change
General obligation bonds	\$ 98,943,780	\$ 76,706,606	\$ (22,237,174)
Special assessment	11,500,000	29,650,000	18,150,000
Urban renewal bonds	256,634,371	285,060,000	28,425,629
Limited tax revenue bonds	596,946,232	626,997,247	30,051,015
Revenue bonds	888,948,614	1,058,061,947	169,113,333
<b>Total</b>	<b>\$ 1,852,972,997</b>	<b>\$ 2,076,475,800</b>	<b>\$ 223,502,803</b>

The City's total debt increased by \$223,502,803 (12.1 percent) during the FY2002-03. Debt for governmental activities increased by \$75,036,644, while debt for business-type activities increased by \$148,466,159. The primary reason for the increase in debt related to governmental activities was new urban renewal and limited tax revenue bond issues while the primary reason for the increase in debt relating to business-type activities was new revenue bond issues.

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 FY2002-03 real market value, this debt limitation is \$1,579,881,030. The amount of outstanding City debt subject to this limitation is \$65,290,000.
- **Debt ratings.** The City's unlimited tax general obligation debt is rated "Aaa" by Moody's Investors Service. This rating was confirmed in September of 2002. The various credit ratings of City debt, which are unchanged from the prior year, are listed below (rating shown is from Moody's Investors Service unless indicated otherwise):

Management's Discussion and Analysis, Continued

Type of Debt	Rating
Unlimited Tax G.O. Bonds	Aaa
Water Revenue Bonds	Aa1
Limited Tax Revenue Bonds	Aa2
Limited Tax Pension Obligation Revenue Bonds	Aa2
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
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
Hydroelectric Revenue Bonds (PGE)	Baa2 / BBB+ (S&P)

**Debt Ratios.** The City's debt ratios, as of June 30, 2003, are shown below:

	Amount	Per Capita	Percent of Real Market Valuation
Population, July 1, 2002	\$ 538,180	\$ -	-
2002-03 Real Market Value	52,662,700,989	97,853	-
2002-03 Assessed Value	34,138,333,652	63,433	-
Gross Bonded Debt (1)	780,817,704	1,451	1.48%
Net Direct Debt	65,290,000	121	0.12%
Overlapping Debt	545,969,716	1,014	1.04%
Net Direct and Overlapping Debt	611,259,716	1,135	1.16%

(1) Includes City's outstanding general obligation bonds, full faith and credit obligations, limited tax revenue bonds and limited tax improvement bonds.

Additional information on the City of Portland's long-term debt can be found in note III.G. on pages 69-79 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Portland continues to deal with effects of the national and regional recession and the passage of Measure 50 in the spring of 1997.

Measure 50 was the most recent tax limitation measure. It established a permanent tax rate of \$4.577 per \$1,000 of assessed value. Growth in existing assessed value is limited to a maximum of three percent per year plus new construction assessed value. In FY2002-03 the City realized growth of existing assessed value of 2.4 percent.

Regional impacts of the national recession have resulted in a significant reduction in revenues of the City. Specifically, business license and transient lodging taxes have been severely affected. Business license revenues were down \$6,568,529 during FY2002-03, while transient lodging taxes showed only a small increase of \$281,474, lagging behind prior year receipts. These revenue sources represent 6 percent of the discretionary General Fund resources.

The City began FY2003-04 by reducing the General Fund discretionary budget by \$7.6 million to close the gap between lowered resource estimates and increasing expenditure estimates.

The City began to address anticipated budget challenges for FY2003-04 in December 2002. Bureaus were directed to reduce expenditures throughout the FY2002-03 fiscal year. Council took several approaches to balancing the General Fund budget for FY2003-04. Bureaus were initially allocated a 1.6 percent CPI increase. From this base a set of reduction packages was constructed. City bureaus submitted reduction packages reducing on-going General Fund Discretionary spending by \$5.7 million or 2.2 percent in early February.

Highlights of specific decisions and initiatives in the FY2003-04 budget are listed below:

- Public Safety reductions were limited to 2.2 percent, or \$4.5 million.
- Parks, Recreation and Culture reductions were limited to 4.7 percent, or \$1.5 million.
- General Fund support for transportation included \$4.8 million for street light operations and maintenance, a reduction of \$1.2 million over the prior year.
- Council temporarily capped the capital set-aside for FY2003-04 at \$3.2 million.
- Council allocated \$1.0 million in General Fund support for planning efforts along the Willamette River and support for the Endangered Species Act listings. An additional \$481,000 was allocated to support six projects tied to the River Renaissance efforts. These funds will leverage funds provided by Environmental Services, Water Bureau, private sources, state and federal funds.
- A \$20 million commitment of City funds will support the New Colombia, HOPE VI project.
- Council will continue to support economic development through the allocation of \$900,000 in General Fund support to leverage PDC funds for jobs and economic development programs.

## 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

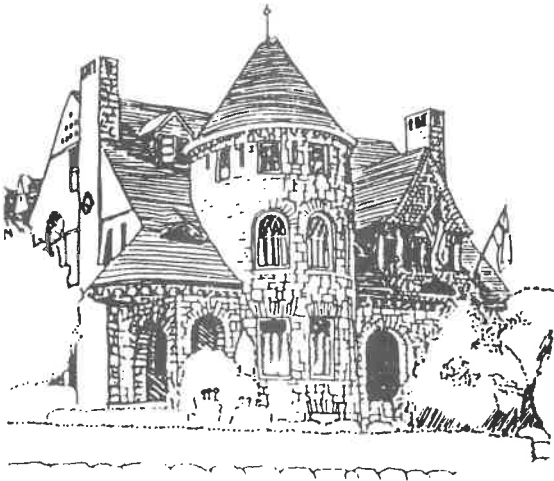
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E.K. Haseltine Residence, 1880

# Government-wide Financial Statements

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K.A.J. Mackenzie Residence, 1892



WW II MEMORIAL TO THE 2ND OREGON INFANTRY

**City of Portland, Oregon**  
**Statement of Net Assets**  
**June 30, 2003**

	Primary Government			Component Unit
	Governmental	Business-type	Total	Portland Development Commission
	Activities	Activities		
<b>ASSETS</b>				
Current assets (unrestricted):				
Cash and investments	\$ 250,062,002	\$ 275,741,208	\$ 525,803,210	\$ 149,620,778
Receivables:				
Taxes	18,585,353	-	18,585,353	-
Accounts, net	17,178,608	24,367,923	41,546,531	3,480,164
Assessments	45,172,906	2,869,278	48,042,184	-
Loans, net	-	-	-	8,537,748
Contracts and mortgages	-	546,414	546,414	-
Grants	11,279,033	-	11,279,033	-
Advances	334,750	101,995	436,745	-
Accrued interest	749,090	467,007	1,216,097	259,044
Due from primary government	-	-	-	1,348,624
Due from component unit	20,321,845	-	20,321,845	-
Internal balances	(2,005,935)	2,005,935	-	-
Internal loans receivable	-	86,231	86,231	-
Inventories	2,439,624	2,340,297	4,779,921	-
Property held for resale	1,510,000	-	1,510,000	64,189,009
Other assets	141,240	56,710	197,950	-
Current assets (restricted):				
Cash and investments	-	13,270,840	13,270,840	-
Receivables:				
Accrued interest	-	23,675	23,675	-
Total current assets	<u>365,768,516</u>	<u>321,877,513</u>	<u>687,646,029</u>	<u>227,435,367</u>
Noncurrent assets:				
Capital assets:				
Land	59,884,943	63,026,087	122,911,030	9,129,868
Plant, buildings and improvements	340,951,165	235,197,276	576,148,441	3,070,756
Machinery and equipment	103,262,223	40,481,962	143,744,185	1,862,708
Infrastructure	3,954,845,539	1,904,165,278	5,859,010,817	-
Construction in progress	32,529,741	203,037,160	235,566,901	-
Capitalized leases	1,856,552	7,541,000	9,397,552	-
Accumulated depreciation and amortization	<u>(1,865,135,786)</u>	<u>(390,324,330)</u>	<u>(2,255,460,116)</u>	<u>(1,984,798)</u>
Net capital assets	2,628,194,377	2,063,124,433	4,691,318,810	12,078,534
Receivables:				
Loans, net	-	-	-	46,195,865
Prepaid expense	163,070,529	63,577,005	226,647,534	-
Water rights	-	63,800	63,800	-
Noncurrent assets (restricted):				
Cash and investments	-	-	-	410,304
Private Lender Program security deposits	-	-	-	56,064
Total noncurrent assets	<u>2,791,264,906</u>	<u>2,126,765,238</u>	<u>4,918,030,144</u>	<u>58,740,767</u>
Total assets	<u>3,157,033,422</u>	<u>2,448,642,751</u>	<u>5,605,676,173</u>	<u>286,176,134</u>
<b>LIABILITIES</b>				
Current liabilities (payable from unrestricted assets):				
Accounts payable	18,414,983	22,381,145	40,796,128	4,438,389
Self-insurance claims	10,561,386	-	10,561,386	-
Internal loans payable	86,231	-	86,231	-
Compensated absences	25,944,217	4,291,252	30,235,469	-
Bonds payable	50,139,508	35,858,540	85,998,048	-
Notes and mortgages payable	53,531	25,024,700	25,078,231	1,354,481
Capital leases payable	316,360	691,491	1,007,851	-
Accrued interest payable	2,985,281	10,013,826	12,999,105	-
Unearned revenue	32,823,810	1,173,261	33,997,071	-
Due to component unit	1,348,624	-	1,348,624	-
Due to primary government	-	-	-	20,321,845
Other liabilities	5,143,093	6,874,475	12,017,568	1,454,667
Current liabilities (payable from restricted assets):				
Bonds payable	-	1,855,000	1,855,000	-
Accrued interest payable	-	479,695	479,695	-
Noncurrent liabilities:				
Compensated absences	16,527,175	585,171	17,112,346	-
Bonds payable	824,454,901	1,165,734,880	1,990,189,781	-
Notes and mortgages payable	20,411,559	554,504	20,966,063	8,207,340
Capital leases payable	1,007,685	2,163,002	3,170,687	-
Accrued interest payable	10,675,417	4,742,863	15,418,282	-
Net pension obligation – pension trust fund	512,270,991	-	512,270,991	-
Self-insurance claims	14,878,944	-	14,878,944	-
Prepaid sewer assessment	-	142,950	142,950	-
Other liabilities	5,315,237	1,825,000	7,140,237	-
Total liabilities	<u>1,553,358,933</u>	<u>1,284,391,755</u>	<u>2,837,750,688</u>	<u>35,776,722</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,309,821,737	1,051,237,590	3,361,059,327	12,078,534
Restricted for:				
Public safety	1,588,401	-	1,588,401	-
Capital projects	2,305,809	-	2,305,809	220,989,051
Debt service	41,867,521	10,516,820	52,384,341	-
Parks endowments	-	-	-	-
Nonexpendable	154,059	-	154,059	-
Unrestricted	<u>(752,063,038)</u>	<u>102,496,586</u>	<u>(649,566,452)</u>	<u>17,331,827</u>
Total net assets	<u>\$ 1,603,674,489</u>	<u>\$ 1,164,250,996</u>	<u>\$ 2,767,925,485</u>	<u>\$ 250,399,412</u>

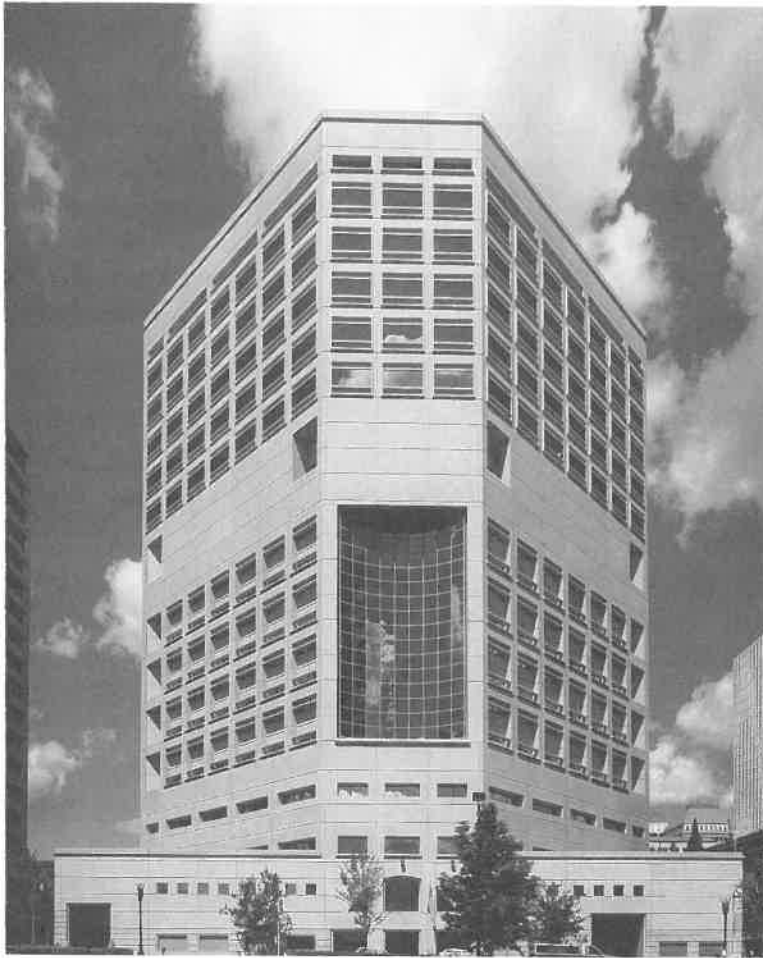
The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon  
Statement of Activities  
For the Year Ended June 30, 2003

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Portland Development Commission
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
Public safety	\$ 314,634,618	\$ 16,333,077	\$ 4,892,093	\$ -	\$ (293,409,448)	\$ -	\$ (293,409,448)	\$ -
Parks, recreation and culture	49,043,321	16,777,565	1,166,742	2,648,473	(28,450,541)	-	(28,450,541)	-
Community development	95,315,852	63,829,252	16,080,785	-	(15,405,815)	-	(15,405,815)	-
Transportation	223,259,730	108,277,452	1,689,784	19,364,308	(93,928,186)	-	(93,928,186)	-
Legislative/ Admin/ Support services	140,187,742	135,462,360	195,137	-	(4,530,245)	-	(4,530,245)	-
Interest on long-term debt	42,280,402	-	-	-	(42,280,402)	-	(42,280,402)	-
Total governmental activities	864,721,665	340,679,706	24,024,541	22,012,781	(478,004,637)	-	(478,004,637)	-
Business-type activities:								
Environmental services	135,883,241	168,624,493	945,282	2,611,764	-	36,298,298	36,298,298	-
Water	67,074,325	86,695,443	634,316	9,837,475	-	30,092,909	30,092,909	-
Hydroelectric power	3,365,244	4,541,628	-	-	-	1,176,384	1,176,384	-
Parking	8,834,101	9,615,447	-	-	-	781,346	781,346	-
Golf	6,176,184	5,960,115	-	-	-	(216,069)	(216,069)	-
Motor sports	1,214,176	1,391,478	-	-	-	177,302	177,302	-
Spectator facilities	7,765,174	7,441,080	-	-	-	(324,094)	(324,094)	-
Total business-type activities:	230,312,445	284,269,684	1,579,598	12,449,239	-	67,986,076	67,986,076	-
Total primary government	\$ 1,095,034,110	\$ 624,949,390	\$ 25,604,139	\$ 34,462,020	(478,004,637)	67,986,076	(410,018,561)	-
<b>Component unit:</b>								
Portland Development Commission	\$ 71,118,799	\$ 8,028,355	\$ 4,698,443	\$ -	-	-	-	(58,392,001)
General revenues:								
Property taxes					274,757,776	-	274,757,776	-
Lodging taxes					12,828,007	-	12,828,007	-
Payments from the City					-	-	-	64,390,903
Investment earnings					8,778,862	3,475,088	12,253,950	2,597,943
Gain (loss) on sale of capital assets					416,949	44,761	461,710	-
Gain (loss) on sale of property held for resale					(701,748)	-	(701,748)	3,327,676
Transfers					3,827,236	(3,827,236)	-	-
Total general revenues and transfers					299,907,082	(307,387)	299,599,695	70,316,522
Change in net assets					(178,097,555)	67,678,689	(110,418,866)	11,924,521
Net assets -- beginning					1,787,711,887	1,096,572,307	2,884,284,194	243,576,177
Prior period adjustment					(5,939,843)	-	(5,939,843)	(5,101,286)
Net assets -- beginning, as restated					1,781,772,044	1,096,572,307	2,878,344,351	238,474,891
Net assets -- ending					\$ 1,603,674,489	\$ 1,164,250,996	\$ 2,767,925,485	\$ 250,399,412

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

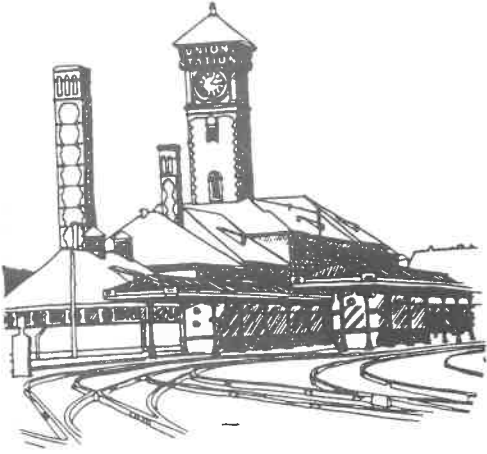




**JUSTICE CENTER**

# Fund Financial Statements

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Union Station, 1890



BRASS ANIMALS IN BUS MALL

**City of Portland, Oregon  
Balance Sheet  
Governmental Funds  
June 30, 2003**

	General	Transportation Operating	Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 69,530,390	\$ 11,151,895	\$ 69,982,936	\$ 150,665,221
Receivables:				
Taxes	14,701,927	1,891	3,881,535	18,585,353
Accounts	3,335,418	12,157,725	904,251	16,397,394
Assessments	1,000	601,728	44,570,178	45,172,906
Grants	-	-	11,279,033	11,279,033
Advances	330,948	-	3,802	334,750
Accrued interest	230,085	37,040	248,113	515,238
Due from other funds	3,458,126	3,023,199	20,792,449	27,273,774
Inventories	318,946	1,496,256	-	1,815,202
Property held for resale	-	-	1,510,000	1,510,000
	<u>\$ 91,906,840</u>	<u>\$ 28,469,734</u>	<u>\$ 153,172,297</u>	<u>\$ 273,548,871</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,611,240	\$ 5,499,435	\$ 2,093,576	\$ 13,204,251
Due to other funds	5,135,831	-	10,293,377	15,429,208
Matured interest payable	-	-	15,427	15,427
Internal loans payable	-	-	86,231	86,231
Notes and mortgages payable	-	-	718,733	718,733
Deferred revenue	18,200,593	2,017,023	69,776,406	89,994,022
Other liabilities	5,315,238	144,053	305,173	5,764,464
	<u>34,262,902</u>	<u>7,660,511</u>	<u>83,288,923</u>	<u>125,212,336</u>
<b>Fund Balances (deficits):</b>				
<b>Reserved for:</b>				
Petty cash	44,845	21,000	6,400	72,245
Inventories	318,946	1,496,256	-	1,815,202
Property held for resale	-	-	1,510,000	1,510,000
Debt service	-	-	43,317,808	43,317,808
Parks endowments	-	-	154,059	154,059
<b>Unreserved, reported in:</b>				
Major funds	57,280,147	19,291,967	-	76,572,114
Special revenue funds	-	-	15,733,772	15,733,772
Capital projects funds	-	-	9,161,335	9,161,335
	<u>57,643,938</u>	<u>20,809,223</u>	<u>69,883,374</u>	<u>148,336,535</u>
<b>Total fund balances</b>	<u>57,643,938</u>	<u>20,809,223</u>	<u>69,883,374</u>	<u>148,336,535</u>
<b>Total liabilities and fund balances</b>	<u>\$ 91,906,840</u>	<u>\$ 28,469,734</u>	<u>\$ 153,172,297</u>	<u>\$ 273,548,871</u>

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, 2003**

<b>Fund balances - total governmental funds</b>	<b>\$</b>	<b>148,336,535</b>
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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.		2,474,622,947
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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.		205,664,628
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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.		139,223,158
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Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds.		(777,335,993)
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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.)		(512,270,991)
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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, notes and loans payable, capitalized leases, and accrued interest		<u>(74,565,795)</u>
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<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u>1,603,674,489</u></b>
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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, 2003**

	<u>General</u>	<u>Transportation Operating</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 216,805,306	\$ 300	\$ 58,448,080	\$ 275,253,686
Lodging	10,690,005	-	2,138,002	12,828,007
Licenses and fees	98,317,689	882,050	24,326,665	123,526,404
Concessions	-	-	54,354	54,354
Intergovernmental	19,143,029	49,033,432	27,535,718	95,712,179
Charges for services	44,317,513	54,407,993	15,699,869	114,425,375
Miscellaneous service charges	2,762,806	1,120,406	8,117,482	12,000,694
Loan collections	28,415	-	6,450,488	6,478,903
Investment earnings	1,647,874	280,978	4,737,199	6,666,051
Assessments	-	907,899	11,868,849	12,776,748
Other miscellaneous	454,347	101,478	-	555,825
<b>Total revenues</b>	<b>394,166,984</b>	<b>106,734,536</b>	<b>159,376,706</b>	<b>660,278,226</b>
<b>EXPENDITURES</b>				
Public safety	248,944,521	-	14,049,465	262,993,986
Parks, recreation and culture	44,761,687	-	1,938,311	46,699,998
Community development	26,258,778	-	71,818,962	98,077,740
Transportation	-	89,673,943	-	89,673,943
Legislative/ Admin/ Support services	42,707,237	-	88,591,351	131,298,588
Capital outlay	1,115,473	26,786,064	13,755,016	41,656,553
Debt Service:				
Principal	-	-	77,882,862	77,882,862
Interest	-	-	38,412,139	38,412,139
<b>Total expenditures</b>	<b>363,787,696</b>	<b>116,460,007</b>	<b>306,448,106</b>	<b>786,695,809</b>
Revenues over (under) expenditures	<u>30,379,288</u>	<u>(9,725,471)</u>	<u>(147,071,400)</u>	<u>(126,417,583)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	11,678,698	12,929,387	30,976,766	55,584,851
Transfers out	(30,246,465)	(2,009,242)	(23,782,061)	(56,037,768)
Proceeds from sale of capital assets	-	-	216,573	216,573
Proceeds from sale of property held for resale	-	-	6,408,252	6,408,252
Other miscellaneous	-	-	(7,110,000)	(7,110,000)
Bonds and notes issued	-	798,620	197,622,394	198,421,014
Bond and note premium	-	-	4,639,809	4,639,809
Payments to refunded bond escrow agent	-	-	(62,134,933)	(62,134,933)
<b>Total other financing sources and uses</b>	<b>(18,567,767)</b>	<b>11,718,765</b>	<b>146,836,800</b>	<b>139,987,798</b>
<b>Net change in fund balances</b>	<b>11,811,521</b>	<b>1,993,294</b>	<b>(234,600)</b>	<b>13,570,215</b>
Fund balances – beginning	51,803,140	18,817,142	70,117,974	140,738,256
Prior period adjustment	(5,939,843)	-	-	(5,939,843)
Fund balances – beginning, as restated	45,863,297	18,817,142	70,117,974	134,798,413
Change in inventory	(30,880)	(1,213)	-	(32,093)
<b>Fund balances – ending</b>	<b>\$ 57,643,938</b>	<b>\$ 20,809,223</b>	<b>\$ 69,883,374</b>	<b>\$ 148,336,535</b>

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, 2003**

<b>Net change in fund balances-total governmental funds</b>	<b>\$</b>	<b>13,570,215</b>
 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.		61,152,159
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.)		(141,452,972)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		128,252
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.		(63,291,318)
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		999,105
Accrual of net pension liability which is not reported as an expenditure in governmental funds		(47,131,496)
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.		(2,039,407)
Change in inventory is included in expenses in Statement of Activities.		<u>(32,093)</u>
<b>Net change in net assets - governmental activities</b>	<b>\$</b>	<b><u><u>(178,097,555)</u></u></b>

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

City of Portland, Oregon  
Statement of Net Assets  
Proprietary Funds  
June 30, 2003

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Funds
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Other Funds</u>	<u>Total</u>	
<b>ASSETS</b>					
<b>Current assets (unrestricted):</b>					
Cash and investments	\$ 214,157,395	\$ 38,768,563	\$ 22,815,250	\$ 275,741,208	\$ 99,396,781
Receivables:					
Accounts, net	15,103,420	8,525,535	738,968	24,367,923	781,214
Assessments	2,869,278	-	-	2,869,278	-
Contracts and mortgages	-	-	546,414	546,414	-
Advances	-	-	101,995	101,995	-
Accrued interest	294,644	114,547	57,816	467,007	233,852
Due from other funds	7,599,405	766,122	18,000	8,383,527	507,732
Internal loans	-	86,231	-	86,231	-
Inventories	956,818	1,383,479	-	2,340,297	624,422
Other assets	10,946	-	45,764	56,710	141,240
<b>Total current assets (unrestricted)</b>	<b>240,991,906</b>	<b>49,644,477</b>	<b>24,324,207</b>	<b>314,960,590</b>	<b>101,685,241</b>
<b>Current assets (restricted):</b>					
Cash and investments	-	-	13,270,840	13,270,840	-
Receivables:					
Accrued interest	-	-	23,675	23,675	-
<b>Total current assets (restricted)</b>	<b>-</b>	<b>-</b>	<b>13,294,515</b>	<b>13,294,515</b>	<b>-</b>
<b>Total current assets</b>	<b>240,991,906</b>	<b>49,644,477</b>	<b>37,618,722</b>	<b>328,255,105</b>	<b>101,685,241</b>
<b>Noncurrent assets:</b>					
<b>Capital assets:</b>					
Land	31,539,383	14,336,916	17,149,788	63,026,087	4,896,479
Plant, buildings and improvements	15,357,685	17,989,227	201,850,364	235,197,276	145,730,512
Machinery and equipment	16,885,900	19,425,848	4,170,214	40,481,962	68,393,211
Infrastructure	1,374,329,228	529,836,050	-	1,904,165,278	-
Construction in progress	183,802,697	18,333,714	900,749	203,037,160	-
Capitalized lease	3,836,353	3,134,128	570,519	7,541,000	81,182
Accumulated depreciation and amortization	(141,335,656)	(193,589,087)	(55,399,587)	(390,324,330)	(65,529,954)
<b>Capital assets net of accumulated depreciation and amortization</b>	<b>1,484,415,590</b>	<b>409,466,796</b>	<b>169,242,047</b>	<b>2,063,124,433</b>	<b>153,571,430</b>
Assessments receivable	-	-	-	-	-
Prepaid expense	29,697,082	30,843,641	3,036,282	63,577,005	14,742,058
Water rights	-	63,800	-	63,800	-
<b>Total noncurrent assets</b>	<b>1,514,112,672</b>	<b>440,374,237</b>	<b>172,278,329</b>	<b>2,126,765,238</b>	<b>168,313,488</b>
<b>Total assets</b>	<b>1,755,104,578</b>	<b>490,018,714</b>	<b>209,897,051</b>	<b>2,455,020,343</b>	<b>269,998,729</b>

Continued next page



**City of Portland, Oregon  
Statement of Net Assets  
Proprietary Funds, Continued  
June 30, 2003**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Other Funds</u>	<u>Total</u>	
<b>LIABILITIES</b>					
<b>Current liabilities (payable from unrestricted assets):</b>					
Accounts payable	18,570,494	2,834,102	976,549	22,381,145	5,210,732
Due to other funds	-	6,377,592	-	6,377,592	-
Compensated absences - current	2,048,004	2,008,459	234,789	4,291,252	902,219
Self-insurance claims - current	-	-	-	-	10,561,386
Notes payable - current	24,700	25,000,000	-	25,024,700	-
Capital leases payable - current	409,957	164,380	117,154	691,491	26,596
Deferred revenue	-	1,173,261	-	1,173,261	165,945
General obligation bonds payable - current	-	1,902,207	-	1,902,207	-
Revenue bonds payable - current	25,730,000	3,275,000	4,951,333	33,956,333	8,075,000
Accrued interest payable - current	6,866,069	2,319,243	828,514	10,013,826	814,289
Other liabilities - current	4,009,334	2,743,436	121,705	6,874,475	78,879
<b>Total current liabilities (unrestricted)</b>	<b>57,658,558</b>	<b>47,797,680</b>	<b>7,230,044</b>	<b>112,686,282</b>	<b>25,835,046</b>
<b>Current liabilities (payable from restricted assets):</b>					
Revenue bonds payable - current	-	-	1,855,000	1,855,000	-
Accrued interest payable - current	-	-	479,695	479,695	-
<b>Total current liabilities (restricted)</b>	<b>-</b>	<b>-</b>	<b>2,334,695</b>	<b>2,334,695</b>	<b>-</b>
<b>Noncurrent liabilities:</b>					
Compensated absences	279,273	273,881	32,017	585,171	653,333
General obligation bonds payable	-	9,514,399	-	9,514,399	-
Revenue bonds payable	903,319,080	124,538,552	128,362,849	1,156,220,481	89,183,416
Notes payable	554,504	-	-	554,504	-
Capital leases payable	1,418,055	579,463	165,484	2,163,002	4,674
Self-insurance claims	-	-	-	-	14,878,944
Other liabilities	1,825,000	-	-	1,825,000	-
Prepaid sewer assessment	142,950	-	-	142,950	-
Accrued interest payable	441,924	458,994	3,841,945	4,742,863	220,158
<b>Total noncurrent liabilities</b>	<b>907,980,786</b>	<b>135,365,289</b>	<b>132,402,295</b>	<b>1,175,748,370</b>	<b>104,940,525</b>
<b>Total liabilities</b>	<b>965,639,344</b>	<b>183,162,969</b>	<b>141,967,034</b>	<b>1,290,769,347</b>	<b>130,775,571</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	734,478,945	279,520,275	37,238,370	1,051,237,590	75,911,103
Restricted for debt service	-	-	10,516,820	10,516,820	-
Unrestricted	54,986,289	27,335,470	20,174,827	102,496,586	63,312,055
<b>Total net assets</b>	<b>\$ 789,465,234</b>	<b>\$ 306,855,745</b>	<b>\$ 67,930,017</b>	<b>\$ 1,164,250,996</b>	<b>\$ 139,223,158</b>

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, 2003**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewage Disposal</b>	<b>Water</b>	<b>Other Funds</b>	<b>Total</b>	
<b>Operating revenues:</b>					
Service charges and fees	\$ 159,476,837	\$ 80,146,106	\$ 10,153,014	\$ 249,775,957	\$ 108,747,852
Licenses and permits	503,334	-	1,684,502	2,187,836	-
Rents and reimbursements	108,180	-	6,928,766	7,036,946	1,678,994
Concessions	-	-	393,615	393,615	-
Parking fees	-	-	9,004,706	9,004,706	217,894
Miscellaneous	5,863,835	-	4,631,658	10,495,493	4,308,356
<b>Total operating revenues</b>	<b>165,952,186</b>	<b>80,146,106</b>	<b>32,796,261</b>	<b>278,894,553</b>	<b>114,953,096</b>
<b>Operating expenses:</b>					
Salaries and wages	24,958,065	25,656,765	4,093,759	54,708,589	24,939,964
Operating supplies	2,068,260	2,486,635	844,960	5,399,855	10,517,309
Professional services	33,456,696	11,901,691	9,790,349	55,148,736	20,817,627
Utilities	4,257,473	2,170,909	276,931	6,705,313	2,804,786
Claims	-	-	-	-	31,497,379
Miscellaneous	5,708,242	(773,259)	2,701,242	7,636,225	17,982,050
Utility license fees	11,885,708	3,835,089	-	15,720,797	-
Depreciation and amortization	15,399,382	14,776,762	4,285,505	34,461,649	8,828,532
<b>Total operating expenses</b>	<b>97,733,826</b>	<b>60,054,592</b>	<b>21,992,746</b>	<b>179,781,164</b>	<b>117,387,647</b>
<b>Operating income (loss)</b>	<b>68,218,360</b>	<b>20,091,514</b>	<b>10,803,515</b>	<b>99,113,389</b>	<b>(2,434,551)</b>
<b>Nonoperating revenues (expenses):</b>					
Gain (loss) on sale of capital assets	8,563	50,583	(14,385)	44,761	(190,362)
Investment earnings	1,823,780	913,731	737,577	3,475,088	2,084,396
Interest expense	(35,145,809)	(7,177,743)	(8,544,262)	(50,867,814)	(4,923,486)
Miscellaneous	(125,009)	7,324,301	(114,938)	7,084,354	(558,060)
<b>Total nonoperating revenues (expenses)</b>	<b>(33,438,475)</b>	<b>1,110,872</b>	<b>(7,936,008)</b>	<b>(40,263,611)</b>	<b>(3,587,512)</b>
<b>Income (loss) before contributions and transfers</b>	<b>34,779,885</b>	<b>21,202,386</b>	<b>2,867,507</b>	<b>58,849,778</b>	<b>(6,022,063)</b>
Transfers in	-	-	30,795	30,795	6,588,214
Transfers out	-	-	(3,510,474)	(3,510,474)	(2,655,618)
Capital contributions	2,611,764	9,696,826	-	12,308,590	50,060
<b>Change in net assets</b>	<b>37,391,649</b>	<b>30,899,212</b>	<b>(612,172)</b>	<b>67,678,689</b>	<b>(2,039,407)</b>
<b>Total net assets -- beginning</b>	<b>752,073,585</b>	<b>275,956,533</b>	<b>68,542,189</b>	<b>1,096,572,307</b>	<b>141,262,565</b>
<b>Total net assets -- ending</b>	<b>\$ 789,465,234</b>	<b>\$ 306,855,745</b>	<b>\$ 67,930,017</b>	<b>\$ 1,164,250,996</b>	<b>\$ 139,223,158</b>

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



**PIONEER COURTHOUSE**

City of Portland, Oregon  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended June 30, 2003

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 171,086,729	\$ 74,362,905	\$ 32,484,386	\$ 277,934,020	\$ 10,280,115
Receipts from interfund services provided	8,200,876	8,572,980	892,577	17,666,433	104,742,902
Payments to suppliers	(15,757,991)	(11,035,474)	(8,534,410)	(35,327,875)	(42,257,258)
Payments to employees	(24,923,899)	(25,897,393)	(4,132,172)	(54,953,464)	(24,845,562)
Payments for interfund services used	(26,045,914)	(14,689,844)	(5,339,638)	(46,075,396)	(8,732,154)
Other receipts (payments)	(2,758,662)	(6,514)	-	(2,765,176)	-
Claims paid	-	-	-	-	(30,251,580)
Net cash provided by (used in) operating activities	<u>109,801,139</u>	<u>31,306,660</u>	<u>15,370,743</u>	<u>156,478,542</u>	<u>8,936,463</u>
<b>CASH FLOWS FROM NONCAPITAL</b>					
Miscellaneous revenues (expenses)	999,171	8,491,886	-	9,491,057	-
Operating transfers in	-	-	30,795	30,795	6,588,214
Operating transfers out	-	-	(3,510,474)	(3,510,474)	(2,655,618)
Net cash provided by noncapital financing activities	<u>999,171</u>	<u>8,491,886</u>	<u>(3,479,679)</u>	<u>6,011,378</u>	<u>3,932,596</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of bonds and notes	244,523,745	18,643,946	2,733,333	265,901,024	20,185,000
Premium on bonds and notes issued	-	-	-	-	203,909
Sale of capital assets	37,049	157,983	-	195,032	334,647
Acquisition of capital assets	(124,028,594)	(24,650,588)	(1,151,286)	(149,830,468)	(7,762,624)
Principal paid on bonds, notes and capital leases	(65,455,522)	(21,968,977)	(5,891,508)	(93,316,007)	(28,051,685)
Interest paid on bonds, notes and capital leases	(32,923,575)	(6,748,673)	(7,696,977)	(47,369,225)	(4,688,167)
Net cash provided by (used in) capital related financing activities	<u>22,153,103</u>	<u>(34,566,309)</u>	<u>(12,006,438)</u>	<u>(24,419,644)</u>	<u>(19,778,920)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	1,931,432	941,165	782,955	3,655,552	2,281,397
Net increase (decrease) in cash and cash equivalents	<u>134,884,845</u>	<u>6,173,402</u>	<u>667,581</u>	<u>141,725,828</u>	<u>(4,628,464)</u>
<b>CASH AND CASH EQUIVALENTS, July 1, 2002</b>	<u>79,272,550</u>	<u>32,595,161</u>	<u>35,418,509</u>	<u>147,286,220</u>	<u>104,025,245</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2003</b>	<u>\$ 214,157,395</u>	<u>\$ 38,768,563</u>	<u>\$ 36,086,090</u>	<u>\$ 289,012,048</u>	<u>\$ 99,396,781</u>
<b>Noncash information</b>					
Non-operating prepaid PERS amortization	1,124,180	1,167,583	114,938	2,406,701	558,060
Capital contribution	2,811,764	9,696,826	-	12,308,590	50,060

Continued next page

City of Portland, Oregon  
Proprietary Funds  
Statement of Cash Flows, Continued  
For the Year Ended June 30, 2003

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating income (loss)	\$ 68,218,360	\$ 20,091,514	\$ 10,803,515	\$ 99,113,389	\$ (2,434,551)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization of capital assets	15,399,382	14,776,762	4,285,505	34,461,649	8,828,532
Provision for uncollectible accounts	(1,259,486)	(886,727)	-	(2,146,213)	-
Change in assets and liabilities:					
Accounts and contracts receivable	7,742,176	2,846,846	481,795	11,070,817	92,077
Inventories	(104,670)	(133,422)	-	(238,092)	49,939
Checks and accounts payable	12,424,060	138,192	(126,604)	12,435,648	1,384,899
Accrued compensated absences	34,165	(240,628)	(38,413)	(244,876)	94,404
Due from (to) other funds	5,693,938	(6,247,905)	91,669	(462,298)	(22,157)
Internal loans receivable	-	39,774	-	39,774	-
Other assets	-	-	7,239	7,239	(141,240)
Deferred revenue	-	345,460	-	345,460	-
Accrued claims	-	-	-	-	1,245,799
Other accrued liabilities	1,653,214	576,794	(133,963)	2,096,045	(161,239)
Net cash provided by (used in) operating activities	<u>\$ 109,801,139</u>	<u>\$ 31,306,660</u>	<u>\$ 15,370,743</u>	<u>\$ 156,478,542</u>	<u>\$ 8,936,463</u>

**City of Portland, Oregon**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2003**

	Pension Trust	Agency
<b>ASSETS</b>		
Current assets (unrestricted):		
Cash and investments	\$ 7,243,144	\$ 30,404,883
Receivables:		
Due from other funds	4,614,987	-
Accrued interest	64,455	8,734
Other assets	16,295	-
Capital assets:		
Machinery and equipment	41,046	-
Accumulated depreciation and amortization	(21,286)	-
Prepaid expense	463,175	-
Total assets	12,421,816	\$ 30,413,617
<b>LIABILITIES</b>		
Accounts payable	5,661,134	\$ 9,695,065
Salaries and withholding taxes	-	11,635,461
Accrued interest payable - current	8,132	-
Other liabilities - current	449,361	9,083,091
Revenue bonds payable	526,002	-
Total liabilities	6,644,629	\$ 30,413,617
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	19,760	
Held in trust for pension benefits	5,757,427	
Total net assets	\$ 5,777,187	

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, 2003**

		<u>Pension Trust</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$	69,709,331
Plan member		21,743
Other		44,066
Total contributions		<u>69,775,140</u>
Investment earnings		<u>563,969</u>
Total additions		<u>70,339,109</u>
<b>DEDUCTIONS</b>		
Benefits and refunds paid to plan members and beneficiaries		70,749,081
Administrative expenses		1,971,850
Interest expense		303,430
Depreciation and amortization		5,572
Loss on sale of fixed assets		3,364
Total deductions		<u>73,033,297</u>
Change in net assets		(2,694,188)
Net assets - beginning		<u>8,471,375</u>
Net assets - ending	\$	<u><u>5,777,187</u></u>

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

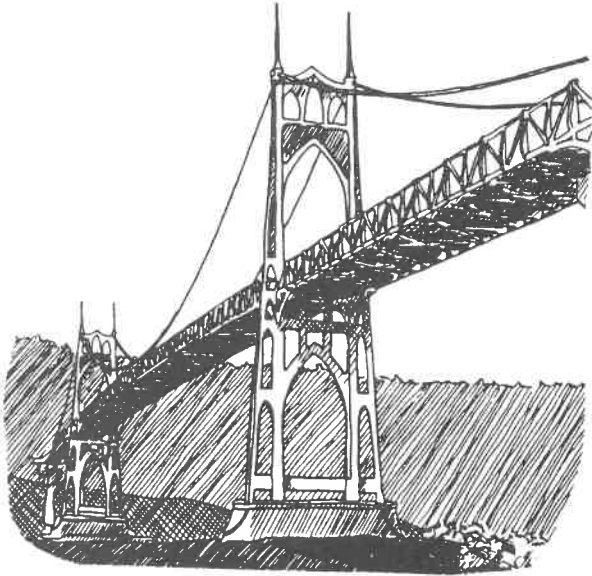


OREGON CONVENTION CENTER



# Notes to the Financial Statements

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St. John's Bridge, 1931

City of Portland  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2003

**I. Summary of significant accounting policies**

**A. Reporting entity**

The territory of Oregon incorporated the City of Portland 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. Although blended component units are legally separate entities, in substance they are part of the government's operations. 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 government.

Blended component unit

The 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 six subsequent amendments, the last one being November 7, 2000. 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 a Reserve Fund authorized under a provision of Chapter 5 (Section 5-104) of the Charter of the City of Portland. The Reserve Fund provides for advances to the 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.

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, 1800 SW First Ave., Suite 450, Portland, Oregon 97201.

Discretely presented component unit

The 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 1900 SW Fourth Ave., Suite 7000, Portland, Oregon 97201.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**I. Summary of significant accounting policies, Continued:**

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e. 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 segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. 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.

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, 2003, 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

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**I. Summary of significant accounting policies, Continued:**

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

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 wastewater 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, communications, liability insurance, workers compensation insurance, and information technology.

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

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

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 the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the is 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*.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**I. Summary of significant accounting policies, Continued:**

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise 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.

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.

**D. Assets, liabilities, and net assets or equity**

**1. Receivables**

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. Management reviewed governmental fund receivables for collectibility, and an allowance for doubtful accounts was considered to not be necessary for fiscal year 2003.

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 liens 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.

**2. 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 market value.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**I. Summary of significant accounting policies, Continued:**

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

**3. Other assets**

Other assets consist primarily of deferred project costs, and certain security deposits in other funds.

**4. Restricted assets**

Restricted assets for construction, bonded debt service, and other purposes stated by City Charter, City Council, bonded debt indentures, and related liabilities, are segregated on the statements of net assets and balance sheets.

**5. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The threshold for capitalized equipment and improvements is \$5,000. Capital assets are recorded at historical cost or estimated historical cost when actual cost is not available. Gifts or projects constructed by others are stated at their fair value on the date received. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets 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 originally acquiring 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 – 20 to 50 years
- Infrastructure – 10 to 100 years
- Machinery and equipment (including capitalized leased equipment) - 3 to 40 years
- Capitalized land improvements – 3 to 50 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.

**6. 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 enterprise fund types in fiscal year 2003 were \$57,830,794, of which \$6,962,980 was capitalized.

**7. 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**I. Summary of significant accounting policies, Continued:**

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

**8. 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. 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.

**9. 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 activities, 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 bond 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.

**10. 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, and for additional debt service amounts as designated by City management. Other reservations for petty cash, inventories, and the Parks Endowments Fund, have been segregated from unreserved fund balance to indicate that this amount does not represent available expendable resources.

**11. 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.

**12. Use of estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**I. Summary of significant accounting policies, Continued:**

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

13. Prior period adjustment

The City's beginning net assets have been restated to establish the liability for business license refunds and license credits carried forward, and properly accrue liabilities. Business license revenues were previously accounted for on the cash basis of accounting, a method of accounting not in conformity with GAAP. This adjustment reflects a change in beginning net assets of \$5,939,843, resulting in \$45,863,297 as restated beginning net assets for the General Fund. The impact of this adjustment is to decrease fiscal year 2002 change in net assets by \$1,347,677.

**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. The annual budget ordinance authorizes positions and establishes appropriations for the fiscal year for each fund by organizational unit and major object classification (personal services, external and internal materials and services, capital outlay, and other expenditures). Appropriations lapse at fiscal year's end.

Budgets can 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.

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 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, 2003.

**B. Excess of expenditures over appropriations**

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations.

Primary Government:

For the fiscal year ended June 30, 2003, the following funds had expenditures in excess of budgeted appropriations:



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**II. Stewardship, compliance, and accountability** (Continued):

**B. Excess of expenditures over appropriations** (Continued):

General Fund:

Finance and Administration-Office of the Mayor:	
Materials and services	\$3,004
Finance and Administration-Early Childhood Development:	
Materials and services	128,479
Public Works-Office of Commissioner:	
Personal services	1,971

Special Revenue Funds:

Public Safety:	
Personal services	8,595
Convention and Tourism:	
Materials and services	59,644

Capital Projects Fund:

Parks Construction:	
Debt service	6,930

Enterprise Funds:

Hydroelectric Power Operating:	
Debt service	10,531
Water:	
Debt service	791,270
Golf:	
Debt service	192,368
Portland International Raceway:	
Materials and services	71,211
Debt service	23,207
Solid Waste Management:	
Debt service	27,968
Environmental Remediation:	
Debt service	551

Internal Service Funds:

Health Insurance Operating:	
Debt service	16,063
Fleet Services Operating:	
Debt service	201,953
Printing and Distribution Services Operating:	
Debt service	70,802
Insurance and Claims Operating:	
Debt service	36,624
Workers' Compensation Self-Insurance Operating:	
Debt service	35,652
Information Technology:	
Debt service	157,012

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**II. Stewardship, compliance, and accountability, Continued:**

**B. Excess of expenditures over appropriations, Continued:**

Component Unit - Portland Development Commission:

Proprietary Fund:

Enterprise Loans Fund:  
Debt service

\$421,519

All expenditures in excess of budgeted appropriations in the fiscal year ended June 30, 2003, are incorporated in the subsequent year's budget.

**III. Detailed notes**

**A. Deposits and investments**

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

Cash and investments for the primary government are comprised of \$539.1 million for City operations and \$37.6 million for the City's fiduciary operations. PDC's cash and investments are comprised of \$149.8 million for its operations and \$.3 million for its fiduciary operations.

City Treasury assesses a Treasury 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 \$544,960 for fiscal year ended June 30, 2003.

Cash and investments for the primary government are comprised of governmental and business-type activities and fiduciary funds. The balances at June 30, 2003, are:

	Primary Government	Component Unit (PDC)	Reporting Entity Total
Cash on hand	\$134,845	\$1,500	\$136,345
Deposits with financial institutions	12,941,739	263,271	13,205,010
Investments	563,645,493	149,838,938	713,484,431
	<u>\$576,722,077</u>	<u>\$150,103,709</u>	<u>\$726,825,786</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes**, Continued:

**A. Deposits and investments**, Continued:

Cash and investments are reflected on the statements of net assets and the fund balance sheets as follows:

	Primary Government	Component Unit (PDC)	Reporting Entity Total
Unrestricted	\$563,451,237	\$149,637,341	\$713,088,578
Restricted	13,270,840	466,368	13,737,208
	<u>\$576,722,077</u>	<u>\$150,103,709</u>	<u>\$726,825,786</u>

The restricted cash and investments are comprised entirely of Hydroelectric Power Funds, \$8,402,694 for replacement and renewal and \$4,868,146 for bond redemption.

Deposits

At June 30, 2003 total bank deposits were covered by federal depository insurance or were collateralized by securities held by agents of the City in the City's name.

Total bank balance of PDC was \$263,271 of which \$166,064 was covered by federal depository insurance; \$97,207 was not collateralized. Oregon Revised Statutes require depository institutions to maintain on deposit, with collateral pool managers, securities having a value not less than 25 percent of outstanding certificates. The uncollateralized amount of \$97,207 of the component unit represents deposits in excess of the portion required to be collateralized under Oregon Law.

Investments

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 Investment Pool.

Primary government

The City's investment policy, developed annually by the Office of Management and Finance after consulting with the City's Investment Advisory Committee, is adopted annually by the City Council and forwarded to the Oregon Short-Term Fund Board for review. The Oregon Short-Term Fund Board consists of the State Treasurer and six members appointed by the Governor and the State Treasurer.

Investments are reported in accordance with GASB Statement No. 31. The City has recorded investments, including investments in the State Treasurer's Investment Pool, at fair value, which is the same as the value of the pool shares. Investments in the State Treasurer's Investment Pool 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 Oregon Revised Statutes (294.135), Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**A. Deposits and investments, Continued:**

The City's investments are categorized below to give an indication of the level of custodial credit risk assumed by the City at June 30, 2003. Category 1 includes investments that are insured or registered or for which the City or its agent in the City's name holds the securities. Category 2 includes uninsured and unregistered investments for which securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which securities are held by the financial institution selling the security to the City or by its trust department, but not in the City's name. The level of risk indicated below at June 30, 2003, is generally reflective of the level of risk assumed by the City during the year.

	Level of Risk			Fair Value
	1	2	3	
U.S. Government Securities	\$255,548,307	\$ -	\$ -	\$255,548,307
Bankers' Acceptances	58,365,170	-	-	58,365,170
Commercial Paper	91,416,521	-	-	91,416,521
Time interest bearing deposits	122,500,000	-	-	122,500,000
	<u>\$527,829,998</u>	<u>\$ -</u>	<u>\$ -</u>	<u>527,829,998</u>
State Treasurer's Investment Pool				<u>35,815,492</u>
Total investments				<u>\$563,645,490</u>

Component Unit - Portland Development Commission:

Portland Development Commission – Investments consist of deposits with the City of Portland's investment pool, bank demand deposits, and time certificates of deposit. Investments are categorized below to give an indication of the level of risk assumed by PDC at June 30, 2003.

	Level of Risk			Fair Value
	1	2	3	
Deposits with trustees	\$110,000	\$ -	\$ 97,207	\$207,207
Bank demand deposits	56,064	-	-	56,064
	<u>\$166,064</u>	<u>\$ -</u>	<u>\$ 97,207</u>	<u>263,271</u>
City of Portland Investment Pool				<u>149,838,938</u>
Total deposits and investments				<u>\$150,102,209</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**B. Receivables and payables**

The City reports the General, Transportation Operating, Sewage Disposal and Water Funds as major funds. Special assessments in the Transportation Operating, other Nonmajor Governmental, and Sewage Disposal Funds are not expected to be collected within one year. Receivables as of June 30, 2003, were:

	Governmental Activities				Business-type Activities				
	General	Transportation Operating	Nonmajor Funds	Internal Service	Total	Sewage Disposal	Water	Nonmajor Funds	Total
Taxes	\$14,701,927	\$1,891	\$3,881,535	\$ -	\$18,585,353	\$ -	\$ -	\$ -	\$ -
Accounts	3,335,418	12,157,725	904,251	786,432	17,183,826	30,715,869	12,987,967	738,968	44,442,804
Assessments	1,000	601,728	44,570,178	-	45,172,906	2,869,278	-	-	2,869,278
Contracts	-	-	-	-	-	-	-	546,414	546,414
Grants	-	-	11,279,033	-	11,279,033	-	-	-	-
Advances	330,948	-	3,802	-	334,750	-	-	101,995	101,995
Interest	230,085	37,040	248,113	233,852	749,090	294,644	114,547	81,491	490,682
<b>Total receivables</b>	<b>18,599,378</b>	<b>12,798,384</b>	<b>60,886,912</b>	<b>1,020,284</b>	<b>93,304,958</b>	<b>33,879,791</b>	<b>13,102,514</b>	<b>1,468,868</b>	<b>48,451,173</b>
Allowance for doubtful accounts	-	-	-	(5,218)	(5,218)	(15,612,449)	(4,462,432)	-	(20,074,881)
<b>Receivables, net</b>	<b>\$18,599,378</b>	<b>\$12,798,384</b>	<b>\$60,886,912</b>	<b>\$1,015,066</b>	<b>\$93,299,740</b>	<b>\$18,267,342</b>	<b>\$8,640,082</b>	<b>\$1,468,868</b>	<b>\$28,376,292</b>
Not scheduled for collection during the subsequent year	\$ -	\$397,140	\$33,760,471	\$ -	\$34,157,611	\$ 2,697,121	\$ -	\$ -	\$ 2,697,121

Payables at June 30, 2003, were as follows:

	Governmental Activities				Business-type Activities				
	General	Transportation Operating	Nonmajor Funds	Internal Service	Total	Sewage Disposal	Water	Nonmajor Funds	Total
Accounts to vendors and contractors	\$10,926,478	\$5,643,488	\$2,398,749	\$5,289,611	\$24,258,326	\$24,404,828	\$5,577,538	\$1,098,254	\$31,080,620
Compensated absences	-	-	-	1,555,552	1,555,552	2,327,277	2,282,340	266,806	4,876,423
Interest on bonds and notes	-	-	15,427	1,034,447	1,049,874	7,307,993	2,778,237	5,150,154	15,236,384
<b>Total fund level payables</b>	<b>\$10,926,478</b>	<b>\$5,643,488</b>	<b>\$2,414,176</b>	<b>\$7,879,610</b>	<b>26,863,752</b>	<b>\$34,040,098</b>	<b>\$10,638,115</b>	<b>\$6,515,214</b>	<b>51,193,427</b>
<u>Unallocated governmental:</u>									
Compensated absences					40,915,840				-
Interest on bonds and notes					12,610,824				-
Fire and Police contribution					4,614,987				-
<b>Total government-wide payables</b>					<b>\$85,005,403</b>				<b>\$51,193,427</b>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**C. Deferred revenue**

The City recognizes revenues when earned. Amounts received in advance of the period in which services are rendered are recorded as a liability under "Deferred Revenue." As of June 30, 2003, all deferred revenue for the primary government is attributed to the following:

	Governmental Activities				Business-type Activities		
	General	Transportation Operating	Nonmajor Funds	Internal Service	Total Governmental Activities	Water	Total Business-type Activities
Accounts	\$181,434	\$1,413,542	\$20,628,138	\$165,945	\$22,389,059	\$1,173,261	\$1,173,261
Liens	1,000	601,728	44,570,178	-	45,172,906	-	-
Taxes	7,405,727	1,753	2,854,502	-	10,261,982	-	-
License tax prepayments	10,612,432	-	-	-	10,612,432	-	-
Grants	-	-	1,723,588	-	1,723,588	-	-
<b>Total fund level deferred revenue</b>	<b>18,200,593</b>	<b>2,017,023</b>	<b>69,776,406</b>	<b>165,945</b>	<b>90,159,967</b>	<b>1,173,261</b>	<b>1,173,261</b>
Eliminations of deferred items at fund level not deferred at government-wide level	(7,588,161)	(2,017,023)	(47,730,973)	-	(57,336,157)	-	-
<b>Net government-wide deferred revenue</b>	<b>\$10,612,432</b>	<b>\$ -</b>	<b>\$22,045,433</b>	<b>\$165,945</b>	<b>\$32,823,810</b>	<b>\$1,173,261</b>	<b>\$1,173,261</b>

**D. Capital assets**

Capital asset activity for primary government for the year ended June 30, 2003, was as follows:

	Beginning Balance	Increases	Decreases	Reclasses	Ending Balance
<b>Governmental activities:</b>					
<u>Capital assets, not being depreciated:</u>					
Land	\$ 58,395,228	\$ 1,616,699	\$ 1,984	\$ (125,000)	\$ 59,884,943
Construction in Progress	36,579,474	18,555,419	23,464,879	859,727	32,529,741
<b>Total capital assets, not being depreciated</b>	<b>94,974,702</b>	<b>20,172,118</b>	<b>23,466,863</b>	<b>734,727</b>	<b>92,414,684</b>
<u>Capital assets, being depreciated:</u>					
Buildings	182,623,305	6,693,206	1,746	236,239	189,551,004
Improvements	140,519,798	11,851,366	2,976	(968,027)	151,400,161
Infrastructure	3,907,472,594	46,945,945	-	427,000	3,954,845,539
Equipment	99,274,217	6,652,061	2,234,116	(429,939)	103,262,223
Capitalized leases	1,859,477	81,182	-	(84,107)	1,856,552
<b>Total capital assets being depreciated</b>	<b>4,331,749,391</b>	<b>72,223,760</b>	<b>2,238,838</b>	<b>(818,834)</b>	<b>4,400,915,479</b>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**D. Capital assets, Continued:**

Governmental activities, Continued:	Beginning Balance	Increases	Decreases	Reclasses	Ending Balance
<u>Less accumulated depreciation for:</u>					
Buildings	\$ 33,862,530	\$ 3,526,607	\$ -	\$ -	\$ 37,389,137
Improvements	37,294,704	4,666,526	38,145	-	41,923,085
Infrastructure	1,594,706,501	133,650,165	-	-	1,728,356,666
Equipment	50,888,849	8,118,639	1,860,157	-	57,147,331
Capitalized leases	84,107	319,567	-	(84,107)	319,567
<b>Total accumulated depreciation</b>	<b>1,716,836,691</b>	<b>150,281,504</b>	<b>1,898,302</b>	<b>(84,107)</b>	<b>1,865,135,786</b>
<b>Total capital assets, being depreciated, net</b>	<b>2,614,912,700</b>	<b>(78,057,744)</b>	<b>340,536</b>	<b>(734,727)</b>	<b>2,535,779,693</b>
<b>Governmental activities capital assets, net</b>	<b>\$2,709,887,402</b>	<b>\$(57,885,626)</b>	<b>\$23,807,399</b>	<b>\$ -</b>	<b>\$2,628,194,377</b>
	Beginning Balance	Increases	Decreases	Reclasses	Ending Balance
<b>Business-type activities:</b>					
<u>Capital assets, not being depreciated:</u>					
Land	\$ 59,240,511	\$ 3,787,005	\$ 1,429	\$ -	\$ 63,026,087
Construction in Progress	213,535,539	136,543,608	147,041,987	-	203,037,160
<b>Total capital assets, not being depreciated</b>	<b>272,776,050</b>	<b>140,330,613</b>	<b>147,043,416</b>	<b>-</b>	<b>266,063,247</b>
<u>Capital assets, being depreciated:</u>					
Buildings	169,959,521	365,088	100	-	170,324,509
Improvements	57,993,191	6,896,947	17,371	-	64,872,767
Infrastructure	1,747,894,851	159,142,885	2,857,458	(15,000)	1,904,165,278
Equipment	38,968,135	2,469,996	971,169	15,000	40,481,962
Capitalized leases	7,541,000	-	-	-	7,541,000
<b>Total capital assets being depreciated</b>	<b>2,022,356,698</b>	<b>168,874,916</b>	<b>3,846,098</b>	<b>-</b>	<b>2,187,385,516</b>
<u>Less accumulated depreciation for:</u>					
Buildings	38,707,152	3,654,570	-	-	42,361,722
Improvements	18,309,991	1,028,400	9,373	-	19,329,018
Infrastructure	283,625,776	26,598,831	2,858,956	-	307,365,651
Equipment	15,526,342	2,864,977	804,439	-	17,586,880
Capitalized leases	3,366,188	314,871	-	-	3,681,059
<b>Total accumulated depreciation</b>	<b>359,535,449</b>	<b>34,461,649</b>	<b>3,672,768</b>	<b>-</b>	<b>390,324,330</b>
<b>Total capital assets, being depreciated, net</b>	<b>1,662,821,249</b>	<b>134,413,267</b>	<b>173,330</b>	<b>-</b>	<b>1,797,061,186</b>
<b>Business-type activities capital assets, net</b>	<b>\$1,935,597,299</b>	<b>\$274,743,880</b>	<b>\$147,216,746</b>	<b>\$ -</b>	<b>\$2,063,124,433</b>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**D. Capital assets, Continued:**

Depreciation expense was charged to functions/programs of the Primary Government as follows:

<b>Governmental activities:</b>	
Public safety	\$ 1,587,720
Parks, recreation and culture	4,577,317
Community development	20,461
Transportation	134,349,078
Legislative/Administrative/Support services	918,397
Internal service funds	<u>8,828,531</u>
Total depreciation expense – governmental activities	<u>\$ 150,281,504</u>
 <b>Business-type activities:</b>	
Environmental services	\$ 15,460,847
Water	14,776,762
Hydroelectric power	720,823
Parking	1,047,705
Golf	483,516
Motor sports	32,587
Spectator facilities	<u>1,939,409</u>
Total depreciation expense – business-type activities	<u>\$ 34,461,649</u>

Construction commitments

The government has active construction projects as of June 30, 2003. The projects include fire facilities projects, transportation projects, parks improvement projects, plus water and sewer infrastructure projects. The City's commitments to contractors at fiscal year end are as follows:

Project	Spent-to-date	Remaining Commitment	Financing Source
Fire facilities	\$ 6,129,209	\$ 1,051,968	General obligation bonds
Transportation	11,849,512	117,319,727	Intergovernmental revenues / Grants / System development charges Local option levy / Tax increment / Grants / General Fund discretionary
Parks	15,451,769	41,653,080	
Sewer	183,802,697	825,451,824	Revenue bonds / sewer rate revenues
Water	18,333,714	128,153,000	Revenue bonds / water rate revenues / project reimbursements
Total	<u>\$235,566,901</u>	<u>\$1,113,629,599</u>	
Governmental activities	\$ 32,529,741		
Business-type activities	<u>203,037,160</u>		
Total	<u>\$235,566,901</u>		



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**D. Capital assets, Continued:**

Component Unit - Portland Development Commission:

Activity for the year ended June 30, 2003, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Capital assets, not being depreciated:</u>				
Land	\$ 9,129,868	\$ -	\$ -	\$ 9,129,868
Total capital assets, not being depreciated	<u>9,129,868</u>	<u>-</u>	<u>-</u>	<u>9,129,868</u>
<u>Capital assets, being depreciated:</u>				
Buildings and improvements	2,707,441	-	-	2,707,441
Leasehold improvements	363,315	-	-	363,315
Furniture and equipment	1,712,407	173,203	(22,902)	1,862,708
Total capital assets being depreciated	<u>4,783,163</u>	<u>173,203</u>	<u>(22,902)</u>	<u>4,933,464</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	758,084	49,984	-	808,068
Leasehold improvements	-	111,789	-	111,789
Furniture and equipment	775,044	312,799	(22,902)	1,064,941
Total accumulated depreciation	<u>1,533,128</u>	<u>474,572</u>	<u>(22,902)</u>	<u>1,984,798</u>
Total capital assets, being depreciated, net	<u>3,250,035</u>	<u>(301,369)</u>	<u>-</u>	<u>2,948,666</u>
Governmental activities capital assets, net	<u>\$ 12,379,903</u>	<u>\$ (301,369)</u>	<u>\$ -</u>	<u>\$ 12,078,534</u>

**E. Interfund receivables, payables, and transfers**

Due to/from other funds

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 bureaus or component unit. The Water Fund due to Sewage Disposal Fund represents billing adjustments and prepayments for past services billed on their behalf. The composition of due to and due from other funds as of June 30, 2003, is:

Primary Government:

	General	Transpor- tation Operating	Nonmajor Govern- mental	Internal Service	Sewage Disposal	Water	Nonmajor Business- types	Fiduciary Fund	Total Due to Other Funds
General	\$ -	\$ -	\$ -	\$485,575	\$19,360	\$ -	\$ -	\$4,614,987	\$5,119,922
Nonmajor governmental	3,458,126	3,023,199	470,604	22,157	1,202,453	766,122	18,000	-	8,960,661
Water	-	-	-	-	6,377,592	-	-	-	6,377,592
Total due from other funds	<u>\$3,458,126</u>	<u>\$3,023,199</u>	<u>\$470,604</u>	<u>\$507,732</u>	<u>\$7,599,405</u>	<u>\$766,122</u>	<u>\$18,000</u>	<u>\$4,614,987</u>	<u>\$20,458,175</u>

Component Unit - PDC

Nonmajor governmental funds \$ 18,973,221

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**E. Interfund receivables, payables, and transfers, Continued:**

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. Transfers from internal service and nonmajor enterprise funds are primarily overhead charges. Nonmajor governmental fund transfers represent federal, state, and private grants receivable, not yet transferred to benefiting bureaus or component units. Interfund transfers for the fiscal year ended June 30, 2003, consisted of the following:

	General	Transportation Operating	Nonmajor Governmental	Internal Service	Water	Nonmajor Business- types	Total Transfers from Fund
General	\$ -	\$6,480,151	\$17,425,578	\$6,340,736	\$ -	\$ -	\$30,246,465
Transportation operating	-	-	2,009,242	-	-	-	2,009,242
Nonmajor governmental	9,026,272	4,176,447	10,359,394	219,948	-	-	23,782,061
Internal service	1,629,671	883,789	83,833	27,530	158,011	158,751	2,941,585
Nonmajor business-types	1,022,755	1,389,000	1,098,719	-	-	-	3,510,474
Total transfers to fund:	\$11,678,698	\$12,929,387	\$30,976,766	\$6,588,214	\$158,011	\$158,751	\$62,489,827

**F. Leases**

Capital leases

The City has entered into capital lease agreements for the purpose of acquiring and financing equipment and land improvements. 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.7. 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 depreciation	-	(3,320,482)	(3,320,482)
Building leaseholds, net	-	2,914,614	2,914,614
Equipment	1,856,552	1,305,904	3,162,456
Less: accumulated depreciation	(319,567)	(360,577)	(680,144)
Equipment, net	1,536,985	945,327	2,482,312
Total	\$ 1,536,985	\$ 3,859,941	\$ 5,396,926

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**F. Leases, Continued:**

Capital leases, Continued:

The net present value of these minimum lease payments as of June 30, 2003, were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2004	\$ 383,432	\$ 880,494	\$ 1,263,926
2005	359,800	838,700	1,198,500
2006	355,074	663,467	1,018,541
2007	355,074	621,225	976,299
2008	29,590	394,621	424,211
Total minimum lease payments	1,482,970	3,398,507	4,881,477
Less amount representing interest (stated interest rates range: 4.95% to 10.887%)	(158,925)	(544,014)	(702,939)
Present value of minimum lease payments (capital lease obligations)	<u>\$ 1,324,045</u>	<u>\$ 2,854,493</u>	<u>\$ 4,178,538</u>

Operating leases

The City leases land, buildings and equipment under non-cancelable operating leases. Operating leases for governmental type activities were \$1,387,457 and for business-type activities \$2,092,509. Total costs for such leases were \$3,479,966 for the year ended June 30, 2003. The future minimum lease payments for these leases are as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2004	\$ 1,027,113	\$ 1,617,141	\$ 2,644,254
2005	627,159	1,202,310	1,829,469
2006	497,971	1,206,483	1,704,454
2007	398,166	670,525	1,068,691
2008	305,017	189,456	494,473
2009-2013	1,335,756	568,368	1,904,124
2014-2018	1,369,794	-	1,369,794
Total:	<u>\$ 5,560,976</u>	<u>\$ 5,454,283</u>	<u>\$ 11,015,259</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**F. Leases, Continued:**

The City acts as lessor for operating leases that arise primarily from leasing office or retail space. Future minimum rents to be received on non-cancelable operating leases are as follows as of June 30, 2003:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2004	\$ 1,610,286	\$ 1,751,482	\$ 3,361,768
2005	810,384	1,270,731	2,081,115
2006	304,050	718,435	1,022,485
2007	105,412	639,645	745,057
2008	101,497	334,805	436,302
2009-2013	343,388	1,092,830	1,436,218
2014-2018	323,541	455,515	779,056
Total:	\$ 3,598,558	\$ 6,263,443	\$ 9,862,001

**G. 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, 2003.

General obligation bonds

The City has \$65.3 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 \$106.1 million of governmental bonds for governmental activities and \$68.7 million for business-type activities.

Business activities include \$11.4 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.

Ordinances for general obligation water bonds generally require the City to maintain restricted reserve accounts to provide for payment of annual debt service, and in certain cases, to maintain amounts sufficient to pay the maximum annual debt service in any one year. General obligation water bonds are subject to redemption at call rates varying from 100 to 104 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, 2003.

The City has an agreement with certain water districts which provides for the districts to make payments to the City in amounts equal to 90 percent of the principal and interest, when due on certain general obligation water bonds. The water general obligation bonds Series 1993C were issued to finance City water supply improvements affecting these districts. Payments to the City totaled \$163,078 during fiscal year 2003. Total principal payments to be made to the City over the bond repayment period, starting in 1987 and extending through 2005, are approximately \$17.9 million. There is \$4.4 million outstanding as of June 30, 2003.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**G. Long-term debt, Continued:**

General obligation bonds, Continued:

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	3.20 – 5.50%	\$ 65,290,000
Business-type activities	4.00 – 5.10	11,416,606
Total		\$ 76,706,606

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>
2004	\$ 3,710,000	\$ 3,180,122	\$ 1,902,207	\$ 507,696
2005	3,895,000	2,995,603	1,982,244	420,294
2006	4,090,000	2,800,142	2,155	375,641
2007	4,285,000	2,594,663	1,360,000	342,950
2008	4,510,000	2,371,687	1,430,000	275,275
2009-2013	25,865,000	8,444,156	4,740,000	370,020
2014-2018	17,085,000	2,407,421	-	-
2019-2023	1,850,000	94,812	-	-
Total	\$ 65,290,000	\$ 24,888,606	\$ 11,416,606	\$ 2,291,876

Special assessment bonds

The City has \$29.6 million of outstanding limited tax improvement bonds. These bonds were issued for the purpose of financing local improvement projects. These bonds are expected to be fully self-supporting from assessment payments received from property owners benefiting from the improvement projects. In addition, the City has pledged its full faith and credit to pay the bonds. The interest rates on the outstanding bonds range from 3 to 5.75 percent. Annual debt service requirements to maturity for special assessment bonds are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 1,480,000	\$ 1,251,756
2005	1,045,000	1,176,992
2006	1,070,000	1,145,641
2007	1,100,000	1,113,542
2008	1,065,000	1,080,540
2009-2013	5,640,000	5,229,645
2014-2018	4,490,000	3,843,878
2019-2023	13,760,000	2,439,300
Total	\$ 29,650,000	\$ 17,281,294

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**G. Long-term debt, Continued:**

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 by the General Fund and those that are secured solely by tax increment revenues generated from the respective urban renewal areas. Both types of bonds are self-supporting and paid for by tax increment revenues of the urban renewal area.

The City issued urban renewal and redevelopment bonds for four of its urban renewal districts in calendar year 2000, including Airport Way, Oregon Convention Center, South Park Blocks, Downtown Waterfront, and River District. The \$282.6 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. The interest rates on the outstanding bonds range from 1.14 to 7.75 percent.

Included in the City's urban renewal and redevelopment bonds category are lines of credit issued to provide interim financing for urban renewal districts projects. As of June 30, 2003, the City has \$2.5 million outstanding on lines of credit secured by the General Fund. The City expects to retire the lines of credit by issuing long-term bonds secured by tax increment revenues. Variable interest rates as of June 30, 2003, on the outstanding lines of credit ranged 1.44 to 1.7 percent. There are multiple indices available for each facility allowing the City to select the best rate given the needs of the specific borrowing. The index and any adjustment, either above or below, are determined based on bids received through a competitive bidding process. Each variable rate facility rises and falls based on the movement of the underlying index.

The City issues du Jour (overnight) bonds to permit the City's component unit, Portland Development Commission, 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 exceed debt service requirements for outstanding long-term debt. Issuing very short-term du Jour debt frees up surplus revenues for urban renewal projects that do not qualify for long-term debt financing. The City issued \$28.7 million du Jour bonds in fiscal year 2003 and paid the issued amounts off within five days. At June 30, 2003, there were no outstanding du Jour bonds.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2004	\$ 11,985,000	\$ 15,140,843
2005	9,740,000	14,838,080
2006	10,100,000	14,468,253
2007	11,485,000	14,043,945
2008	12,150,000	13,566,402
2009-2013	72,610,000	57,209,362
2014-2018	97,165,000	32,957,094
2019-2023	59,825,000	6,423,160
Total	\$ 285,060,000	\$ 168,647,139

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes**, Continued:

**G. Long-term debt**, Continued:

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 obligations and self-supporting obligations.

Non self-supporting obligations

*Limited Tax Revenue Bonds/Full Faith and Credit Obligations.* As of June 30, 2003, the City had \$92.5 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 Revenue Bonds (Interstate MAX Project).* The City has \$32.8 million of outstanding limited tax revenue bonds for the Interstate MAX Project that are secured by the City's General Fund. Interest on the bonds will be paid from bond proceeds through their maturity date of December 15, 2004. The interest rate on this bond issue is 3 percent. The City expects to refinance these bonds with the proceeds of future urban renewal and redevelopment bonds.

*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, and includes all taxes and other legally available general funds of the City. The interest rates on the outstanding bonds range from 5.95 to 7.7 percent. In accordance with generally accepted accounting principles, the City, in fiscal year 2002, 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 fund	.5 million

Approximately forty percent of the debt service on these bonds is expected to be paid from resources of the General Fund. The remaining sixty percent is expected to be paid by non-General Fund bureaus of the City, (see "Self-supporting obligations" below). As of June 30, 2003, approximately \$111.6 million of outstanding principal remained on the portion of the bonds projected to be repaid with General Fund resources.

Self-supporting 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 were allocated to enterprise funds. The City expects these funds to pay the debt service on their allocated share from operating revenues.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes,** Continued:

**G. Long-term debt,** Continued:

Self-supporting obligations, Continued:

*Limited Tax Revenue Bonds (Central City Streetcar Project).* The City has \$27.4 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. The 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, 2003, the City had \$100 million of outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project, \$33.6 million of outstanding bonds for the Civic Stadium Project, and \$2.0 million of outstanding bonds for the Portland Center for Performing Arts (PCPA) Project. The interest rates on the \$100 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 to 7 percent.

*Arena Limited Tax Revenue Bonds.* The City has \$9.3 million of Arena Limited Tax Revenue Bonds outstanding, the proceeds of which were used to finance certain public improvements relating to the Oregon Arena Project. These limited tax revenue bonds are ultimately secured by the City's General Fund. However, the City expects to pay the debt service on these bonds from revenues received from the Oregon Arena Project. The interest rates on the outstanding bonds range from 4.85 to 8.05 percent.

*Arena Limited Tax Bonds.* The City has \$8 million of Arena Limited Tax Bonds outstanding, the proceeds of which were used to finance certain public improvements relating to the Oregon Arena Project. These bonds are ultimately secured by the City's General Fund and by a subordinate pledge of available City parking meter revenues. However, the City expects to pay the debt service on these bonds from revenues from the Oregon Arena Project. The interest rates on the outstanding bonds range from 6.9 to 7.75 percent.

*Lines of Credit.* The City has issued \$21.3 million of lines of credit to extend the Portland Central City Streetcar to Riverplace, to finance Portland's share of a local government joint project to temporarily house children that have been taken into protective custody and to provide additional funding for Portland area schools. The City has pledged its full faith and credit to pay these lines of credit and will be paid in whole or in part from resources of the City's General Fund. Variable interest rates on June 30, 2003, on the outstanding lines of credit ranged from 1.38 to 1.47 percent. As discussed in the Urban Renewal and redevelopment bonds section, the City obtains the best interest rate through a competitive bidding process.



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes**, Continued:

**G. Long-term debt**, Continued:

Self-supporting obligations, Continued:

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
2004	\$ 31,506,015	\$ 23,199,061	\$ 2,580,000	\$ 8,951,522
2005	44,940,000	21,697,020	2,820,000	8,803,178
2006	9,315,000	20,730,148	2,980,000	8,641,609
2007	11,173,732	20,370,531	3,226,775	8,469,738
2008	13,035,532	19,851,650	5,021,154	8,282,498
2009-2013	69,436,806	92,585,079	29,043,401	36,577,461
2014-2018	97,850,416	77,740,600	43,477,198	25,553,733
2019-2023	116,909,646	69,702,481	47,561,608	18,493,625
2024-2028	60,051,141	158,726,356	12,492,595	47,079,368
2029-2033	22,367,942	35,651,271	1,208,286	10,828,357
Total	<u>\$ 476,586,230</u>	<u>\$ 540,254,197</u>	<u>\$ 150,411,017</u>	<u>\$ 181,681,089</u>

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 2003, the City issued \$238.4 million Sewer System Revenue bonds to refund the outstanding Sewer System Revenue Bonds, series 1993A and to finance capital improvements related to the sewage treatment systems, stormwater and drainwater quality, sewer overflow, and system development.

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, 2003.

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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**G. Long-term debt, Continued:**

Revenue bonds, Continued:

Revenue bonds outstanding at June 30, 2003, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Principal Outstanding</u>
Gas Tax Revenue Bonds --- Public street improvements	4.10 – 5.80%	\$ 12,060,512
Sewage Disposal --- Sewer improvement and maintenance	1.00 – 6.00%	897,700,000
Water Operating --- Water lines improvement and maintenance	4.50 – 5.50%	93,810,000
Hydroelectric Power --- Electrical power generating plant	6.20 – 7.00%	27,740,000
Golf Operations --- Golf courses improvement and maintenance	2.49 – 5.26%	6,333,333
Parking Facilities --- City owned parking structures and maintenance	3.00 – 4.25%	8,435,000
Arena --- Public improvements including road and infrastructure improvements that serve The Oregon Arena Project	5.05 – 6.30%	<u>11,983,102</u>
Total		<u>\$1,058,061,947</u>

Revenue bond debt service requirements to maturity 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>
2004	\$ 1,458,493	\$ 504,612	\$ 33,231,333	\$ 54,577,822
2005	420,000	545,070	35,290,000	51,559,579
2006	3,917,019	535,863	35,391,000	49,868,584
2007	460,000	336,590	37,360,000	48,711,416
2008	475,000	313,310	39,248,000	46,044,419
2009-2013	2,360,000	1,161,002	242,799,024	203,876,296
2014-2018	2,970,000	496,800	285,586,202	140,920,260
2019-2023	-	-	337,095,876	53,030,676
Total	<u>\$ 12,060,512</u>	<u>\$ 3,893,247</u>	<u>\$ 1,046,001,435</u>	<u>\$ 648,589,052</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes**, Continued:

**G. Long-term debt**, Continued:

Advance and current refundings

On September 30, 2002 the City issued \$16.8 million of Downtown Waterfront Renewal and Redevelopment Refunding Bonds, 2002 Series A & B. The proceeds 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 \$14.2 million of refunded bonds. 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. The net proceeds received from the refunding bonds equaled the debt service of the refunded bonds. This advance refunding was undertaken to reduce total debt service payments over the next 6 years and resulted in an economic gain of \$1.97 million.

On October 3, 2002, the City issued \$32.75 million of Limited Tax Revenue Refunding Bonds, 2002 Series B. Proceeds of these bonds 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 \$35.7 million Limited Tax Revenue Bonds, 2000 Series A. This advance refunding was undertaken to reduce total debt service payments over the next two years and resulted in an economic gain of \$1.6 million.

On October 8, 2002, the City issued \$13.5 million of Airport Way Urban Renewal and Redevelopment Bonds, 2002 Series A. The proceeds of which were placed into 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 \$12.2 million Urban Renewal and Redevelopment Bonds, Airport Way, 1994 Series C. This advance refunding was undertaken to reduce total debt service payments over the next seven years and resulted in an economic gain of \$1.3 million.

On February 5, 2003, the City issued \$20.2 million of Limited Tax Revenue Refunding Bonds, 2003 Series A. The proceeds and \$4.5 million from applicable City proprietary funds were placed into 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 \$24.3 million Full Faith and Credit Obligations, 1993 Series B. This advanced refunding resulted in an economic gain of \$1.4 million.

On April 3, 2003, the City issued \$88.37 million of Second Lien Sewer System Revenue and Refunding Bonds, 2003 Series A. Part of the proceeds were placed into 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 \$41.2 million on the Sewer System Revenue Refunding Bonds, 1993 Series A. The net present value on this advanced refunding is \$3.2 million.

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 equaled the debt service of the refunded bonds.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**G. Long-term debt, Continued:**

Conduit debt

The City has issued Economic Development Revenue Bonds, which have not been recorded as a liability for generally accepted accounting principles 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 generally accepted accounting principles. The total outstanding principal of these bonds as of June 30, 2003, is \$165.6 million.

The City has made a limited, subject-to-appropriation, pledge of its General Fund to restore reserve fund balances on six conduit housing revenue bond issues. The original par amount of these issues is \$38.2 million, of which \$36.9 million remains outstanding.

Notes and loans payable

The City issues Notes to finance equipment acquisitions and improvements, improving streets and sidewalks, and to provide interim financing of urban renewal plans. \$718,733 is included in the Local Improvement District Construction Fund. Interest rates on the \$45.6 million of notes outstanding on June 30, 2003, ranged from 1.6 to 6.1 percent.

Included in the City's notes and loans payable are lines of credit issued to provide interim financing for urban renewal districts projects. As of June 30, 2003, the City has \$17.7 million outstanding on lines of credit which 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 ranged from 1.44 to 1.7 percent.

The City has entered into various loan arrangements for the purpose of financing energy and housing renovations. The principal balance of these loans on June 30, 2003, is \$1.6 million. Interest rates vary from 1.6 to 6.1 percent with maturities to fiscal year 2008.

Annual debt service requirements to maturity for notes and loans payable are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2004	\$ 53,531	\$ 581,689	\$ 25,024,700	\$ 437,013
2005	57,000	578,220	29,906	27,178
2006	595,687	574,533	30,124	25,847
2007	1,303,346	531,320	30,355	24,492
2008	18,262,322	267,591	30,598	23,111
2009-2013	193,204	25,644	192,303	90,478
2014-2018	-	-	241,218	37,847
<b>Total</b>	<b>\$ 20,465,090</b>	<b>\$ 2,558,997</b>	<b>\$ 25,579,204</b>	<b>\$ 665,966</b>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**G. Long-term debt, Continued:**

Compensated Absences

The City's policy relating to compensated absences is described in note I.D.8. 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 \$16.5 million and \$585.2 thousand respectively at June 30, 2003. 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, 2003, was \$42.5 million for governmental activities and \$4.9 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, 2003, internal service funds had \$97.1 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 2003, 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.

Long-term liability activity for the year ended June 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Bonds payable:</b>					
General obligation bonds	\$ 68,840,000	\$ -	\$ 3,550,000	\$ 65,290,000	\$ 3,710,000
Special assessment bonds					
with government commitment					
payable from assessment payments	10,730,000	21,430,000	2,510,000	29,650,000	1,480,000
with subordinate pledge of revenues					
of the City's sewer system	770,000	-	770,000	-	-
Urban renewal and redevelopment bonds	256,634,371	123,255,000	94,829,371	285,060,000	11,985,000
Limited tax and limited tax revenue bonds	444,195,215	74,196,015	41,805,000	476,586,230	31,506,015
Revenue bonds	12,440,512	-	380,000	12,060,512	1,458,493
Unamortized premium and discounts-bonds	1,734,293	4,843,720	630,345	5,947,667	-
<b>Total bonds payable</b>	<b>795,344,391</b>	<b>223,724,735</b>	<b>144,474,717</b>	<b>874,594,409</b>	<b>50,139,508</b>
Notes and loans payable	56,218,810	14,414,375	50,168,095	20,465,090	53,531
Unamortized premium and discounts-notes	(156,811)	-	(156,811)	-	-
Capital leases	1,775,370	31,271	482,596	1,324,045	316,360
Self-insurance claims	24,194,531	32,743,178	31,497,379	25,440,330	10,561,386
Compensated absences	42,089,982	26,133,508	25,752,098	42,471,392	25,944,217
<b>Governmental activity long-term liabilities</b>	<b>\$ 919,466,273</b>	<b>\$ 297,047,067</b>	<b>\$ 252,218,074</b>	<b>\$ 964,295,266</b>	<b>\$ 87,015,002</b>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**III. Detailed notes, Continued:**

**G. Long-term debt, Continued:**

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
Bonds payable:					
General obligation bonds	\$ 30,103,780	\$ -	\$ 18,687,174	\$ 11,416,606	\$ 1,902,207
Limited tax and limited tax revenue bonds	152,751,017	-	2,340,000	150,411,017	2,580,000
Revenue bonds	876,508,102	199,868,333	30,375,000	1,046,001,435	33,231,333
Unamortized premium and discounts-bonds	<u>(12,399,449)</u>	<u>8,018,811</u>	<u>-</u>	<u>(4,380,638)</u>	<u>-</u>
Total bonds payable	1,046,963,450	207,887,144	51,402,174	1,203,448,420	37,713,540
Notes and loans payable	6,959,765	18,643,946	24,507	25,579,204	25,024,700
Compensated absences	5,121,300	4,309,082	4,553,959	4,876,423	4,291,252
Capital leases	<u>3,508,818</u>	<u>-</u>	<u>654,325</u>	<u>2,854,493</u>	<u>691,491</u>
Business-type activity long-term liabilities	<u>\$ 1,062,553,333</u>	<u>\$ 230,840,172</u>	<u>\$ 56,634,965</u>	<u>\$ 1,236,758,540</u>	<u>\$ 67,720,983</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 Oregon Revised Statute 30.270(1)(b)(c), general and fleet liability claims are limited to \$100,000 per person, and 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, 2003, the expected rate of return was 2.03 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 coverage insurance policy covers individual claims in excess of \$1,000,000. 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**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 <u>June 30, 2003</u>	Year ended <u>June 30, 2002</u>
Balance, beginning of fiscal year	\$24,194,531	\$25,792,494
Incurred claims and adjustments	32,743,178	27,763,748
Claim payments	<u>(31,497,379)</u>	<u>(29,361,711)</u>
Unpaid claims, end of fiscal year	<u>\$25,440,330</u>	<u>\$24,194,531</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, 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.

The City has a contingent liability against its full faith and credit for liabilities recorded in enterprise funds for general obligation water bonds in the amount of \$11,416,606 at June 30, 2003. 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 improvement bonds aggregating \$29,650,000 at June 30, 2003, 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.

Labor agreements

There are eight labor agreements between the City and its employees, two of which have expired. The labor agreement with the Portland Police Association (PPA) expired June 30, 2002. During April 2003, the PPA declared impasse and the parties are progressing through the impasse resolution procedures pursuant to ORS 243.742 (interest arbitration). The Portland Police Commanding Officers Association (PPOCA) contract expired on June 30, 2003. Negotiations for a 2003-2006 contract was completed when the parties obtained a tentative agreement on December 8, 2003. Members of the PPOCA are presently going through the ratification procedures. If ratified by the PPOCA, it will be considered for ratification action by City Council on December 17, 2003.

Contractual commitments

Contractual commitments in governmental activities at June 30, 2003, amounted to \$65,721,247. Contractual commitments in business-type activities at June 30, 2003, totaled \$274,533,554. The majority of these amounts represent multi-year construction contracts, which are incomplete as of June 30, 2003. Also included in these amounts are uncompleted balances of professional service contracts and intergovernmental agreements.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**IV. Other information, Continued:**

**B. Commitments and contingent liabilities, Continued:**

Hydroelectric Power Fund

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

The agreement states that on 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 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 are less than the excess cost, no further amounts would be required to be paid to the utility. At August 31, 2003, the total accumulated excess cost was \$21,236,971 and the carrying value of the renewal and replacement assets was \$8,539,113.

Sewer credits

Under prior provisions of Portland City Code (PCC § 17.36.130), any sewer system customer who received a billing delay of more than six months or received a back billing due to an error for more than six months, was eligible to receive a credit equal to 20 percent of their sewer bill. Problems with the Water Bureau's billing system resulted in significantly delayed bills for many sewer customers, thus triggering eligibility for the 20 percent credit.

Because the credit was the result of problems experienced by the Water Bureau in implementing its customer billing system, the Water Bureau has agreed to compensate the Bureau of Environmental Services for all 20 percent credits to sewer customers.

The language of PCC §17.36.130 was unclear as to how the 20 percent credit should be calculated; however, the City believed that the estimated \$7.2 million in remaining sewer credit liability reported in the financial statements as of and for the year ending June 30, 2002, was reasonable based on the information available at that time.

During 2003, City Council passed an ordinance amending PCC §17.36.130 to delete the 20 percent sewer credit provision effective March 28, 2003. Of the \$7.2 million in estimated unpaid credits at June 30, 2002, the Water Bureau actually granted credits to sewer customers, and reimbursed the Bureau of Environmental Services a total of \$4.8 million during the year, substantially all the remaining credits to be granted. To confirm there were no additional credits outstanding, the Water Bureau reviewed all sewer invoices issued by the billing system from go-live (February 2000) through June 30, 2003, and determined that both actual and potential outstanding credits at June 30, 2003, were negligible.



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**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 businesses, property owners and dischargers to the Willamette River, including the City, were notified by EPA that they were potentially responsible for further investigation and cleanup of contaminated sediments in the Portland Harbor.

The City has been working with DEQ and the EPA from the beginning. The City focused on concerns for the environmental health of the Portland Harbor and worked towards developing a sediment management plan and to implement that plan once final. 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) of the Portland Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

The signatories to the AOC have agreed upon a cost allocation plan to fund the RI/FS. The City's share is 25 percent. The allocation for funding RI/FS costs is voluntary and bears no relationship to the 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). The City's share of future costs associated with the RI/FS activities is expected to range between \$1.8 million and \$6.7 million through fiscal year 2007. The minimum amount of this range, \$1.8 million has been accrued.

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 cleanup 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 cleanup 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 significant.

**C. Employee retirement systems and pension plans**

State of Oregon Public Employees Retirement System

*Plan description.* Substantially all civilian City employees and 76 fire and police personnel are participants in Oregon Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system.

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 or by calling 1-503-598-7377.

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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**IV. Other information, Continued:**

**C. Employee retirement systems and pension plans, Continued:**

State of Oregon Public Employees Retirement System, Continued:

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. The impact on the City to recover the higher PERS costs would have its employer contribution rate increase 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.

*Risk pooling and revised PERS contribution rates.* A new actuarial valuation has been prepared for the period ending December 31, 2001. There has been a major change with respect to employer contribution rates since the 1999 actuarial valuation. 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 this pool as of January 1, 2002.

In December 2002, the City was notified by the PERS actuarial firm that, based on the most recent actuarial valuation as of December 31, 2001, the City's contribution rate is expected to increase from current rates to approximately 10.42 percent effective July 1, 2003. Based on December 31, 2001, covered payroll levels, this rate increase is expected to cost the City approximately \$4.3 million in additional PERS contribution costs. The revised rate is subject to further changes as a result of certain legal matters, as reported by PERS. The impact of these contributions has been included in the employer contribution rate. The City has an over funded Actuarial Accrued Liability of \$7,003,525 at December 31, 2001.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**IV. Other information, Continued:**

**C. Employee retirement systems and pension plans, Continued:**

State of Oregon Public Employees Retirement System, Continued:

*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 2003, the City's annual pension cost of \$27,750,405 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, 2001, using the entry age actuarial cost method. The amortization method used is a 28-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 4.25 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 3.25 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.

**Schedule of Employer Contributions**

Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2001	\$ 28,430,283	100%	\$ -
2002	27,285,916	100%	-
2003	27,750,405	100%	-

**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
12/31/97	\$ 444,527,513	\$ 702,445,042	\$257,917,529	63%	\$175,507,179	147%
12/31/99	1,344,029,254	1,283,185,019	(60,844,234)	105%	185,197,179	(33)%
12/31/01	Pooled	Pooled	(7,003,525)	Pooled	198,403,067	(4)%

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**IV. Other information, Continued:**

**C. Employee retirement systems and pension plans, Continued:**

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.

There are 1,080 vested and 500 non-vested active working fire and police personnel that are participants in the Fire and Police Disability and Retirement Plan. Of these members, 41 are on short-term disability at June 30, 2003. In addition, there are 1679 retirees and beneficiaries currently receiving pension and long-term disability benefits and 32 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.

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.

*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. Six subsequent amendments have been made by voters with the last one being November 7, 2000.

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, 2003.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**IV. Other information, Continued:**

**C. Employee retirement systems and pension plans, Continued:**

Fire and Police Disability and Retirement Plan , Continued:

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.

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. For fiscal year ended June 30, 2003, the weighted levy rate per \$1,000 of real market value under the special property tax levy was \$1.37.

Prior to July 1, 1990, members were required to contribute 7% 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, 2003, there were 991 members and beneficiaries that fall under the provisions of the Plan as constituted prior to July 1, 1990, and 2,300 members and beneficiaries were subject to the new Plan as constituted after June 30, 1990.

Total actual contributions to the Plan for fiscal year ended June 30, 2003, consisted of the special property tax levy of \$69,700,210, which is 69.5 percent of the annual covered payroll of \$100,293,760. The City has recognized a net pension obligation of \$512,270,991. The net pension obligation (NPO) was determined in accordance with GASB Statement 27. 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, an expenditure is 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2003

**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
06/30/01	\$13,678,637	\$1,027,697,000	\$1,014,018,363	1.33%	\$93,446,926	1,085.13%
06/30/02	8,376,357	1,132,146,000	1,123,769,643	0.74%	101,753,148	1,104.41%
06/30/03	5,687,271	1,264,489,000	1,258,801,729	0.45%	100,293,760	1,255.11%

**SCHEDULE OF ANNUAL PENSION COST**

Fiscal Year Ending June 30	Annual Pension Percentage of APC		Net Pension Obligation
	Cost (APC)	Contributed	
2001	\$100,492,896	62.05%	\$419,741,444
2002	105,431,380	56.94%	465,139,495
2003	116,831,706	59.66%	512,270,991

**NET PENSION OBLIGATION**

	Fiscal Year Ending June 30, 2003
Net Pension Obligation:	
Annual Required Contribution	\$ 117,877,164
Interest on Net Pension Obligation	37,211,160
Adjustment of Annual Required Contribution	<u>(38,256,618)</u>
Annual Pension Cost	116,831,706
Contributions Made	<u>(69,700,210)</u>
Increase in Net Pension Obligation	47,131,496
Net Pension Obligation at Beginning of Year	<u>465,139,495</u>
Net Pension Obligation at End of Year	<u>\$ 512,270,991</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2003

**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, 2002
Actuarial cost method	Attained Age
Amortization method	30-year level dollar
Remaining amortization period	30 years open
Asset valuation method	per market value
Actuarial assumption methods:	
Investment rate of return	8.0%
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**

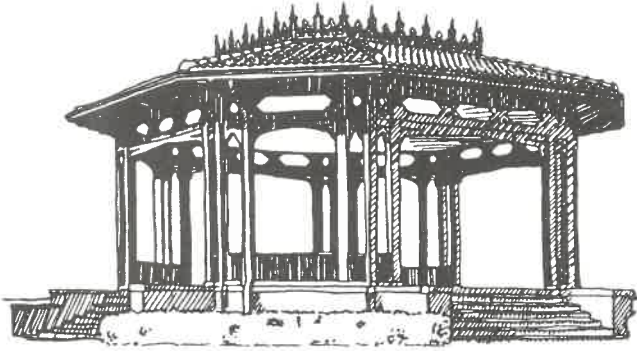
Subsequent to fiscal year-end, the City issued the following debt:

Debt issued:

Notes, Loans, and Lines of Credit	Principal	Length in Years	Interest Rate
Portland Development Commission Technology Non-Revolving Credit Facility, dated September 18, 2003, maximum credit \$9,995,000.	\$11,098	6	Variable
Tax Anticipation Note, dated July 2, 2003	\$22,165,000	1	2.00%

# Required Supplementary Information

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Peninsula Park Bandstand, 1913



**City of Portland, Oregon**  
**General Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 145,382,226	\$ 144,421,025	\$ 142,567,951	\$ (1,853,074)
Prior year property taxes	3,036,202	3,036,202	3,693,429	657,227
Payment in lieu of taxes	617,767	617,767	834,449	216,682
Lodging taxes	10,488,630	10,388,630	10,690,005	301,375
<b>Total taxes</b>	<b>159,524,825</b>	<b>158,463,624</b>	<b>157,785,834</b>	<b>(677,790)</b>
Licenses and permits:				
Business licenses, net	46,640,528	43,640,528	39,372,885	(4,267,643)
Public utility licenses	37,275,724	37,723,729	41,094,286	3,370,557
Construction permits	1,001,000	1,001,000	1,120,515	119,515
Other permits	2,664,616	2,552,854	1,090,556	(1,462,298)
<b>Total licenses and permits</b>	<b>87,581,868</b>	<b>84,918,111</b>	<b>82,678,242</b>	<b>(2,239,869)</b>
Intergovernmental revenues:				
State cost sharing	40,000	40,000	25,291	(14,709)
State grants	-	112,950	32,406	(80,544)
State revenue sharing	8,868,233	8,868,233	9,074,476	206,243
Local shared revenues	2,955,251	2,706,636	2,470,496	(236,140)
Local administered Federal funds	125,770	125,770	155,847	30,077
PDC - Overhead charges	297,888	340,505	340,505	-
Multnomah County cost sharing	1,472,585	1,529,464	1,417,646	(111,818)
Local cost sharing	4,521,756	5,015,987	5,685,961	669,974
<b>Total intergovernmental revenues</b>	<b>18,281,483</b>	<b>18,739,545</b>	<b>19,202,628</b>	<b>463,083</b>
Service charges and fees:				
Inspection fees	900,000	820,000	766,287	(53,713)
Rents and reimbursements	1,796,948	1,865,655	1,749,874	(115,781)
Concessions	19,000	9,000	-	(9,000)
Parks and recreation facilities fees	7,409,537	7,409,537	7,406,322	(3,215)
Other service charges	2,282,449	2,486,248	2,782,749	296,501
<b>Total service charges and fees</b>	<b>12,407,934</b>	<b>12,590,440</b>	<b>12,705,232</b>	<b>114,792</b>
Miscellaneous:				
Loan repayments	-	-	28,415	28,415
Sales - other	28,500	28,500	51,866	23,366
Refunds	267,000	265,327	420,377	155,050
Private grants and donations	1,926	82,126	40,056	(42,070)
Investment earnings	1,471,022	797,302	908,922	111,620
Miscellaneous	2,932,723	1,382,175	1,742,638	360,463
General Fund Intrafund Revenue	6,411,184	6,493,277	5,928,308	(564,969)
<b>Total miscellaneous</b>	<b>11,112,355</b>	<b>9,048,707</b>	<b>9,120,582</b>	<b>71,875</b>

Continued next page

**City of Portland, Oregon  
General Fund  
Schedule of Revenues and Expenditures - Budget and Actual, Continued  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES, continued:</b>				
<b>Billings to other funds for services:</b>				
Transportation Operating	1,647,245	1,856,986	1,542,573	(314,413)
Emergency Communication	133,251	133,251	122,966	(10,285)
Planning and Development Operating	462,467	462,467	418,398	(44,069)
Public Safety	26,915	26,915	16,415	(10,500)
Cable	301,395	378,565	303,067	(75,498)
Convention and Tourism	58,499	68,499	68,499	-
Special Finance and Resource	1,140,000	1,140,000	1,000,000	(140,000)
Children's Investment	-	10,000	6,378	(3,622)
Housing and Community Development	1,742,928	2,331,471	2,197,457	(134,014)
Home Grant	370,707	454,626	392,227	(62,399)
Portland Parks Memorial Trust	608,222	850,366	700,912	(149,454)
Pension Debt Redemption	75,000	75,000	75,000	-
FRES Facilities Bond Construction	88,752	132,977	132,977	-
Local Improvement District Construction	1,316,464	1,651,464	1,542,592	(108,872)
Parks Construction	334,076	642,510	580,894	(61,616)
Sewer System Operating	2,405,637	2,935,141	2,770,887	(164,254)
Water	1,561,014	1,888,000	1,714,578	(173,422)
Hydroelectric Power Operating	26,438	26,438	14,616	(11,822)
Golf	496,732	584,068	602,043	17,975
Portland International Raceway	96,864	120,043	139,458	19,415
Solid Waste Management	433,214	274,673	272,225	(2,448)
Parking Facilities	341,501	341,501	330,363	(11,138)
Spectator Facilities Operating	365,136	365,136	318,813	(46,323)
Health Insurance Operating	250,509	250,509	250,509	-
Facilities Services Operating	744,639	749,576	748,105	(1,471)
Fleet Services Operating	360,062	360,062	357,842	(2,220)
Printing and Distribution Services Operating	188,965	188,965	186,745	(2,220)
Communication Services Operating	400,896	400,896	399,475	(1,421)
Insurance and Claims Operating	1,519,494	1,519,494	1,439,457	(80,037)
Workers' Compensation Self-Insurance Operating	605,773	605,773	525,736	(80,037)
Information Technology	494,452	494,452	476,799	(17,653)
Fire and Police Disability and Retirement	1,090,739	1,136,834	1,096,613	(40,221)
<b>Total billings to other funds for services</b>	<b>19,687,986</b>	<b>22,456,658</b>	<b>20,744,619</b>	<b>(1,712,039)</b>
<b>Billings to other funds for general and overhead charges:</b>				
Transportation Operating	2,492,489	2,186,515	2,186,515	-
Assessment Collection	153	210	210	-
Emergency Communication	221,488	300,727	300,727	-
Planning and Development Operating	686,045	821,144	821,144	-
Public Safety	7,949	8,785	8,785	-
Cable	10,762	7,645	7,645	-

Continued next page

**City of Portland, Oregon  
General Fund  
Schedule of Revenues and Expenditures - Budget and Actual, Continued  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES, continued:</b>				
Billings to other funds for general and overhead charges, continued:				
Convention and Tourism	6,616	6,066	6,066	-
FRES Facilities Bond Construction	44,930	72,265	72,265	-
Local Improvement District Construction	118,311	12,589	12,589	-
Parks Construction	89,978	111,588	111,588	-
Sewer System Operating	2,464,649	2,499,076	2,499,076	-
Water	1,563,515	952,013	952,013	-
Hydroelectric Power Operating	52,798	52,836	52,836	-
Golf	122,988	88,012	88,012	-
Portland International Raceway	27,994	28,172	28,172	-
Solid Waste Management	124,340	153,869	153,869	-
Parking Facilities	108,106	116,241	116,241	-
Spectator Facilities Operating	80,214	-	-	-
Environmental Remediation	2,912	3,003	3,003	-
Health Insurance Operating	240,110	263,040	263,040	-
Facilities Services Operating	925,154	995,706	995,706	-
Fleet Services Operating	566,678	559,066	559,066	-
Printing and Distribution Services Operating	199,236	251,651	251,651	-
Communication Services Operating	276,732	393,561	393,561	-
Insurance and Claims Operating	145,105	169,842	169,842	-
Workers' Compensation Self-Insurance Operating	129,134	184,798	184,798	-
Information Technology	261,255	452,805	452,805	-
Fire and Police Disability and Retirement	84,897	116,839	116,839	-
Total billings to other funds for general and overhead charges:	<u>11,054,538</u>	<u>10,808,064</u>	<u>10,808,064</u>	<u>-</u>
<b>Total revenues</b>	<u>319,650,989</u>	<u>317,025,149</u>	<u>313,045,201</u>	<u>(3,979,948)</u>
<b>EXPENDITURES</b>				
Personal services	211,808,749	217,676,206	211,596,935	6,079,271
Materials and services	106,665,924	116,286,924	89,245,565	27,041,359
Capital outlay	961,590	2,327,556	1,115,473	1,212,083
General operating contingencies	7,704,136	4,191,703	-	4,191,703
Debt service:				
Principal	10,000,000	-	-	-
Interest	349,589	-	-	-
Total expenditures	<u>337,489,988</u>	<u>340,482,389</u>	<u>301,957,973</u>	<u>38,524,416</u>
Revenues over (under) expenditures	<u>(17,838,999)</u>	<u>(23,457,240)</u>	<u>11,087,228</u>	<u>34,544,468</u>

Continued next page

**City of Portland, Oregon**  
**General Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Cable	-	106,080	165,750	59,670
General Reserve	1,463,775	1,463,775	-	(1,463,775)
Federal Grants	8,558,264	18,566,234	8,703,693	(9,862,541)
Housing and Community Development	133,690	133,690	156,829	23,139
Sewer System Operating	10,417,152	10,417,152	11,885,708	1,468,556
Water	3,917,219	3,917,219	3,753,739	(163,480)
Hydroelectric Power Operating	200,000	200,000	200,000	-
Solid Waste Management	505,862	1,044,484	620,741	(423,743)
Parking Facilities	202,014	202,014	202,014	-
Fleet Services Operating	1,360,853	1,405,804	1,405,804	-
Printing and Distribution Services Operating	-	213,867	213,867	-
Communication Services Operating	-	10,000	10,000	-
Transfers to other funds:				
Transportation Operating	(6,424,151)	(6,480,151)	(6,480,151)	-
Emergency Communication	(8,318,245)	(8,318,245)	(8,318,245)	-
Planning and Development Operating	(2,129,886)	(2,129,886)	(2,129,886)	-
Housing Investment	(55,652)	(55,652)	(55,652)	-
Children's Investment	-	(10,000)	(10,000)	-
Pension Debt Redemption	(3,843,602)	(2,882,701)	(2,882,702)	(1)
Governmental Bond Redemption	(2,977,549)	(2,747,549)	(2,675,093)	72,456
Parks Construction	(900,000)	(900,000)	(900,000)	-
Sewer System Operating	(35,000)	(50,000)	(50,000)	-
Facilities Services Operating	(2,796,150)	(2,796,150)	(2,796,150)	-
Fleet Services Operating	-	(370,265)	(356,995)	13,270
Printing and Distribution Services Operating	-	(71,409)	(71,409)	-
Communication Services Operating	(257,950)	(1,199,561)	(639,835)	559,726
Information Technology	(474,900)	(474,900)	(474,900)	-
Bonds and notes issued	10,000,000	778,720	-	(778,720)
<b>Total other financing sources and uses</b>	<b>8,545,744</b>	<b>9,972,570</b>	<b>(522,873)</b>	<b>(10,495,443)</b>
<b>Net change in fund balance</b>	<b>(9,293,255)</b>	<b>(13,484,670)</b>	<b>10,564,355</b>	<b>24,049,025</b>
<b>Fund balance -- beginning</b>	<b>9,293,255</b>	<b>13,484,670</b>	<b>14,762,764</b>	<b>1,278,094</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>(5,939,843)</b>	<b>(5,939,843)</b>
<b>Fund balance -- beginning, as restated</b>	<b>9,293,255</b>	<b>13,484,670</b>	<b>8,822,921</b>	<b>(4,661,749)</b>
<b>Fund balance -- ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,387,276</b>	<b>\$ 19,387,276</b>

**City of Portland, Oregon  
Transportation Operating Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Prior years' property taxes	\$ -	\$ -	\$ 300	\$ 300
Licenses and fees:				
Construction permits	1,032,002	1,032,002	825,817	(206,185)
Other permits	81,000	81,000	56,233	(24,767)
<b>Total licenses and fees</b>	<b>1,113,002</b>	<b>1,113,002</b>	<b>882,050</b>	<b>(230,952)</b>
Intergovernmental revenues:				
State cost sharing	944,993	989,993	1,116,188	126,195
State grants	-	-	873,253	873,253
State revenue sharing	22,643,506	22,643,506	21,801,228	(842,278)
Local government sources:				
Multnomah County cost sharing	19,632,279	19,632,279	21,454,923	1,822,644
Local cost sharing	20,652,228	18,730,521	8,949,071	(9,781,450)
<b>Total intergovernmental revenues</b>	<b>63,873,006</b>	<b>61,996,299</b>	<b>54,194,663</b>	<b>(7,801,636)</b>
Service charges and fees:				
Public works and utility charges	3,428,922	3,428,922	5,172,165	1,743,243
Washington Co. traffic impact fees	-	-	14,651	14,651
Inspection fees	150,000	150,000	219,983	69,983
Parking fees	12,547,600	13,517,600	12,614,873	(902,727)
Rents and reimbursements	-	-	1,962	1,962
Parks and recreation facilities fees	-	-	25	25
Other service charges	537,670	537,670	493,853	(43,817)
<b>Total service charges and fees</b>	<b>16,664,192</b>	<b>17,634,192</b>	<b>18,517,512</b>	<b>883,320</b>
Miscellaneous and interest:				
Assessments	2,100,000	2,100,000	907,899	(1,192,101)
Sales - other	55,000	55,000	431,400	376,400
Refunds	5,000	5,000	31,385	26,385
Private grants and donations	631,545	631,545	257,384	(374,161)
Investment earnings	400,000	400,000	151,253	(248,747)
Other interest income	200,000	200,000	106,573	(93,427)
Miscellaneous	1,000,100	273,933	501,715	227,782
<b>Total miscellaneous and interest revenues</b>	<b>4,391,645</b>	<b>3,665,478</b>	<b>2,387,609</b>	<b>(1,277,869)</b>
Billings for interfund services:				
General	20,000	163,667	191,818	28,151
Planning and Development Operating	288,189	288,189	293,629	5,440
Sewer System Operating	13,949,175	14,727,675	14,363,359	(364,316)
Water	1,128,322	1,326,732	1,224,653	(102,079)
Solid Waste Management	-	-	3,832	3,832
Housing and Community Development	217,584	305,584	73,268	(232,316)
FRES Facilities Bond Construction	-	-	112,536	112,536

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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Billings for interfund services, continued:</b>				
Local Improvement District Construction	2,007,277	14,328,865	13,915,736	(413,129)
Parks Construction	-	291,018	316,882	25,864
Facilities Services Operating	-	10,500	71,370	60,870
Fleet Services Operating	5,000	113,000	24,384	(88,616)
Communication Services Operating	-	-	3,897	3,897
Information Technology	139,000	139,000	133,883	(5,117)
<b>Total billings for interfund services</b>	<b>17,754,547</b>	<b>31,694,230</b>	<b>30,729,247</b>	<b>(964,983)</b>
<b>Total revenues</b>	<b>103,796,392</b>	<b>116,103,201</b>	<b>106,711,381</b>	<b>(9,391,820)</b>
<b>EXPENDITURES</b>				
Personal services	50,828,084	52,958,414	49,164,396	3,794,018
Materials and services	45,182,999	56,660,036	51,864,923	4,795,113
Capital outlay	21,876,903	21,092,012	12,815,472	8,276,540
General operating contingencies	13,572,473	14,650,929	-	14,650,929
Overhead charges - General Fund	2,492,489	2,186,515	2,186,515	-
<b>Total expenditures</b>	<b>133,952,948</b>	<b>147,547,906</b>	<b>116,031,306</b>	<b>31,516,600</b>
<b>Revenues over (under) expenditures</b>	<b>(30,156,556)</b>	<b>(31,444,705)</b>	<b>(9,319,925)</b>	<b>22,124,780</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers from other funds:</b>				
General	6,424,151	6,480,151	6,480,151	-
Parking Facilities	1,389,000	1,389,000	1,389,000	-
Housing and Community Development	40,350	40,350	19,455	(20,895)
Fleet Services Operating	883,789	883,789	883,789	-
Federal Grants	3,528,720	5,286,084	4,156,992	(1,129,092)
<b>Transfers to other funds:</b>				
Pension Debt Redemption	(1,810,087)	(1,357,565)	(1,357,565)	-
Gas Tax Bond Redemption	(530,278)	(648,002)	(647,982)	20
Local Improvement District Construction	(3,695)	(3,695)	(3,695)	-
Fleet Services Operating	-	(816,583)	(385,308)	431,275
Printing and Distribution Services Operating	-	(3,850)	(3,850)	-
Communication Services Operating	-	(39,580)	(39,543)	37
Bonds and notes issued	3,364,000	3,364,000	798,620	(2,565,380)
<b>Total other financing sources (uses)</b>	<b>13,285,950</b>	<b>14,574,099</b>	<b>11,290,064</b>	<b>(3,284,035)</b>
<b>Net change in fund balances</b>	<b>(16,870,606)</b>	<b>(16,870,606)</b>	<b>1,970,139</b>	<b>18,840,745</b>
<b>Fund balances – beginning</b>	<b>16,870,606</b>	<b>16,870,606</b>	<b>16,652,458</b>	<b>(218,148)</b>
<b>Fund balances – ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,622,597</b>	<b>\$ 18,622,597</b>

City of Portland, Oregon  
 Note to the Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2003

**Reconciliation between the budgetary basis of accounting and GAAP:**

Fund balances as of June 30, 2003, on a budgetary basis are reconciled to fund balances on a GAAP basis as follows:

	General Fund	Transportation Operating Fund
Fund balances at 6/30/03 – budgetary basis	\$19,387,276	\$18,622,597
Reserve funds budgeted as separate funds	37,245,789	676,077
Unrealized gain (loss) on investments – GASB 31	671,053	(6,707)
Resources not available for spending:		
Inventories	318,946	1,496,256
Petty cash	20,874	21,000
	\$57,643,938	\$20,809,223
Fund balances at 6/30/03 – GAAP basis		



PITTOCK MANSION



# Combining and Individual Fund Statements and Schedules

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Fried/Durkheimer Residence, 1800-81

# Nonmajor Governmental Funds

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## 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, 2003**

<b>ASSETS</b>	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
Cash and investments	\$ 17,627,480	\$ 42,137,161	\$ 10,064,212	\$ 154,083	\$ 69,982,936
Receivables:					
Taxes	(291)	3,881,826	-	-	3,881,535
Accounts	524,041	-	380,210	-	904,251
Assessments	6,526,518	37,064,703	978,957	-	44,570,178
Grants	11,279,033	-	-	-	11,279,033
Advances	3,802	-	-	-	3,802
Accrued interest	47,177	170,738	30,122	76	248,113
Due from other funds	20,357,825	-	434,624	-	20,792,449
Property held for resale	1,510,000	-	-	-	1,510,000
<b>Total assets</b>	<b>\$ 57,875,585</b>	<b>\$ 83,254,428</b>	<b>\$ 11,888,125</b>	<b>\$ 154,159</b>	<b>\$ 153,172,297</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 1,752,468	\$ 1,587	\$ 339,421	\$ 100	\$ 2,093,576
Due to other funds	10,293,377	-	-	-	10,293,377
Matured interest payable	-	15,427	-	-	15,427
Internal loans payable	-	-	86,231	-	86,231
Notes and mortgages payable	-	-	718,733	-	718,733
Deferred Revenue	28,579,568	39,919,606	1,277,232	-	69,776,406
Other accrued liabilities	-	-	305,173	-	305,173
<b>Total liabilities</b>	<b>40,625,413</b>	<b>39,936,620</b>	<b>2,726,790</b>	<b>100</b>	<b>83,288,923</b>
Fund Balances (deficits):					
Reserved:					
Petty cash	6,400	-	-	-	6,400
Property held for resale	1,510,000	-	-	-	1,510,000
Debt service	-	43,317,808	-	-	43,317,808
Parks endowments	-	-	-	154,059	154,059
Unreserved, reported in:					
Special revenue funds	15,733,772	-	-	-	15,733,772
Capital projects funds	-	-	9,161,335	-	9,161,335
<b>Total fund balances</b>	<b>17,250,172</b>	<b>43,317,808</b>	<b>9,161,335</b>	<b>154,059</b>	<b>69,883,374</b>
<b>Total liabilities and fund balances</b>	<b>\$ 57,875,585</b>	<b>\$ 83,254,428</b>	<b>\$ 11,888,125</b>	<b>\$ 154,159</b>	<b>\$ 153,172,297</b>

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

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2003**

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Planning and Development Operating</u>
<b>ASSETS</b>			
Cash and investments	\$ 60,653	\$ -	\$ 4,893,016
Receivables:			
Taxes	-	-	-
Accounts	-	204,203	298,921
Assessments	7,770	-	6,310,511
Grants	-	-	-
Advances	-	-	-
Accrued interest	147	(1,210)	12,036
Due from other funds	-	-	35,980
Property held for resale	-	-	-
	<u>68,570</u>	<u>202,993</u>	<u>11,550,464</u>
<b>Total assets</b>	<b>\$ 68,570</b>	<b>\$ 202,993</b>	<b>\$ 11,550,464</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 21,940	\$ 152,223
Due to other funds	-	-	-
Deferred revenue	7,770	8,018	6,310,511
	<u>7,770</u>	<u>29,958</u>	<u>6,462,734</u>
<b>Total liabilities</b>	<b>7,770</b>	<b>29,958</b>	<b>6,462,734</b>
Fund Balances (deficits):			
Reserved for:			
Petty cash	-	2,000	4,400
Property held for resale	-	-	-
Unreserved	60,800	171,035	5,083,330
	<u>60,800</u>	<u>173,035</u>	<u>5,087,730</u>
<b>Total fund balances</b>	<b>60,800</b>	<b>173,035</b>	<b>5,087,730</b>
<b>Total liabilities and fund balances</b>	<b>\$ 68,570</b>	<b>\$ 202,993</b>	<b>\$ 11,550,464</b>

<u>Property Management License</u>	<u>Public Safety</u>	<u>Cable</u>	<u>Convention and Tourism</u>	<u>Special Finance and Resource</u>
\$ 17,071	\$ 1,564,371	\$ 2,548,705	\$ 150,846	\$ 423,467
-	(291)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
539	3,741	6,768	562	7,250
-	-	-	-	-
-	-	-	-	-
<u>\$ 17,610</u>	<u>\$ 1,567,821</u>	<u>\$ 2,555,473</u>	<u>\$ 151,408</u>	<u>\$ 430,717</u>
\$ 9,597	\$ 150,856	\$ 156,863	\$ 5,709	\$ 36,461
-	-	-	-	-
-	(401)	-	-	-
<u>9,597</u>	<u>150,455</u>	<u>156,863</u>	<u>5,709</u>	<u>36,461</u>
-	-	-	-	-
-	-	-	-	-
8,013	1,417,366	2,398,610	145,699	394,256
<u>8,013</u>	<u>1,417,366</u>	<u>2,398,610</u>	<u>145,699</u>	<u>394,256</u>
<u>\$ 17,610</u>	<u>\$ 1,567,821</u>	<u>\$ 2,555,473</u>	<u>\$ 151,408</u>	<u>\$ 430,717</u>

Continued next page

**City of Portland, Oregon**  
**Combining Balance Sheet, Continued**  
**Nonmajor Special Revenue Funds**  
**June 30, 2003**

	<u>Housing Investment</u>	<u>Children's Investment Fund</u>	<u>Federal Grants</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,384,849	\$ 3,625	\$ 1,721,743
Receivables:			
Taxes	-	-	-
Accounts	-	-	-
Assessments	-	-	-
Grants	-	-	8,391,389
Advances	3,802	-	-
Accrued interest	8,380	-	1,845
Due from other funds	-	-	-
Property held for resale	1,510,000	-	-
	<u>4,907,031</u>	<u>3,625</u>	<u>10,114,977</u>
Total assets	\$ <u>4,907,031</u>	\$ <u>3,625</u>	\$ <u>10,114,977</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 179,086	\$ -	\$ -
Due to other funds	-	-	8,391,389
Deferred revenue	-	-	1,723,588
	<u>179,086</u>	<u>-</u>	<u>10,114,977</u>
Total liabilities	<u>179,086</u>	<u>-</u>	<u>10,114,977</u>
Fund Balances (deficits):			
Reserved for:			
Petty cash	-	-	-
Property held for resale	1,510,000	-	-
Unreserved	<u>3,217,945</u>	<u>3,625</u>	<u>-</u>
Total fund balances	<u>4,727,945</u>	<u>3,625</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>4,907,031</u>	\$ <u>3,625</u>	\$ <u>10,114,977</u>

Housing and Community Development	Home Grant	Portland Parks Memorial Trust	Total
\$ -	\$ 21,350	\$ 2,837,784	\$ 17,627,480
-	-	-	(291)
-	-	20,917	524,041
208,237	-	-	6,526,518
2,573,815	313,829	-	11,279,033
-	-	-	3,802
-	-	7,119	47,177
17,164,790	3,157,055	-	20,357,825
-	-	-	1,510,000
<u>\$ 19,946,842</u>	<u>\$ 3,492,234</u>	<u>\$ 2,865,820</u>	<u>\$ 57,875,585</u>
\$ 752,389	\$ 254,617	\$ 32,727	\$ 1,752,468
1,821,426	80,562	-	10,293,377
17,373,027	3,157,055	-	28,579,568
<u>19,946,842</u>	<u>3,492,234</u>	<u>32,727</u>	<u>40,625,413</u>
-	-	-	6,400
-	-	-	1,510,000
-	-	2,833,093	15,733,772
-	-	2,833,093	17,250,172
<u>\$ 19,946,842</u>	<u>\$ 3,492,234</u>	<u>\$ 2,865,820</u>	<u>\$ 57,875,585</u>

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2003**

	River District Urban Renewal Area Debt Redemption	Bonded Debt Interest and Sinking	Waterfront Renewal Bond Sinking
<b>ASSETS</b>			
Cash and Investments	\$ 7,506,414	\$ 752,345	\$ 3,439,024
Receivables:			
Taxes	403,856	506,420	952,682
Assessments	-	-	-
Accrued interest	7,413	7,835	26,842
Total assets	\$ 7,917,683	\$ 1,266,600	\$ 4,418,548
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Matured interest payable	-	301	3,975
Deferred revenue	300,959	373,732	703,361
Total liabilities	300,959	374,033	707,336
Fund Balances (deficits):			
Reserved for debt service	7,616,724	892,567	3,711,212
Total liabilities and fund balances	\$ 7,917,683	\$ 1,266,600	\$ 4,418,548



<u>Interstate Corridor Debt Service</u>	<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt</u>	<u>Gas Tax Bond Redemption</u>
\$ 8,981	\$ 15,766,872	\$ 684,445	\$ 1,482,688	\$ 407
98,909	-	439,529	488,441	-
-	-	-	-	-
<u>1,133</u>	<u>43,701</u>	<u>9,523</u>	<u>13,793</u>	<u>51</u>
<u>\$ 109,023</u>	<u>\$ 15,810,573</u>	<u>\$ 1,133,497</u>	<u>\$ 1,984,922</u>	<u>\$ 458</u>

\$ -	\$ 1,587	\$ -	\$ -	\$ -
-	-	-	-	-
<u>72,488</u>	<u>-</u>	<u>321,464</u>	<u>357,944</u>	<u>-</u>
72,488	1,587	321,464	357,944	-
<u>36,535</u>	<u>15,808,986</u>	<u>812,033</u>	<u>1,626,978</u>	<u>458</u>
<u>\$ 109,023</u>	<u>\$ 15,810,573</u>	<u>\$ 1,133,497</u>	<u>\$ 1,984,922</u>	<u>\$ 458</u>

Continued next page

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Debt Service Funds, Continued  
June 30, 2003**

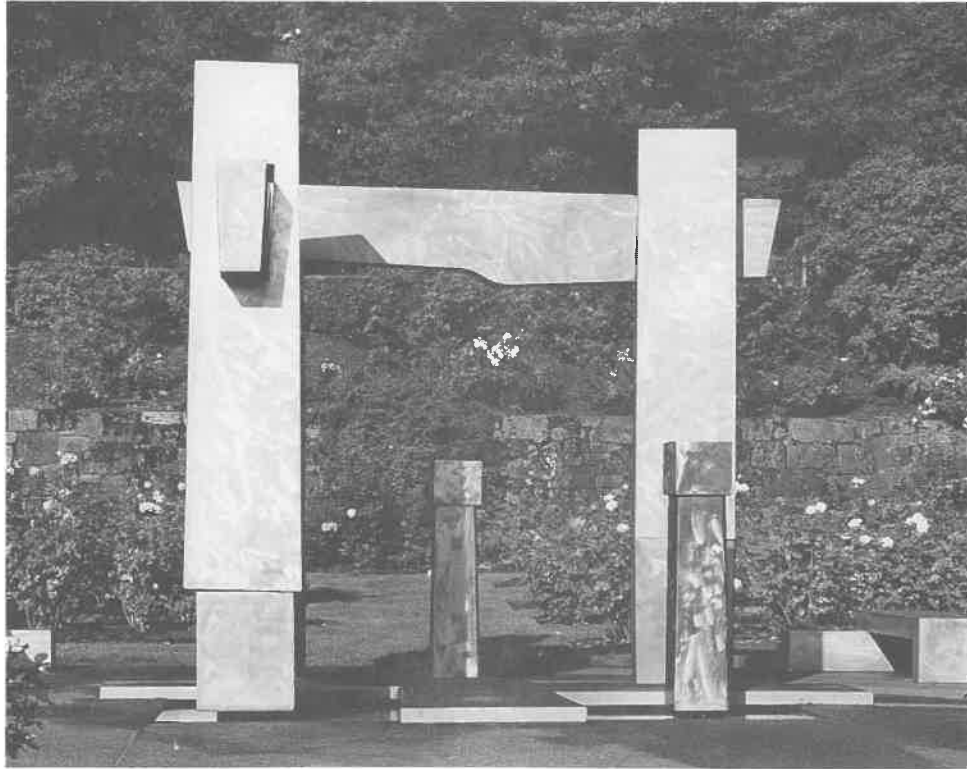
	<u>Lents Town Center Urban Renewal Area Debt Redemption</u>	<u>Central Eastside Industrial District Debt Service</u>	<u>Bancroft Bond Interest and Sinking</u>	<u>Convention Center Area Debt Service</u>
<b>ASSETS</b>				
Cash and investments	\$ 39,587	\$ 75,971	\$ 10,624,260	\$ 144,751
Receivables:				
Taxes	203,466	267,699	-	438,241
Assessments	-	-	37,064,703	-
Accrued interest	1,890	8,385	26,053	17,084
Total assets	<u>\$ 244,943</u>	<u>\$ 352,055</u>	<u>\$ 47,715,016</u>	<u>\$ 600,076</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Matured interest payable	-	-	11,151	-
Deferred revenue	149,841	195,248	37,064,703	320,725
Total liabilities	149,841	195,248	37,075,854	320,725
<b>Fund Balances (deficits):</b>				
Reserved for debt service	95,102	156,807	10,639,162	279,351
Total liabilities and fund balances	<u>\$ 244,943</u>	<u>\$ 352,055</u>	<u>\$ 47,715,016</u>	<u>\$ 600,076</u>

North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Area Debt Redemption	Governmental Bond Redemption	Total
\$ 12,575	\$ 1,578,075	\$ 13,557	\$ 7,209	\$ 42,137,161
54,882	-	27,701	-	3,881,826
-	-	-	-	37,064,703
805	5,455	775	-	170,738
<u>\$ 68,262</u>	<u>\$ 1,583,530</u>	<u>\$ 42,033</u>	<u>\$ 7,209</u>	<u>\$ 83,254,428</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,587
-	-	-	-	15,427
39,560	-	19,581	-	39,919,606
39,560	-	19,581	-	39,936,620
28,702	1,583,530	22,452	7,209	43,317,808
<u>\$ 68,262</u>	<u>\$ 1,583,530</u>	<u>\$ 42,033</u>	<u>\$ 7,209</u>	<u>\$ 83,254,428</u>

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2003**

	<u>FRES Facilities Bond Construction</u>	<u>Local Improvement District Construction</u>	<u>Capital Improvement</u>
<b>ASSETS</b>			
Cash and investments	\$ 4,199,438	\$ 3,869,031	\$ -
Receivables:			
Accounts	-	63,711	-
Assessments	-	732,684	-
Accrued interest	12,733	12,733	-
Due from other funds	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	\$ <u>4,212,171</u>	\$ <u>4,678,159</u>	\$ <u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 178,042	\$ 2,621	\$ -
Internal loans payable	-	-	-
Notes and mortgages payable	-	718,733	-
Deferred revenue	-	796,395	-
Other accrued liabilities	251,247	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	429,289	1,517,749	-
Fund Balances (deficits):			
Unreserved	<u>3,782,882</u>	<u>3,160,410</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>4,212,171</u>	\$ <u>4,678,159</u>	\$ <u>-</u>

Parks Bond Construction	Parks Construction	Total
\$ -	\$ 1,995,743	\$ 10,064,212
-	316,499	380,210
-	246,273	978,957
-	4,656	30,122
-	434,624	434,624
<u>\$ -</u>	<u>\$ 2,997,795</u>	<u>\$ 11,888,125</u>
\$ -	\$ 158,758	\$ 339,421
-	86,231	86,231
-	-	718,733
-	480,837	1,277,232
-	53,926	305,173
<u>-</u>	<u>779,752</u>	<u>2,726,790</u>
<u>-</u>	<u>2,218,043</u>	<u>9,161,335</u>
<u>\$ -</u>	<u>\$ 2,997,795</u>	<u>\$ 11,888,125</u>



**WASHINGTON PARK METAL SCULPTURE**

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2003**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>REVENUES</b>					
Taxes:					
Property	\$ 242	\$ 58,447,838	\$ -	\$ -	\$ 58,448,080
Lodging	2,138,002	-	-	-	2,138,002
Licenses and fees	24,326,665	-	-	-	24,326,665
Concessions	54,354	-	-	-	54,354
Intergovernmental	26,947,357	-	588,361	-	27,535,718
Charges for services	7,771,829	30,384	7,897,656	-	15,699,869
Miscellaneous service charges	2,231,234	5,808,648	77,600	-	8,117,482
Loan collections	6,450,488	-	-	-	6,450,488
Investment earnings	827,239	3,058,754	850,491	715	4,737,199
Assessments	1,963,727	4,850,305	5,054,817	-	11,868,849
<b>Total revenues</b>	<b>72,711,137</b>	<b>72,195,929</b>	<b>14,468,925</b>	<b>715</b>	<b>159,376,706</b>
<b>EXPENDITURES</b>					
Public safety	13,907,387	-	142,078	-	14,049,465
Parks, recreation and culture	1,843,011	-	94,835	465	1,938,311
Community development	54,980,536	7,262	16,831,164	-	71,818,962
Legislative/ Admin/ Support services	88,105,415	485,936	-	-	88,591,351
Capital outlay	354,083	-	13,400,933	-	13,755,016
Debt Service:					
Principal	-	77,882,862	-	-	77,882,862
Interest	-	38,134,750	277,389	-	38,412,139
<b>Total expenditures</b>	<b>159,190,432</b>	<b>116,510,810</b>	<b>30,746,399</b>	<b>465</b>	<b>306,448,106</b>
Revenues over (under) expenditures	(86,479,295)	(44,314,881)	(16,277,474)	250	(147,071,400)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	13,017,793	15,948,699	1,885,274	125,000	30,976,766
Transfers out	(23,334,694)	-	(447,367)	-	(23,782,061)
Proceeds from sale of capital assets	-	-	216,573	-	216,573
Proceeds from sale of property held for resale	6,408,252	-	-	-	6,408,252
Other miscellaneous	(7,110,000)	-	-	-	(7,110,000)
Bonds and notes issued	84,847,588	91,143,427	21,631,379	-	197,622,394
Bond and note premium	2,763,850	1,730,920	145,039	-	4,639,809
Payment to refunding escrow agent	-	(62,134,933)	-	-	(62,134,933)
<b>Total other financing sources (uses)</b>	<b>76,592,789</b>	<b>46,688,113</b>	<b>23,430,898</b>	<b>125,000</b>	<b>146,836,800</b>
Net change in fund balances	(9,886,506)	2,373,232	7,153,424	125,250	(234,600)
Fund balances -- beginning	27,136,678	40,944,576	2,007,911	28,809	70,117,974
Fund balances -- ending	\$ 17,250,172	\$ 43,317,808	\$ 9,161,335	\$ 154,059	\$ 69,883,374

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2003**

	Assessment Collection	Emergency Communication	Planning and Development Operating
<b>REVENUES</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Lodging	-	-	-
Licenses and fees	-	-	19,304,760
Concessions	-	-	-
Intergovernmental	-	4,320,254	-
Charges for services	-	121,476	5,647,736
Miscellaneous service charges	-	-	-
Loan collections	-	-	-
Investment earnings	2,045	30,107	450,957
Assessments	226	-	1,900,738
	<u>2,271</u>	<u>4,471,837</u>	<u>27,304,191</u>
Total revenues			
<b>EXPENDITURES</b>			
Public safety	-	13,512,678	-
Parks, recreation and culture	-	-	-
Community development	210	-	28,737,022
Legislative/ Admin/ Support services	-	-	-
Capital outlay	-	-	14,348
	<u>210</u>	<u>13,512,678</u>	<u>28,751,370</u>
Total expenditures			
Revenues over (under) expenditures	<u>2,061</u>	<u>(9,040,841)</u>	<u>(1,447,179)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	9,177,029	2,844,132
Transfers out	-	(1,005,607)	(393,303)
Proceeds from sale of property held for resale	-	-	-
Other miscellaneous	-	-	-
Bonds and notes issued	-	-	-
Bond and note premium	-	-	-
	<u>-</u>	<u>8,171,422</u>	<u>2,450,829</u>
Total other financing sources (uses)			
Net change in fund balances	2,061	(869,419)	1,003,650
Fund balances -- beginning	<u>58,739</u>	<u>1,042,454</u>	<u>4,084,080</u>
Fund balances -- ending	<u>\$ 60,800</u>	<u>\$ 173,035</u>	<u>\$ 5,087,730</u>



<u>Property Management License</u>	<u>Public Safety</u>	<u>Cable</u>	<u>Convention and Tourism</u>	<u>Special Finance and Resource</u>
\$ -	\$ 242	\$ -	\$ -	\$ -
4,133,918	-	887,987	2,138,002	-
-	-	-	-	-
-	-	219,005	-	-
-	-	1,835,649	-	-
8,810	9,283	64,153	6,052	30,761
<u>4,142,728</u>	<u>9,525</u>	<u>3,006,794</u>	<u>2,144,054</u>	<u>30,761</u>
-	394,709	-	-	-
4,143,515	-	3,226,367	2,147,452	-
-	339,735	-	-	88,094,095
<u>4,143,515</u>	<u>734,444</u>	<u>3,226,367</u>	<u>2,147,452</u>	<u>88,094,095</u>
<u>(787)</u>	<u>(724,919)</u>	<u>(219,573)</u>	<u>(3,398)</u>	<u>(88,063,334)</u>
-	930,980	-	-	-
-	(857,381)	(385,698)	-	(33,375)
-	-	-	-	-
-	-	-	-	84,847,588
-	-	-	-	2,763,850
-	73,599	(385,698)	-	87,578,063
<u>(787)</u>	<u>(651,320)</u>	<u>(605,271)</u>	<u>(3,398)</u>	<u>(485,271)</u>
8,800	2,068,686	3,003,881	149,097	879,527
<u>\$ 8,013</u>	<u>\$ 1,417,366</u>	<u>\$ 2,398,610</u>	<u>\$ 145,699</u>	<u>\$ 394,256</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, 2003**

	<u>Housing Investment</u>	<u>Children's Investment</u>	<u>Federal Grants</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ -	\$ -	\$ -
Lodging	-	-	-
Licenses and fees	-	-	-
Concessions	-	-	-
Intergovernmental	-	-	13,570,763
Charges for services	107,835	-	-
Miscellaneous service charges	-	-	196,155
Loan collections	-	-	-
Investment earnings	83,184	3	21,089
Assessments	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	191,019	3	13,788,007
<b>EXPENDITURES</b>			
Public safety	-	-	-
Parks, recreation and culture	-	-	-
Community development	1,296,208	6,378	-
Legislative/ Admin/ Support services	-	-	11,320
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	1,296,208	6,378	11,320
Revenues over (under) expenditures	<u>(1,105,189)</u>	<u>(6,375)</u>	<u>13,776,687</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	55,652	10,000	-
Transfers out	(6,496,875)	-	(13,776,687)
Proceeds from sale of property held for resale	6,408,252	-	-
Other miscellaneous	(7,110,000)	-	-
Bonds and notes issued	-	-	-
Bond and note premium	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(7,142,971)	10,000	(13,776,687)
Net change in fund balances	(8,248,160)	3,625	-
Fund balances -- beginning	12,976,105	-	-
Fund balances -- ending	<u>\$ 4,727,945</u>	<u>\$ 3,625</u>	<u>\$ -</u>

Housing and Community Development	Home Grant	Portland Parks Memorial Trust	Total
\$ -	\$ -	\$ -	\$ 242
-	-	-	2,138,002
-	-	-	24,326,665
-	-	54,354	54,354
6,803,353	2,252,987	-	26,947,357
12,671	-	1,663,106	7,771,829
-	-	199,430	2,231,234
6,009,611	440,877	-	6,450,488
53,443	-	67,352	827,239
61,210	-	1,553	1,963,727
<u>12,940,288</u>	<u>2,693,864</u>	<u>1,985,795</u>	<u>72,711,137</u>
-	-	-	13,907,387
-	-	1,843,011	1,843,011
12,729,520	2,693,864	-	54,980,536
-	-	-	88,105,415
-	-	-	354,083
<u>12,729,520</u>	<u>2,693,864</u>	<u>1,843,011</u>	<u>159,190,432</u>
<u>210,768</u>	<u>-</u>	<u>142,784</u>	<u>(86,479,295)</u>
-	-	-	13,017,793
(210,768)	-	(175,000)	(23,334,694)
-	-	-	6,408,252
-	-	-	(7,110,000)
-	-	-	84,847,588
-	-	-	2,763,850
<u>(210,768)</u>	<u>-</u>	<u>(175,000)</u>	<u>76,592,789</u>
-	-	(32,216)	(9,886,506)
-	-	2,865,309	27,136,678
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,833,093</u>	<u>\$ 17,250,172</u>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2003**

	<u>River District Urban Renewal Area Debt Redemption</u>	<u>Bonded Debt Interest and Sinking</u>	<u>Waterfront Renewal Bond Sinking</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 6,798,171	\$ 6,761,254	\$ 13,660,445
Charges for services	-	-	-
Miscellaneous service charges	-	-	-
Investment earnings	56,840	61,419	177,298
Assessments	-	-	-
	<u>6,855,011</u>	<u>6,822,673</u>	<u>13,837,743</u>
<b>EXPENDITURES</b>			
Community development	-	-	7,262
Legislative/ Admin/ Support services	-	-	-
Debt Service:			
Principal	27,750,000	3,550,000	8,965,000
Interest	488,356	3,354,990	8,710,900
	<u>28,238,356</u>	<u>6,904,990</u>	<u>17,683,162</u>
Total expenditures	<u>28,238,356</u>	<u>6,904,990</u>	<u>17,683,162</u>
Revenues over (under) expenditures	<u>(21,383,345)</u>	<u>(82,317)</u>	<u>(3,845,419)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	700,599
Bonds and notes issued	28,484,950	-	16,618,473
Bond and note premium	-	-	321,567
Payments to refunded bond escrow agent	-	-	(14,209,933)
	<u>28,484,950</u>	<u>-</u>	<u>3,430,706</u>
Total other financing sources (uses)	<u>28,484,950</u>	<u>-</u>	<u>3,430,706</u>
Net change in fund balances	7,101,605	(82,317)	(414,713)
Fund balances -- beginning	<u>515,119</u>	<u>974,884</u>	<u>4,125,925</u>
Fund balances -- ending	<u>\$ 7,616,724</u>	<u>\$ 892,567</u>	<u>\$ 3,711,212</u>

<u>Interstate Corridor Debt Service</u>	<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt</u>	<u>Gas Tax Bond Redemption</u>
\$ 1,954,302	\$ -	\$ 6,574,472	\$ 7,071,050	\$ -
-	-	-	-	-
-	255,564	-	-	-
11,242	405,403	58,538	75,588	88
-	-	-	-	-
<u>1,965,544</u>	<u>660,967</u>	<u>6,633,010</u>	<u>7,146,638</u>	<u>88</u>
-	-	-	-	-
-	483,432	-	-	-
1,950,000	-	4,110,000	3,865,000	380,000
122	8,225,736	2,493,984	3,828,136	533,319
<u>1,950,122</u>	<u>8,709,168</u>	<u>6,603,984</u>	<u>7,693,136</u>	<u>913,319</u>
<u>15,422</u>	<u>(8,048,201)</u>	<u>29,026</u>	<u>(546,498)</u>	<u>(913,231)</u>
-	4,748,684	-	12,487	913,139
-	-	-	13,332,504	-
-	-	-	422,596	-
-	-	-	(12,225,000)	-
<u>-</u>	<u>4,748,684</u>	<u>-</u>	<u>1,542,587</u>	<u>913,139</u>
15,422	(3,299,517)	29,026	996,089	(92)
<u>21,113</u>	<u>19,108,503</u>	<u>783,007</u>	<u>630,889</u>	<u>550</u>
<u>\$ 36,535</u>	<u>\$ 15,808,986</u>	<u>\$ 812,033</u>	<u>\$ 1,626,978</u>	<u>\$ 458</u>

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**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, 2003**

	Lents Town Center Urban Renewal Area Debt Redemption	Central Eastside Industrial District Debt Service	Bancroft Bond Interest and Sinking	Convention Center Area Debt Service
<b>REVENUES</b>				
Taxes:				
Property	\$ 3,367,523	\$ 3,973,414	\$ -	\$ 6,465,101
Charges for services	-	-	-	-
Miscellaneous service charges	-	-	-	-
Investment earnings	19,470	37,369	1,977,514	109,558
Assessments	-	-	4,850,305	-
<b>Total revenues</b>	<b>3,386,993</b>	<b>4,010,783</b>	<b>6,827,819</b>	<b>6,574,659</b>
<b>EXPENDITURES</b>				
Community development	-	-	-	-
Legislative/ Admin/ Support services	-	-	-	-
<b>Debt Service:</b>				
Principal	3,240,000	3,701,388	3,280,000	6,400,000
Interest	129,994	250,543	565,236	3,103,800
<b>Total expenditures</b>	<b>3,369,994</b>	<b>3,951,931</b>	<b>3,845,236</b>	<b>9,503,800</b>
Revenues over (under) expenditures	16,999	58,852	2,982,583	(2,929,141)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Bonds and notes issued	-	-	-	-
Bond and note premium	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	16,999	58,852	2,982,583	(2,929,141)
Fund balances – beginning	78,103	97,955	7,656,579	3,208,492
Fund balances – ending	\$ 95,102	\$ 156,807	\$ 10,639,162	\$ 279,351

North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Debt Redemption	Governmental Bond Redemption	Total
\$ 1,171,001	\$ -	\$ 651,105	\$ -	\$ 58,447,838
-	-	-	30,384	30,384
-	5,553,084	-	-	5,808,648
7,162	56,603	4,602	60	3,058,754
-	-	-	-	4,850,305
<u>1,178,163</u>	<u>5,609,687</u>	<u>655,707</u>	<u>30,444</u>	<u>72,195,929</u>
-	-	-	-	7,262
-	-	-	2,504	485,936
1,160,000	70,000	615,000	8,846,474	77,882,862
10,232	5,620,950	18,255	800,197	38,134,750
<u>1,170,232</u>	<u>5,690,950</u>	<u>633,255</u>	<u>9,649,175</u>	<u>116,510,810</u>
<u>7,931</u>	<u>(81,263)</u>	<u>22,452</u>	<u>(9,618,731)</u>	<u>(44,314,881)</u>
-	-	-	9,573,790	15,948,699
-	32,707,500	-	-	91,143,427
-	986,757	-	-	1,730,920
-	(35,700,000)	-	-	(62,134,933)
-	(2,005,743)	-	9,573,790	46,688,113
7,931	(2,087,006)	22,452	(44,941)	2,373,232
20,771	3,670,536	-	52,150	40,944,576
<u>\$ 28,702</u>	<u>\$ 1,583,530</u>	<u>\$ 22,452</u>	<u>\$ 7,209</u>	<u>\$ 43,317,808</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, 2003**

	FRES Facilities Bond Construction	Local Improvement District Construction	Capital Improvement
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Charges for services	116,300	4,491,383	-
Miscellaneous service charges	-	-	-
Investment earnings	176,603	503,748	2,573
Assessments	-	4,574,538	-
<b>Total revenues</b>	<b>292,903</b>	<b>9,569,669</b>	<b>2,573</b>
<b>EXPENDITURES</b>			
Public safety	142,078	-	-
Parks, recreation and culture	-	-	-
Community development	-	16,831,164	-
Capital outlay	7,114,375	-	-
Debt Service:			
Interest	-	270,459	-
<b>Total expenditures</b>	<b>7,256,453</b>	<b>17,101,623</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>(6,963,550)</b>	<b>(7,531,954)</b>	<b>2,573</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	3,695	-
Transfers out	-	(19,870)	(68,170)
Proceeds from sale of capital assets	216,573	-	-
Bonds and notes issued	-	20,546,942	-
Bond and note premium	-	145,039	-
<b>Total other financing sources (uses)</b>	<b>216,573</b>	<b>20,675,806</b>	<b>(68,170)</b>
<b>Net change in fund balances</b>	<b>(6,746,977)</b>	<b>13,143,852</b>	<b>(65,597)</b>
Fund balances -- beginning	10,529,859	(9,983,442)	65,597
<b>Fund balances -- ending</b>	<b>\$ 3,782,882</b>	<b>\$ 3,160,410</b>	<b>\$ -</b>



<u>Parks Bond Construction</u>	<u>Parks Construction</u>	<u>Total</u>
\$ -	\$ 588,361	\$ 588,361
-	3,289,973	7,897,656
-	77,600	77,600
125,569	41,998	850,491
-	480,279	5,054,817
<u>125,569</u>	<u>4,478,211</u>	<u>14,468,925</u>
-	-	142,078
-	94,835	94,835
-	-	16,831,164
-	6,286,558	13,400,933
-	6,930	277,389
-	<u>6,388,323</u>	<u>30,746,399</u>
<u>125,569</u>	<u>(1,910,112)</u>	<u>(16,277,474)</u>
15,577	1,866,002	1,885,274
-	(359,327)	(447,367)
-	-	216,573
-	1,084,437	21,631,379
-	-	145,039
<u>15,577</u>	<u>2,591,112</u>	<u>23,430,898</u>
141,146	681,000	7,153,424
<u>(141,146)</u>	<u>1,537,043</u>	<u>2,007,911</u>
\$ -	\$ <u>2,218,043</u>	\$ <u>9,161,335</u>



ELK AT 4TH & MADISON

# Nonmajor Proprietary Funds

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## 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.



SCHRUNK PLAZA BELL

**City of Portland, Oregon**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2003**

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
<b>ASSETS</b>				
<b>Current assets (unrestricted):</b>				
Cash and Investments	\$ 444,664	\$ 2,702,337	\$ 133,993	\$ 3,319,045
Receivables:				
Accounts, net	-	92,418	-	16,882
Contracts and mortgages	-	-	-	-
Advances	-	-	-	-
Accrued interest	968	5,889	(137)	8,374
Due from other funds	-	-	-	18,000
Other assets	-	38,640	7,124	-
<b>Total current assets (unrestricted)</b>	<b>445,632</b>	<b>2,839,284</b>	<b>140,980</b>	<b>3,362,301</b>
<b>Current assets (restricted):</b>				
Cash and investments	13,270,840	-	-	-
Receivables:				
Accrued interest	23,675	-	-	-
<b>Total current assets (restricted)</b>	<b>13,294,515</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total current assets</b>	<b>13,740,147</b>	<b>2,839,284</b>	<b>140,980</b>	<b>3,362,301</b>
<b>Noncurrent assets:</b>				
Capital assets:				
Land	4,500	249,463	-	229,259
Plant, buildings and improvements	44,123,225	18,661,940	1,952,064	19,679
Machinery and equipment	-	1,295,392	75,845	13,406
Construction in progress	-	808,141	92,808	-
Capitalized lease	-	570,519	-	-
Accumulated depreciation and amortization	(14,546,523)	(5,301,133)	(1,250,338)	(21,258)
<b>Capital assets net of accumulated depreciation and amortization</b>	<b>29,581,202</b>	<b>16,284,322</b>	<b>870,179</b>	<b>241,086</b>
Prepaid expense	227,619	1,859,792	358,019	577,519
<b>Total noncurrent assets</b>	<b>29,808,821</b>	<b>18,144,114</b>	<b>1,228,198</b>	<b>818,605</b>
<b>Total assets</b>	<b>43,548,968</b>	<b>20,983,398</b>	<b>1,369,178</b>	<b>4,180,906</b>

<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 3,843,862	\$ 11,490,880	\$ 880,469	\$ 22,815,250
304,565	325,103	-	738,968
-	546,414	-	546,414
-	101,995	-	101,995
9,908	30,697	2,117	57,816
-	-	-	18,000
-	-	-	45,764
<u>4,158,335</u>	<u>12,495,089</u>	<u>882,586</u>	<u>24,324,207</u>
-	-	-	13,270,840
-	-	-	23,675
-	-	-	13,294,515
<u>4,158,335</u>	<u>12,495,089</u>	<u>882,586</u>	<u>37,618,722</u>
10,575,202	4,528,031	1,563,333	17,149,788
39,424,660	94,379,825	3,288,971	201,850,364
12,000	2,773,571	-	4,170,214
-	-	-	900,749
-	-	-	570,519
<u>(16,703,491)</u>	<u>(17,098,143)</u>	<u>(478,701)</u>	<u>(55,399,587)</u>
33,308,371	84,583,284	4,373,603	169,242,047
-	-	13,333	3,036,282
<u>33,308,371</u>	<u>84,583,284</u>	<u>4,386,936</u>	<u>172,278,329</u>
<u>37,466,706</u>	<u>97,078,373</u>	<u>5,269,522</u>	<u>209,897,051</u>

Continued next page

**CITY OF PORTLAND, OREGON**  
**Combining Statement of Net Assets, Continued**  
**Nonmajor Enterprise Funds**  
**June 30, 2003**

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
<b>LIABILITIES</b>				
Current liabilities (payable from unrestricted assets):				
Accounts payable	76,709	208,299	48,696	236,384
Compensated absences - current	28,668	141,574	33,838	30,709
Capital leases payable - current	-	117,154	-	-
Revenue bonds payable - current	-	536,333	-	-
Accrued interest payable - current	607	117,541	958	1,545
Other liabilities - current	-	72,445	-	-
<b>Total current liabilities (unrestricted)</b>	<b>105,984</b>	<b>1,193,346</b>	<b>83,492</b>	<b>268,638</b>
Current liabilities (payable from restricted assets)				
Revenue bonds payable - current	1,855,000	-	-	-
Accrued interest payable - current	479,695	-	-	-
<b>Total current liabilities (restricted)</b>	<b>2,334,695</b>	<b>-</b>	<b>-</b>	<b>-</b>
Noncurrent liabilities:				
Compensated absences	3,909	19,306	4,614	4,188
Revenue bonds payable	25,960,243	7,909,066	406,584	655,858
Capital leases payable	-	165,484	-	-
Accrued interest payable	3,378	27,676	5,328	8,595
<b>Total noncurrent liabilities</b>	<b>25,967,530</b>	<b>8,121,532</b>	<b>416,526</b>	<b>668,641</b>
<b>Total liabilities</b>	<b>28,408,209</b>	<b>9,314,878</b>	<b>500,018</b>	<b>937,279</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,024,452	9,668,351	870,179	241,086
Restricted for debt service	10,516,820	-	-	-
Unrestricted	2,599,487	2,000,169	(1,019)	3,002,541
<b>Total net assets</b>	<b>\$ 15,140,759</b>	<b>\$ 11,668,520</b>	<b>\$ 869,160</b>	<b>\$ 3,243,627</b>

<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
311,840	93,383	1,238	976,549
-	-	-	234,789
-	-	-	117,154
2,155,000	2,260,000	-	4,951,333
395,406	312,422	35	828,514
49,260	-	-	121,705
<u>2,911,506</u>	<u>2,665,805</u>	<u>1,273</u>	<u>7,230,044</u>
-	-	-	1,855,000
-	-	-	479,695
-	-	-	2,334,695
-	-	-	32,017
33,264,345	60,151,611	15,142	128,362,849
-	-	-	165,484
-	3,796,769	199	3,841,945
<u>33,264,345</u>	<u>63,948,380</u>	<u>15,341</u>	<u>132,402,295</u>
<u>36,175,851</u>	<u>66,614,185</u>	<u>16,614</u>	<u>141,967,034</u>
(2,110,974)	22,171,673	4,373,603	37,238,370
-	-	-	10,516,820
3,401,829	8,292,515	879,305	20,174,827
<u>\$ 1,290,855</u>	<u>\$ 30,464,188</u>	<u>\$ 5,252,908</u>	<u>\$ 67,930,017</u>



**City of Portland, Oregon**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2003**

	Health Insurance Operating	Facilities Services Operating	Fleet Services Operating
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 20,939,006	\$ 11,968,923	\$ 20,188,984
Receivables:			
Accounts, net	-	293,287	25,106
Accrued interest	54,556	26,516	43,971
Due from other funds	-	-	-
Inventories	-	-	387,750
Other assets	-	-	-
	<u>20,993,562</u>	<u>12,288,726</u>	<u>20,645,811</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Land	-	4,896,479	-
Plant, buildings and improvements	-	136,554,503	65,508
Machinery and equipment	-	388,184	45,846,824
Capitalized lease	-	-	-
Accumulated depreciation and amortization	-	(28,146,034)	(24,004,664)
	<u>-</u>	<u>113,693,132</u>	<u>21,907,668</u>
Capital assets net of accumulated depreciation and amortization			
Prepaid expense	343,277	1,848,732	4,344,385
	<u>343,277</u>	<u>115,541,864</u>	<u>26,252,053</u>
Total noncurrent assets			
	<u>21,336,839</u>	<u>127,830,590</u>	<u>46,897,864</u>
Total assets			

<u>Printing and Distribution Services Operating</u>	<u>Communications Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
\$ 1,117,523	\$ 11,138,943	\$ 15,507,576	\$ 13,417,825	\$ 5,118,001	\$ 99,396,781
139,758	285,477	-	-	37,586	781,214
2,231	26,360	37,682	32,681	9,855	233,852
-	22,157	345,368	56,715	83,492	507,732
-	236,672	-	-	-	624,422
-	-	141,240	-	-	141,240
<u>1,259,512</u>	<u>11,709,609</u>	<u>16,031,866</u>	<u>13,507,221</u>	<u>5,248,934</u>	<u>101,685,241</u>
-	-	-	-	-	4,896,479
145,641	8,964,860	-	-	-	145,730,512
4,352,118	15,076,832	-	-	2,729,253	68,393,211
81,182	-	-	-	-	81,182
<u>(2,888,077)</u>	<u>(8,645,887)</u>	-	-	<u>(1,845,292)</u>	<u>(65,529,954)</u>
1,690,864	15,395,805	-	-	883,961	153,571,430
<u>1,472,222</u>	<u>1,830,000</u>	<u>811,240</u>	<u>758,814</u>	<u>3,333,388</u>	<u>14,742,058</u>
<u>3,163,086</u>	<u>17,225,805</u>	<u>811,240</u>	<u>758,814</u>	<u>4,217,349</u>	<u>168,313,488</u>
<u>4,422,598</u>	<u>28,935,414</u>	<u>16,843,106</u>	<u>14,266,035</u>	<u>9,466,283</u>	<u>269,998,729</u>

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Net Assets, Continued**  
**Internal Service Funds**  
**June 30, 2003**

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>Fleet Services Operating</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	327,727	915,803	1,003,800
Compensated absences - current	15,300	84,460	149,055
Self-insurance claims - current	4,155,588	-	-
Capital leases payable - current	-	-	-
Deferred revenue	-	165,945	-
Bonds payable - current	-	6,804,867	-
Accrued interest payable - current	918	569,597	11,620
Other liabilities - current	-	78,879	-
	<u>4,499,533</u>	<u>8,619,551</u>	<u>1,164,475</u>
Total current liabilities			
Noncurrent liabilities:			
Compensated absences	11,080	61,161	107,937
Bonds payable	389,842	61,800,760	4,933,686
Capital leases payable	-	-	-
Self-insurance claims	-	-	-
Accrued interest payable	5,109	27,513	64,649
	<u>406,031</u>	<u>61,889,434</u>	<u>5,106,272</u>
Total noncurrent liabilities			
	<u>4,905,564</u>	<u>70,508,985</u>	<u>6,270,747</u>
Total liabilities			
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	47,246,163	21,907,668
Unrestricted	16,431,275	10,075,442	18,719,449
	<u>16,431,275</u>	<u>57,321,605</u>	<u>40,627,117</u>
Total net assets	<u>\$ 16,431,275</u>	<u>\$ 57,321,605</u>	<u>\$ 40,627,117</u>

<u>Printing and Distribution Services Operating</u>	<u>Communications Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
295,219	2,401,208	27,600	158,980	80,395	5,210,732
56,380	86,062	10,489	16,225	484,248	902,219
-	-	3,831,988	2,573,810	-	10,561,386
26,596	-	-	-	-	26,596
-	-	-	-	-	165,945
-	275,133	-	-	995,000	8,075,000
3,938	177,701	2,170	1,248	47,097	814,289
-	-	-	-	-	78,879
<u>382,133</u>	<u>2,940,104</u>	<u>3,872,247</u>	<u>2,750,263</u>	<u>1,606,740</u>	<u>25,835,046</u>
40,827	62,321	7,596	11,749	350,662	653,333
1,671,925	12,993,976	921,281	861,745	5,610,201	89,183,416
4,674	-	-	-	-	4,674
-	-	6,084,892	8,794,052	-	14,878,944
<u>21,907</u>	<u>27,233</u>	<u>12,071</u>	<u>12,071</u>	<u>49,605</u>	<u>220,158</u>
<u>1,739,333</u>	<u>13,083,530</u>	<u>7,025,840</u>	<u>9,679,617</u>	<u>6,010,468</u>	<u>104,940,525</u>
<u>2,121,466</u>	<u>16,023,634</u>	<u>10,898,087</u>	<u>12,429,880</u>	<u>7,617,208</u>	<u>130,775,571</u>
1,659,594	4,213,717	-	-	883,961	75,911,103
<u>641,538</u>	<u>8,698,063</u>	<u>5,945,019</u>	<u>1,836,155</u>	<u>965,114</u>	<u>63,312,055</u>
<u>\$ 2,301,132</u>	<u>\$ 12,911,780</u>	<u>\$ 5,945,019</u>	<u>\$ 1,836,155</u>	<u>\$ 1,849,075</u>	<u>\$ 139,223,158</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, 2003**

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
<b>Operating revenues:</b>				
Service charges and fees	\$ 30,638	\$ 5,714,087	\$ -	\$ 1,444,434
Licenses and permits	-	-	-	1,684,502
Rents and reimbursements	-	5,719	1,282,072	-
Concessions	-	273,307	120,308	-
Parking fees	-	-	-	-
Miscellaneous	4,519,606	8,529	730	22,096
<b>Total operating revenues</b>	<b>4,550,244</b>	<b>6,001,642</b>	<b>1,403,110</b>	<b>3,151,032</b>
<b>Operating expenses:</b>				
Salaries and wages	209,284	2,661,146	492,555	715,637
Operating supplies	95	535,353	122,119	154,177
Professional services	108,084	1,594,591	206,481	1,553,776
Utilities	127	183,817	65,221	1,121
Miscellaneous	338,396	443,691	272,932	261,322
Depreciation and amortization	720,823	483,516	32,587	1,627
<b>Total operating expenses</b>	<b>1,376,809</b>	<b>5,902,114</b>	<b>1,191,895</b>	<b>2,687,660</b>
<b>Operating income (loss)</b>	<b>3,173,435</b>	<b>99,528</b>	<b>211,215</b>	<b>463,372</b>
<b>Nonoperating revenues (expenses):</b>				
Gain (loss) on sale of capital assets	-	(6,386)	-	(6,319)
Investment earnings	199,374	31,334	1,447	75,605
Interest expense	(1,989,760)	(280,666)	(23,207)	(27,968)
Miscellaneous	(8,816)	(70,402)	(13,553)	(21,862)
<b>Total nonoperating revenues (expenses)</b>	<b>(1,799,002)</b>	<b>(326,120)</b>	<b>(35,313)</b>	<b>19,456</b>
<b>Income (loss) before operating transfers</b>	<b>1,374,433</b>	<b>(226,592)</b>	<b>175,902</b>	<b>482,828</b>
Transfers in	-	28,874	1,921	-
Transfers out	(200,000)	-	-	(764,303)
<b>Change in net assets</b>	<b>1,174,433</b>	<b>(197,718)</b>	<b>177,823</b>	<b>(281,475)</b>
<b>Total net assets -- beginning</b>	<b>13,966,326</b>	<b>11,866,238</b>	<b>691,337</b>	<b>3,525,102</b>
<b>Total net assets -- ending</b>	<b>\$ 15,140,759</b>	<b>\$ 11,668,520</b>	<b>\$ 869,160</b>	<b>\$ 3,243,627</b>

<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 770,270	\$ 2,193,585	\$ -	\$ 10,153,014
-	-	-	1,684,502
1,069,167	3,938,103	633,705	6,928,766
-	-	-	393,615
7,766,658	1,238,048	-	9,004,706
9,353	71,344	-	4,631,658
<u>9,615,448</u>	<u>7,441,080</u>	<u>633,705</u>	<u>32,796,261</u>
-	-	15,137	4,093,759
27,273	5,943	-	844,960
4,818,093	1,169,926	339,398	9,790,349
806	25,839	-	276,931
1,324,677	54,253	5,971	2,701,242
1,047,705	1,939,409	59,838	4,285,505
<u>7,218,554</u>	<u>3,195,370</u>	<u>420,344</u>	<u>21,992,746</u>
<u>2,396,894</u>	<u>4,245,710</u>	<u>213,361</u>	<u>10,803,515</u>
(1,680)	-	-	(14,385)
132,208	281,174	16,435	737,577
(1,652,288)	(4,569,822)	(551)	(8,544,262)
-	-	(505)	(114,938)
<u>(1,521,760)</u>	<u>(4,288,648)</u>	<u>15,379</u>	<u>(7,936,008)</u>
875,134	(42,938)	228,740	2,867,507
-	-	-	30,795
(2,281,014)	(265,157)	-	(3,510,474)
(1,405,880)	(308,095)	228,740	(612,172)
<u>2,696,735</u>	<u>30,772,283</u>	<u>5,024,168</u>	<u>68,542,189</u>
\$ <u>1,290,855</u>	\$ <u>30,464,188</u>	\$ <u>5,252,908</u>	\$ <u>67,930,017</u>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended June 30, 2003**

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>Fleet Services Operating</u>
<b>Operating revenues:</b>			
Service charges and fees	\$ 25,600,769	\$ 20,174,148	\$ 16,877,445
Rents and reimbursements	-	1,588,783	-
Parking fees	-	217,894	-
Miscellaneous	<u>2,153,107</u>	<u>31,338</u>	<u>954,334</u>
Total operating revenues	<u>27,753,876</u>	<u>22,012,163</u>	<u>17,831,779</u>
<b>Operating expenses:</b>			
Salaries and wages	453,595	2,390,906	4,937,949
Operating supplies	2,685	413,245	4,180,939
Professional services	2,552,912	2,763,876	1,340,501
Utilities	804	2,715,587	19,730
Claims	27,921,749	-	-
Miscellaneous	952,460	9,284,346	2,632,532
Depreciation and amortization	-	2,868,452	3,769,414
Total operating expenses	<u>31,884,205</u>	<u>20,436,412</u>	<u>16,881,065</u>
Operating income (loss)	<u>(4,130,329)</u>	<u>1,575,751</u>	<u>950,714</u>
<b>Nonoperating revenues (expenses):</b>			
Gain (loss) on sale of capital assets	-	(204,531)	105,821
Investment earnings	500,808	268,487	371,177
Interest expense	(16,063)	(3,612,231)	(201,953)
Miscellaneous	<u>(12,995)</u>	<u>(69,984)</u>	<u>(164,456)</u>
Total nonoperating revenues (expenses)	<u>471,750</u>	<u>(3,618,259)</u>	<u>110,589</u>
Income (loss) before contributions and transfers	<u>(3,658,579)</u>	<u>(2,042,508)</u>	<u>1,061,303</u>
Transfers in	-	5,618,472	-
Transfers out	-	-	(2,431,751)
Capital contributions	<u>-</u>	<u>-</u>	<u>50,060</u>
Change in net assets	<u>(3,658,579)</u>	<u>3,575,964</u>	<u>(1,320,388)</u>
Total net assets -- beginning	<u>20,089,854</u>	<u>53,745,641</u>	<u>41,947,505</u>
Total net assets -- ending	<u>\$ 16,431,275</u>	<u>\$ 57,321,605</u>	<u>\$ 40,627,117</u>

<u>Printing and Distribution Services Operating</u>	<u>Communications Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
\$ 5,946,885	\$ 12,002,163	\$ 6,941,913	\$ 3,725,134	\$ 17,479,395	\$ 108,747,852
-	90,211	-	-	-	1,678,994
-	-	-	-	-	217,894
143,468	717,260	133,708	157,786	17,355	4,308,356
<u>6,090,353</u>	<u>12,809,634</u>	<u>7,075,621</u>	<u>3,882,920</u>	<u>17,496,750</u>	<u>114,953,096</u>
1,660,728	2,647,980	629,776	650,212	11,568,818	24,939,964
477,966	3,269,515	4,439	4,465	2,164,055	10,517,309
2,537,435	5,545,122	2,628,058	1,450,580	1,999,143	20,817,627
3,554	37,136	1,633	861	25,481	2,804,786
-	-	1,190,548	2,385,082	-	31,497,379
904,259	2,594,357	201,731	238,112	1,174,253	17,982,050
464,864	1,294,850	-	-	430,952	8,828,532
<u>6,048,806</u>	<u>15,388,960</u>	<u>4,656,185</u>	<u>4,729,312</u>	<u>17,362,702</u>	<u>117,387,647</u>
41,547	(2,579,326)	2,419,436	(846,392)	134,048	(2,434,551)
(46,128)	(45,524)	-	-	-	(190,362)
18,704	264,990	293,268	274,459	92,503	2,084,396
(70,802)	(610,603)	(36,624)	(35,652)	(339,558)	(4,923,486)
(55,731)	(69,275)	(30,709)	(28,725)	(126,185)	(558,060)
<u>(153,957)</u>	<u>(460,412)</u>	<u>225,935</u>	<u>210,082</u>	<u>(373,240)</u>	<u>(3,587,512)</u>
(112,410)	(3,039,738)	2,645,371	(636,310)	(239,192)	(6,022,063)
4,510	490,332	-	-	474,900	6,588,214
(213,867)	(10,000)	-	-	-	(2,655,618)
-	-	-	-	-	50,060
<u>(321,767)</u>	<u>(2,559,406)</u>	<u>2,645,371</u>	<u>(636,310)</u>	<u>235,708</u>	<u>(2,039,407)</u>
<u>2,622,899</u>	<u>15,471,186</u>	<u>3,299,648</u>	<u>2,472,465</u>	<u>1,613,367</u>	<u>141,262,565</u>
\$ <u>2,301,132</u>	\$ <u>12,911,780</u>	\$ <u>5,945,019</u>	\$ <u>1,836,155</u>	\$ <u>1,849,075</u>	\$ <u>139,223,158</u>



City of Portland, Oregon  
 Nonmajor Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Year Ended June 30, 2003

	Hydro- electric Power	Golf	Portland International Raceway Operating
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 4,519,606	\$ 5,995,664	\$ 1,397,274
Receipts from interfund services provided	30,638	-	7,599
Payments to suppliers	(206,810)	(1,734,079)	(390,571)
Payments to employees	(203,867)	(2,686,916)	(507,275)
Payments for interfund services used	(204,011)	(1,129,999)	(416,689)
Net cash provided by (used in) operating activities	<u>3,935,556</u>	<u>444,670</u>	<u>90,338</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating transfers in	-	28,874	1,921
Operating transfers out	(200,000)	-	-
Net cash provided by (used in) noncapital financing activities	<u>(200,000)</u>	<u>28,874</u>	<u>1,921</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of bonds and notes	-	2,733,333	-
Acquisition of capital assets	-	(922,984)	(81,508)
Principal paid on bonds, notes and capital leases	(1,750,000)	(111,508)	-
Interest paid on bonds, notes and capital leases	(1,983,223)	(152,472)	(17,916)
Net cash provided by (used in) capital related financing activities	<u>(3,733,223)</u>	<u>1,546,369</u>	<u>(99,424)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	203,900	26,118	1,584
Net increase (decrease) in cash and cash equivalents	206,233	2,046,031	(5,581)
<b>CASH AND CASH EQUIVALENTS, July 1, 2002</b>	<u>13,509,271</u>	<u>656,306</u>	<u>139,574</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2003</b>	<u>\$ 13,715,504</u>	<u>\$ 2,702,337</u>	<u>\$ 133,993</u>
<b>Noncash Information</b>			
Non-operating prepaid PERS amortization	8,616	70,402	13,553

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 3,617,724	\$ 8,779,641	\$ 7,540,772	\$ 633,705	\$ 32,484,386
84,070	770,270	-	-	892,577
(1,284,053)	(3,772,037)	(1,140,724)	(6,136)	(8,534,410)
(718,977)	-	-	(15,137)	(4,132,172)
<u>(530,372)</u>	<u>(2,400,572)</u>	<u>(319,797)</u>	<u>(338,198)</u>	<u>(5,339,638)</u>
<u>1,168,392</u>	<u>3,377,302</u>	<u>6,080,251</u>	<u>274,234</u>	<u>15,370,743</u>
-	-	-	-	30,795
<u>(764,303)</u>	<u>(2,281,014)</u>	<u>(265,157)</u>	<u>-</u>	<u>(3,510,474)</u>
<u>(764,303)</u>	<u>(2,281,014)</u>	<u>(265,157)</u>	<u>-</u>	<u>(3,479,679)</u>
-	-	-	-	2,733,333
-	(12,000)	(134,794)	-	(1,151,286)
-	(1,990,000)	(2,040,000)	-	(5,891,508)
<u>(19,711)</u>	<u>(1,648,025)</u>	<u>(3,875,280)</u>	<u>(350)</u>	<u>(7,696,977)</u>
<u>(19,711)</u>	<u>(3,650,025)</u>	<u>(6,050,074)</u>	<u>(350)</u>	<u>(12,006,438)</u>
<u>81,519</u>	<u>148,475</u>	<u>302,754</u>	<u>18,605</u>	<u>782,955</u>
465,897	(2,405,262)	67,774	292,489	667,581
<u>2,853,148</u>	<u>6,249,124</u>	<u>11,423,106</u>	<u>587,980</u>	<u>35,418,509</u>
<u>\$ 3,319,045</u>	<u>\$ 3,843,862</u>	<u>\$ 11,490,880</u>	<u>\$ 880,469</u>	<u>\$ 36,086,090</u>
21,862	-	-	505	114,938

Continued next page

City of Portland, Oregon  
 Nonmajor Enterprise Funds  
 Combining Statement of Cash Flows, Continued  
 For the Year Ended June 30, 2003

	<u>Hydro- electric Power</u>	<u>Golf</u>	<u>Portland International Raceway Operating</u>
<b>Reconciliation of operating income (loss)</b>			
<b>to net cash provided by (used in)</b>			
<b>operating activities:</b>			
Operating income (loss)	\$ 3,173,435	\$ 99,528	\$ 211,215
<b>Adjustments to reconcile operating income (loss)</b>			
<b>to net cash provided by (used in) operating</b>			
<b>activities:</b>			
Depreciation and amortization of capital assets	720,823	483,516	32,587
<b>Change in assets and liabilities:</b>			
Accounts and contracts receivable	-	(19,053)	-
Checks and accounts payable	35,880	(124,383)	9,494
Accrued compensated absences	5,418	(25,770)	(14,721)
Due from other funds	-	-	7,599
Other assets	-	13,075	(5,836)
Other accrued liabilities	-	17,757	(150,000)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ <u>3,935,556</u></b>	<b>\$ <u>444,670</u></b>	<b>\$ <u>90,338</u></b>

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 463,372	\$ 2,396,894	\$ 4,245,710	\$ 213,361	\$ 10,803,515
1,627	1,047,705	1,939,409	59,838	4,285,505
466,692	(65,537)	99,693	-	481,795
155,971	(915)	(203,686)	1,035	(126,604)
(3,340)	-	-	-	(38,413)
84,070	-	-	-	91,669
-	-	-	-	7,239
-	(845)	(875)	-	(133,963)
<u>\$ 1,168,392</u>	<u>\$ 3,377,302</u>	<u>\$ 6,080,251</u>	<u>\$ 274,234</u>	<u>\$ 15,370,743</u>

City of Portland, Oregon  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2003

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>Fleet Services Operating</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,153,107	\$ 3,771,326	\$ 171,957
Receipts from interfund services provided	25,600,769	18,397,071	17,659,761
Payments to suppliers	(2,842,288)	(13,501,685)	(6,425,993)
Payments to employees	(447,858)	(2,383,556)	(4,917,705)
Payments for interfund services used	(493,957)	(1,708,146)	(1,357,296)
Claims paid	<u>(26,880,034)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(2,910,261)</u>	<u>4,575,010</u>	<u>5,130,724</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating transfers in	-	5,618,472	-
Operating transfers out	-	-	(2,431,751)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>5,618,472</u>	<u>(2,431,751)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of bonds and notes	-	17,550,000	-
Premium on bonds and notes issued	-	172,740	-
Sale of capital assets	-	-	334,647
Acquisition of capital assets	-	(317,804)	(3,175,472)
Principal paid on bonds, notes and capital leases	-	(24,191,723)	-
Interest paid on bonds, notes and capital leases	(11,096)	(3,609,910)	(138,959)
Net cash provided by (used in) capital related financing activities	<u>(11,096)</u>	<u>(10,396,697)</u>	<u>(2,979,784)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>548,635</u>	<u>285,825</u>	<u>405,572</u>
Net increase (decrease) in cash and cash equivalents	(2,372,722)	82,610	124,761
<b>CASH AND CASH EQUIVALENTS, July 1, 2002</b>	<u>23,311,728</u>	<u>11,886,313</u>	<u>20,064,223</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2003</b>	<u>\$ 20,939,006</u>	<u>\$ 11,968,923</u>	<u>\$ 20,188,984</u>
<b>Noncash information:</b>			
Non-operating prepaid PERS amortization	12,995	69,984	164,456
Capital contribution	-	-	50,060

Printing and Distribution Services Operating	Communication Services Operating	Insurance and Claims Operating	Workers' Compensation Self-Insurance Operating	Information Technology	Total
\$ 1,301,085	\$ 2,270,396	\$ 133,708	\$ 157,786	\$ 320,750	\$ 10,280,115
4,798,131	10,395,665	6,941,913	3,725,134	17,224,458	104,742,902
(3,232,359)	(9,666,333)	(1,433,273)	(1,107,277)	(4,048,050)	(42,257,258)
(1,664,660)	(2,665,819)	(631,851)	(653,711)	(11,480,402)	(24,845,562)
(596,520)	(1,103,636)	(1,542,503)	(622,852)	(1,307,244)	(8,732,154)
-	-	(1,714,163)	(1,657,383)	-	(30,251,580)
<u>605,677</u>	<u>(769,727)</u>	<u>1,753,831</u>	<u>(158,303)</u>	<u>709,512</u>	<u>8,936,463</u>
4,510	490,332	-	-	474,900	6,588,214
(213,867)	(10,000)	-	-	-	(2,655,618)
<u>(209,357)</u>	<u>480,332</u>	<u>-</u>	<u>-</u>	<u>474,900</u>	<u>3,932,596</u>
-	2,635,000	-	-	-	20,185,000
-	31,169	-	-	-	203,909
-	-	-	-	-	334,647
(238,274)	(3,972,422)	-	-	(58,652)	(7,762,624)
(117,371)	(2,922,591)	-	-	(820,000)	(28,051,685)
(49,705)	(512,544)	(24,692)	(24,692)	(316,569)	(4,688,167)
<u>(405,350)</u>	<u>(4,741,388)</u>	<u>(24,692)</u>	<u>(24,692)</u>	<u>(1,195,221)</u>	<u>(19,778,920)</u>
<u>19,715</u>	<u>308,331</u>	<u>313,335</u>	<u>299,158</u>	<u>100,826</u>	<u>2,281,397</u>
10,685	(4,722,452)	2,042,474	116,163	90,017	(4,628,464)
<u>1,106,838</u>	<u>15,861,395</u>	<u>13,465,102</u>	<u>13,301,662</u>	<u>5,027,984</u>	<u>104,025,245</u>
<u>\$ 1,117,523</u>	<u>\$ 11,138,943</u>	<u>\$ 15,507,576</u>	<u>\$ 13,417,825</u>	<u>\$ 5,118,001</u>	<u>\$ 99,396,781</u>
55,731	69,275	30,709	28,725	126,185	558,060
-	-	-	-	-	50,060

Continued next page

City of Portland, Oregon  
Internal Service Funds  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2003

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>Fleet Services Operating</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (4,130,329)	\$ 1,575,751	\$ 950,714
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization of capital assets	-	2,868,452	3,769,414
Change in assets and liabilities:			
Accounts and contracts receivable	-	156,234	(61)
Inventories	-	-	40,276
Checks and accounts payable	172,616	128,462	350,138
Accrued compensated absences	5,737	7,350	20,243
Due from other funds	-	-	-
Other assets	-	-	-
Accrued claims	1,041,715	-	-
Other accrued liabilities	-	(161,239)	-
Net cash provided by (used in) operating activities	<u>\$ (2,910,261)</u>	<u>\$ 4,575,010</u>	<u>\$ 5,130,724</u>

<u>Printing and Distribution Services Operating</u>	<u>Communication Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
\$ 41,547	\$ (2,579,326)	\$ 2,419,436	\$ (846,392)	\$ 134,048	\$ (2,434,551)
464,864	1,294,850	-	-	430,952	8,828,532
8,862	(121,416)	-	-	48,458	92,077
-	9,663	-	-	-	49,939
94,336	666,497	1,325	(36,112)	7,637	1,384,899
(3,932)	(17,838)	(2,075)	(3,498)	88,417	94,404
-	(22,157)	-	-	-	(22,157)
-	-	(141,240)	-	-	(141,240)
-	-	(523,615)	727,699	-	1,245,799
-	-	-	-	-	(161,239)
<u>\$ 605,677</u>	<u>\$ (769,727)</u>	<u>\$ 1,753,831</u>	<u>\$ (158,303)</u>	<u>\$ 709,512</u>	<u>\$ 8,936,463</u>





LEACH BOTANICAL GARDEN

# Fiduciary Funds

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## **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, 2003**

	Fire and Police Disability and Retirement Pension Trust Fund	Fire and Police Disability and Retirement Reserve Pension Trust Fund	Fire and Police Supplemental Retirement Reserve Pension Trust Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 6,403,389	\$ 750,000	\$ 89,755	\$ 7,243,144
Receivables:				
Due from other funds	4,614,987	-	-	4,614,987
Accrued interest	64,234	-	221	64,455
Other assets	16,295	-	-	16,295
Machinery and equipment	41,046	-	-	41,046
Accumulated depreciation and amortization	(21,286)	-	-	(21,286)
Prepaid expense	463,175	-	-	463,175
<b>Total assets</b>	<b>11,581,840</b>	<b>750,000</b>	<b>89,976</b>	<b>12,421,816</b>
<b>LIABILITIES</b>				
Accounts payable	5,661,074	-	60	5,661,134
Accrued interest payable - current	8,132	-	-	8,132
Other liabilities - current	449,361	-	-	449,361
Bonds payable	526,002	-	-	526,002
<b>Total liabilities</b>	<b>6,644,569</b>	<b>-</b>	<b>60</b>	<b>6,644,629</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	19,760	-	-	19,760
Held in trust for pension benefits	4,917,511	750,000	89,916	5,757,427
<b>Total net assets</b>	<b>\$ 4,937,271</b>	<b>\$ 750,000</b>	<b>\$ 89,916</b>	<b>\$ 5,777,187</b>

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

**City of Portland, Oregon**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**June 30, 2003**

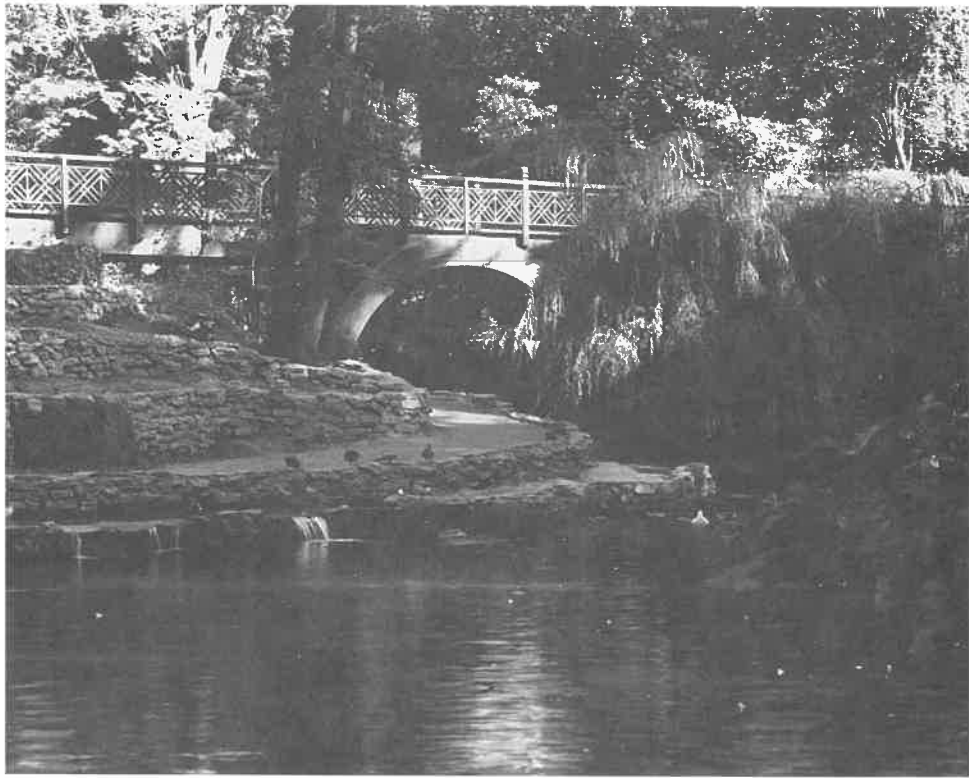
	Trustee	Multnomah County Business Income Tax	Clearing Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 7,476,216	\$ 498,667	\$ 22,430,000	\$ 30,404,883
Receivables:				
Accrued interest	7,006	1,728	-	8,734
<b>Total assets</b>	<b>\$ 7,483,222</b>	<b>\$ 500,395</b>	<b>\$ 22,430,000</b>	<b>\$ 30,413,617</b>
<b>LIABILITIES</b>				
Accounts payable	-	-	9,695,065	9,695,065
Salaries and withholding taxes	-	-	11,635,461	11,635,461
Other liabilities - current	7,483,222	500,395	1,099,474	9,083,091
<b>Total liabilities</b>	<b>\$ 7,483,222</b>	<b>\$ 500,395</b>	<b>\$ 22,430,000</b>	<b>\$ 30,413,617</b>

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

**City of Portland, Oregon**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**For the year ended June 30, 2003**

	Fire and Police Disability and Retirement Pension Trust Fund	Fire and Police Disability and Retirement Reserve Pension Trust Fund	Fire and Police Supplemental Retirement Reserve Pension Trust Fund	Total
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 69,709,331	\$ -	\$ -	\$ 69,709,331
Plan member	21,743	-	-	21,743
Other	44,066	-	-	44,066
Total contributions	<u>69,775,140</u>	<u>-</u>	<u>-</u>	<u>69,775,140</u>
Investment earnings	<u>562,101</u>	<u>-</u>	<u>1,868</u>	<u>563,969</u>
Total additions	<u>70,337,241</u>	<u>-</u>	<u>1,868</u>	<u>70,339,109</u>
<b>DEDUCTIONS</b>				
Benefits and refunds paid to plan members and beneficiaries	70,742,111	-	6,970	70,749,081
Administrative expenses	1,971,850	-	-	1,971,850
Interest expense	303,430	-	-	303,430
Depreciation and amortization	5,572	-	-	5,572
Loss on sale of capital assets	3,364	-	-	3,364
Total deductions	<u>73,026,327</u>	<u>-</u>	<u>6,970</u>	<u>73,033,297</u>
Change in net assets	(2,689,086)	-	(5,102)	(2,694,188)
Net assets - beginning	<u>7,626,357</u>	<u>750,000</u>	<u>95,018</u>	<u>8,471,375</u>
Net assets - ending	<u>\$ 4,937,271</u>	<u>\$ 750,000</u>	<u>\$ 89,916</u>	<u>\$ 5,777,187</u>

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



CRYSTAL SPRINGS

# Schedules of Revenues and Expenditures Governmental Funds - Budget and Actual

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David P. Thompson Fountain, 1900

# General Fund by Department Budget and Actual

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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.

GENERAL FUND  
BY DEPARTMENT  
BUDGET & ACTUAL



**City of Portland, Oregon**  
**General Fund by Department**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>Taxes:</b>				
Current year's taxes	\$ 145,382,226	\$ 144,421,025	\$ 142,567,951	\$ (1,853,074)
Prior years' property taxes	3,036,202	3,036,202	3,693,429	657,227
Payment in lieu of taxes	617,767	617,767	834,449	216,682
Lodging taxes	10,488,630	10,388,630	10,690,005	301,375
Total taxes	<u>159,524,825</u>	<u>158,463,624</u>	<u>157,785,834</u>	<u>(677,790)</u>
<b>Licenses and permits:</b>				
Business licenses, net	46,640,528	43,640,528	39,372,885	(4,267,643)
Public utility licenses	37,275,724	37,723,729	41,094,286	3,370,557
Construction permits	1,001,000	1,001,000	1,120,515	119,515
Other permits	2,664,616	2,552,854	1,090,556	(1,462,298)
Total licenses and permits	<u>87,581,868</u>	<u>84,918,111</u>	<u>82,678,242</u>	<u>(2,239,869)</u>
<b>Intergovernmental revenues:</b>				
State cost sharing	40,000	40,000	25,291	(14,709)
State grants	-	112,950	32,406	(80,544)
State revenue sharing	8,868,233	8,868,233	9,074,476	206,243
Local shared revenues	2,955,251	2,706,636	2,470,496	(236,140)
Local administered Federal funds	125,770	125,770	155,847	30,077
PDC - Overhead charges	297,888	340,505	340,505	-
Multnomah County cost sharing	1,472,585	1,529,464	1,417,646	(111,818)
Local cost sharing	4,521,756	5,015,967	5,685,961	669,974
Total intergovernmental	<u>18,281,483</u>	<u>18,739,545</u>	<u>19,202,628</u>	<u>463,083</u>
<b>Service charges and fees:</b>				
Inspection fees	900,000	820,000	766,287	(53,713)
Rents and reimbursements	1,796,948	1,865,655	1,749,874	(115,781)
Concessions	19,000	9,000	-	(9,000)
Parks and recreation facilities fees	7,409,537	7,409,537	7,406,322	(3,215)
Other service charges	2,282,449	2,486,248	2,782,749	296,501
Total service charges and fees	<u>12,407,934</u>	<u>12,590,440</u>	<u>12,705,232</u>	<u>114,792</u>
<b>Miscellaneous:</b>				
Loan repayments	-	-	28,415	28,415
Sales - other	28,500	28,500	51,866	23,366
Refunds	267,000	265,327	420,377	155,050
Private grants and donations	1,926	82,126	40,056	(42,070)
Investment earnings	1,471,022	797,302	908,922	111,620
Miscellaneous	2,932,723	1,382,175	1,742,638	360,463
General Fund Intrafund Revenue	6,411,184	6,493,277	5,928,308	(564,969)
Total miscellaneous	<u>11,112,355</u>	<u>9,048,707</u>	<u>9,120,582</u>	<u>71,875</u>

Continued next page

City of Portland, Oregon  
 General Fund by Department  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES, Continued</b>				
<b>Billings to other funds for services:</b>				
Transportation Operating	1,647,245	1,856,986	1,542,573	(314,413)
Emergency Communication	133,251	133,251	122,966	(10,285)
Planning and Development Operating	462,467	462,467	418,398	(44,069)
Public Safety	26,915	26,915	16,415	(10,500)
Cable	301,395	378,565	303,067	(75,498)
Convention and Tourism	58,499	68,499	68,499	-
Special Finance and Resource	1,140,000	1,140,000	1,000,000	(140,000)
Children's Investment	-	10,000	6,378	(3,622)
Housing and Community Development	1,742,928	2,331,471	2,197,457	(134,014)
Home Grant	370,707	454,626	392,227	(62,399)
Portland Parks Memorial Trust	608,222	850,366	700,912	(149,454)
Pension Debt Redemption	75,000	75,000	75,000	-
FRES Facilities Bond Construction	88,752	132,977	132,977	-
Local Improvement District Construction	1,316,464	1,651,464	1,542,592	(108,872)
Parks Construction	334,076	642,510	580,894	(61,616)
Sewer System Operating	2,405,637	2,935,141	2,770,887	(164,254)
Water	1,561,014	1,888,000	1,714,578	(173,422)
Hydroelectric Power Operating	26,438	26,438	14,616	(11,822)
Golf	496,732	584,068	602,043	17,975
Portland International Raceway	96,864	120,043	139,458	19,415
Solid Waste Management	433,214	274,673	272,225	(2,448)
Parking Facilities	341,501	341,501	330,363	(11,138)
Spectator Facilities Operating	365,136	365,136	318,813	(46,323)
Health Insurance Operating	250,509	250,509	250,509	-
Facilities Services Operating	744,639	749,576	748,105	(1,471)
Fleet Services Operating	360,062	360,062	357,842	(2,220)
Printing and Distribution Services Operating	188,965	188,965	186,745	(2,220)
Communication Services Operating	400,896	400,896	399,475	(1,421)
Insurance and Claims Operating	1,519,494	1,519,494	1,439,457	(80,037)
Workers' Compensation Self-Insurance Operating	605,773	605,773	525,736	(80,037)
Information Technology	494,452	494,452	476,799	(17,653)
Fire and Police Disability and Retirement	1,090,739	1,136,834	1,096,613	(40,221)
	<u>19,687,986</u>	<u>22,456,658</u>	<u>20,744,619</u>	<u>(1,712,039)</u>
<b>Total billings to other funds for services</b>				
<b>Billings to other funds for general and overhead charges:</b>				
Transportation Operating	2,492,489	2,186,515	2,186,515	-
Assessment Collection	153	210	210	-
Emergency Communication	221,488	300,727	300,727	-
Planning and Development Operating	686,045	821,144	821,144	-
Public Safety	7,949	8,785	8,785	-
Cable	10,762	7,645	7,645	-
Convention and Tourism	6,616	6,066	6,066	-
FRES Facilities Bond Construction	44,930	72,265	72,265	-

Continued next page

City of Portland, Oregon  
 General Fund by Department  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES, Continued</b>				
Billings to other funds for general and overhead charges, continued:				
Local Improvement District Construction	118,311	12,589	12,589	-
Parks Construction	89,978	111,588	111,588	-
Sewer System Operating	2,464,649	2,499,076	2,499,076	-
Water	1,563,515	952,013	952,013	-
Hydroelectric Power Operating	52,798	52,836	52,836	-
Golf	122,988	88,012	88,012	-
Portland International Raceway	27,994	28,172	28,172	-
Solid Waste Management	124,340	153,869	153,869	-
Parking Facilities	108,106	116,241	116,241	-
Spectator Facilities Operating	80,214	-	-	-
Environmental Remediation	2,912	3,003	3,003	-
Health Insurance Operating	240,110	263,040	263,040	-
Facilities Services Operating	925,154	995,706	995,706	-
Fleet Services Operating	566,678	559,066	559,066	-
Printing and Distribution Services Operating	199,236	251,651	251,651	-
Communication Services Operating	276,732	393,561	393,561	-
Insurance and Claims Operating	145,105	169,842	169,842	-
Workers' Compensation Self-Insurance Operating	129,134	184,798	184,798	-
Information Technology	261,255	452,805	452,805	-
Fire and Police Disability and Retirement	84,897	116,839	116,839	-
	<u>11,054,538</u>	<u>10,808,064</u>	<u>10,808,064</u>	<u>-</u>
<b>Total revenues</b>	<u>319,650,989</u>	<u>317,025,149</u>	<u>313,045,201</u>	<u>(3,979,948)</u>

Continued next page

**City of Portland, Oregon**  
**General Fund by Department**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
<b>Department of Finance and Administration</b>				
<b>Office of the Mayor</b>				
Personal services	956,763	1,055,763	1,031,393	24,370
Materials and services	423,845	423,845	426,849	(3,004)
Total Office of the Mayor	<u>1,380,608</u>	<u>1,479,608</u>	<u>1,458,242</u>	<u>21,366</u>
<b>Office of City Attorney</b>				
Personal services	4,105,935	4,214,463	4,187,509	26,954
Materials and services	779,994	783,494	678,964	104,530
Total Office of City Attorney	<u>4,885,929</u>	<u>4,997,957</u>	<u>4,866,473</u>	<u>131,484</u>
<b>Office of Management and Finance</b>				
Personal services	13,655,185	14,110,345	13,721,821	388,524
Materials and services	8,234,723	10,184,143	8,412,291	1,771,852
Capital outlay	-	5,730	-	5,730
Total Office of Management and Finance	<u>21,889,908</u>	<u>24,300,218</u>	<u>22,134,112</u>	<u>2,166,106</u>
<b>Bureau of Police</b>				
Personal services	91,443,842	94,212,052	89,973,273	4,238,779
Materials and services	32,500,581	31,584,045	28,865,746	2,718,299
Capital outlay	-	391,085	145,562	245,523
Total Bureau of Police	<u>123,944,423</u>	<u>126,187,182</u>	<u>118,984,581</u>	<u>7,202,601</u>
<b>Office of Government Relations</b>				
Personal services	425,523	440,823	440,532	291
Materials and services	326,104	310,804	295,331	15,473
Total Office of Government Relations	<u>751,627</u>	<u>751,627</u>	<u>735,863</u>	<u>15,764</u>

Continued next page

City of Portland, Oregon  
 General Fund by Department  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b> <b>Department of Finance and</b> <b>Administration, Continued</b>				
<b>SPECIAL APPROPRIATIONS</b>				
<b>Regional Arts Council/RACC</b> Materials and services	<u>2,379,207</u>	<u>2,379,207</u>	<u>2,379,207</u>	<u>-</u>
<b>Civil Rights Enforcement</b> Materials and services	<u>14,344</u>	<u>14,344</u>	<u>14,344</u>	<u>-</u>
<b>City Membership and Dues</b> Materials and services	<u>240,172</u>	<u>183,310</u>	<u>160,984</u>	<u>22,326</u>
<b>Leaders Roundtable</b> Materials and services	<u>10,038</u>	<u>10,038</u>	<u>10,038</u>	<u>-</u>
<b>Public Safety Coord.</b> Materials and services	<u>27,830</u>	<u>27,830</u>	<u>-</u>	<u>27,830</u>
<b>Millenium Celebration</b> Materials and services	<u>46,500</u>	<u>46,500</u>	<u>46,500</u>	<u>-</u>
<b>Clean &amp; Safe</b> Materials and services	<u>16,439</u>	<u>16,439</u>	<u>16,291</u>	<u>148</u>
<b>Employee Transit Program</b> Materials and services	<u>139,432</u>	<u>196,294</u>	<u>196,294</u>	<u>-</u>
<b>Unemployment Insurance</b> Materials and services	<u>500,000</u>	<u>500,000</u>	<u>472,805</u>	<u>27,195</u>
<b>Compensation Adjustment</b> Materials and services	<u>8,053,712</u>	<u>6,823,752</u>	<u>80,133</u>	<u>6,743,619</u>

Continued next page

**City of Portland, Oregon**  
**General Fund by Department**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b>				
<b>Department of Finance and Administration, Continued</b>				
<b>Management Council</b>				
Materials and services	<u>5,457</u>	<u>5,457</u>	<u>665</u>	<u>4,792</u>
<b>Council Emergency Funds</b>				
Materials and services	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>IRS Rebate</b>				
Materials and services	<u>-</u>	<u>14,150</u>	<u>14,150</u>	<u>-</u>
<b>MERC/PCPA</b>				
Materials and services	<u>630,982</u>	<u>630,982</u>	<u>621,722</u>	<u>9,260</u>
<b>PDC Enterprise Zones</b>				
Materials and services	<u>53,312</u>	<u>53,312</u>	<u>53,312</u>	<u>-</u>
<b>PDC Business Development</b>				
Materials and services	<u>451,138</u>	<u>451,138</u>	<u>451,138</u>	<u>-</u>
<b>Workforce Development</b>				
Materials and services	<u>105,489</u>	<u>105,489</u>	<u>105,489</u>	<u>-</u>
<b>PDC Business Districts</b>				
Materials and services	<u>53,662</u>	<u>53,662</u>	<u>53,662</u>	<u>-</u>
<b>PDC Targeted Industry Jobs</b>				
Materials and services	<u>124,526</u>	<u>124,526</u>	<u>124,526</u>	<u>-</u>
<b>Business Retention</b>				
Materials and services	<u>143,590</u>	<u>143,590</u>	<u>143,590</u>	<u>-</u>
<b>2040 Implementation</b>				
Materials and services	<u>133,377</u>	<u>133,377</u>	<u>100,040</u>	<u>33,337</u>
<b>Business License Refunds</b>				
Materials and services	<u>5,551,863</u>	<u>6,518,237</u>	<u>35,487</u>	<u>6,482,750</u>
<b>Pioneer Square Security</b>				
Materials and services	<u>149,737</u>	<u>149,737</u>	<u>149,737</u>	<u>-</u>

Continued next page

City of Portland, Oregon  
 General Fund by Department  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2003

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Final Budget - Positive (Negative)</u>
<b>EXPENDITURES, Continued</b>				
<b>Department of Finance and Administration, Continued</b>				
<b>Small Business Opportunity</b>				
Materials and services	123,689	123,689	123,688	1
<b>Downtown Services</b>				
Materials and services	775,765	775,765	708,743	67,022
<b>Early Childhood Development</b>				
Materials and services	940,550	940,550	1,069,029	(128,479)
<b>Special Election</b>				
Materials and services	200,000	74,827	-	74,827
<b>Children's Receiving Center</b>				
Materials and services	1,000,000	1,000,000	1,000,000	-
<b>COPPEA Professional Devel.</b>				
Materials and services	125,000	126,580	14,627	111,953
<b>Block by Block Weatherization</b>				
Materials and services	202,807	202,807	202,805	2
<b>Total Department of Finance and Administration</b>	<u>175,056,113</u>	<u>179,547,181</u>	<u>156,528,277</u>	<u>23,018,904</u>

Continued next page

City of Portland, Oregon  
 General Fund by Department  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b>				
<b>Department of Public Affairs</b>				
<b>Office of Commissioner</b>				
Personal services	530,634	588,053	577,471	10,582
Materials and services	119,924	109,720	103,176	6,544
Total Office of Commissioner	<u>650,558</u>	<u>697,773</u>	<u>680,647</u>	<u>17,126</u>
<b>Bureau of Fire, Rescue and Emergency Services</b>				
Personal services	55,836,589	56,065,848	55,227,197	838,651
Materials and services	8,866,693	9,729,487	9,148,264	581,223
Capital outlay	950,000	1,870,246	928,569	941,677
Total Bureau of Fire, Rescue and Emergency Services	<u>65,653,282</u>	<u>67,665,581</u>	<u>65,304,030</u>	<u>2,361,551</u>
<b>Bureau of Housing and Community Development</b>				
Personal services	1,774,211	2,012,034	1,885,399	126,635
Materials and services	7,208,862	11,655,794	6,956,369	4,699,425
Total Bureau of Housing and Community Development	<u>8,983,073</u>	<u>13,667,828</u>	<u>8,841,768</u>	<u>4,826,060</u>
<b>Office of Neighborhood Involvement</b>				
Personal services	2,998,848	2,983,316	2,926,865	56,451
Materials and services	2,195,241	2,167,360	2,158,158	9,202
Total Office of Neighborhood Involvement	<u>5,194,089</u>	<u>5,150,676</u>	<u>5,085,023</u>	<u>65,653</u>
<b>Total Department of Public Affairs</b>	<u>80,481,002</u>	<u>87,181,858</u>	<u>79,911,468</u>	<u>7,270,390</u>
<b>Department of Public Works</b>				
<b>Office of Commissioner</b>				
Personal services	510,534	539,233	541,204	(1,971)
Materials and services	113,636	114,936	110,003	4,933
Total Office of Commissioner	<u>624,170</u>	<u>654,169</u>	<u>651,207</u>	<u>2,962</u>
<b>Office of Cable Communications and Franchise</b>				
Personal services	603,562	606,562	583,673	22,889
Materials and services	1,119,062	1,178,562	1,116,678	61,884
Total Office of Cable Communications and Franchise	<u>1,722,624</u>	<u>1,785,124</u>	<u>1,700,351</u>	<u>84,773</u>

Continued next page



**City of Portland, Oregon**  
**General Fund by Department**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b>				
<b>Department of Public Works, Continued</b>				
<b>Office of Sustainable Development</b>				
Personal services	993,514	1,114,724	1,086,410	28,314
Materials and services	317,047	2,472,976	414,061	2,058,915
Total Office of Sustainable Development	<u>1,310,561</u>	<u>3,587,700</u>	<u>1,500,471</u>	<u>2,087,229</u>
<b>Total Department of Public Works</b>	<u>3,657,355</u>	<u>6,026,993</u>	<u>3,852,029</u>	<u>2,174,964</u>
<b>Department of Public Utilities</b>				
<b>Office of Commissioner</b>				
Personal services	500,541	529,240	516,372	12,868
Materials and services	123,629	133,629	117,585	16,044
Total Office of Commissioner	<u>624,170</u>	<u>662,869</u>	<u>633,957</u>	<u>28,912</u>
<b>Bureau of Licenses</b>				
Personal services	2,519,960	2,463,960	2,421,989	41,971
Materials and services	1,253,854	1,332,795	1,240,417	92,378
Total Bureau of Licenses	<u>3,773,814</u>	<u>3,796,755</u>	<u>3,662,406</u>	<u>134,349</u>
<b>Bureau of Parks</b>				
Personal services	25,421,659	26,684,497	26,573,987	110,510
Materials and services	16,027,529	16,696,735	15,769,220	927,515
Capital outlay	11,590	60,495	41,342	19,153
Total Bureau of Parks	<u>41,460,778</u>	<u>43,441,727</u>	<u>42,384,549</u>	<u>1,057,178</u>
<b>Total Department of Public Utilities</b>	<u>45,858,762</u>	<u>47,901,351</u>	<u>46,680,912</u>	<u>1,220,439</u>
<b>Department of Public Safety</b>				
<b>Office of Commissioner</b>				
Personal services	377,106	287,266	271,564	15,702
Materials and services	136,789	123,532	104,567	18,965
Total Office of Commissioner	<u>513,895</u>	<u>410,798</u>	<u>376,131</u>	<u>34,667</u>
<b>Bureau of Planning</b>				
Personal services	4,464,027	5,038,266	5,038,136	130
Materials and services	2,740,518	2,877,039	2,700,856	176,183
Total Bureau of Planning	<u>7,204,545</u>	<u>7,915,305</u>	<u>7,738,992</u>	<u>176,313</u>
<b>Total Department of Public Safety</b>	<u>7,718,440</u>	<u>8,326,103</u>	<u>8,115,123</u>	<u>210,980</u>

Continued next page

City of Portland, Oregon  
 General Fund by Department  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b>				
<b>Nondepartmental</b>				
<b>Office of the City Auditor</b>				
Personal services	4,690,316	4,729,761	4,592,140	137,621
Materials and services	1,949,275	2,552,439	2,275,499	276,940
<b>Total Office of the City Auditor</b>	<b>6,639,591</b>	<b>7,282,200</b>	<b>6,867,639</b>	<b>414,561</b>
<b>Other requirements</b>				
Inventory stores stock	25,000	25,000	2,525	22,475
<b>Tax Anticipation Notes:</b>				
Principal	10,000,000	-	-	-
Interest	349,589	-	-	-
<b>Total Tax Anticipation Notes</b>	<b>10,349,589</b>	<b>-</b>	<b>-</b>	<b>-</b>
General operating contingencies	5,704,136	4,191,706	-	4,191,706
Reimbursable expense	2,000,000	(3)	-	(3)
<b>Total nondepartmental</b>	<b>24,718,316</b>	<b>11,498,903</b>	<b>6,870,164</b>	<b>4,628,739</b>
<b>Total expenditures</b>	<b>337,489,988</b>	<b>340,482,389</b>	<b>301,957,973</b>	<b>38,524,416</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers from other funds:</b>				
Cable	-	106,080	165,750	59,670
General Reserve	1,463,775	1,463,775	-	(1,463,775)
Federal Grants	8,558,264	18,566,234	8,703,693	(9,862,541)
Housing and Community Development	133,690	133,690	156,829	23,139
Sewer System Operating	10,417,152	10,417,152	11,885,708	1,468,556
Water	3,917,219	3,917,219	3,753,739	(163,480)
Hydroelectric Power Operating	200,000	200,000	200,000	-
Solid Waste Management	505,862	1,044,484	620,741	(423,743)
Parking Facilities	202,014	202,014	202,014	-
Fleet Services Operating	1,360,853	1,405,804	1,405,804	-
Printing and Distribution Services Operating	-	213,867	213,867	-
Communication Services Operating	-	10,000	10,000	-
<b>Transfers to other funds:</b>				
Transportation Operating	(6,424,151)	(6,480,151)	(6,480,151)	-
Emergency Communication	(8,318,245)	(8,318,245)	(8,318,245)	-
Planning and Development Operating	(2,129,886)	(2,129,886)	(2,129,886)	-
Housing Investment	(55,652)	(55,652)	(55,652)	-
Children's Investment	-	(10,000)	(10,000)	-
Pension Debt Redemption	(3,843,602)	(2,882,701)	(2,882,702)	(1)
Governmental Bond Redemption	(2,977,549)	(2,747,549)	(2,675,093)	72,456
Parks Construction	(900,000)	(900,000)	(900,000)	-

Continued next page

City of Portland, Oregon  
 General Fund by Department  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES), Continued</b>				
Transfers to other funds, continued:				
Sewer System Operating	(35,000)	(50,000)	(50,000)	-
Facilities Services Operating	(2,796,150)	(2,796,150)	(2,796,150)	-
Fleet Services Operating	-	(370,265)	(356,995)	13,270
Printing and Distribution Services Operating	-	(71,409)	(71,409)	-
Communication Services Operating	(257,950)	(1,199,561)	(639,835)	559,726
Information Technology	(474,900)	(474,900)	(474,900)	-
Bonds and notes Issued	10,000,000	778,720	-	(778,720)
<b>Total other financing sources (uses)</b>	<b>8,545,744</b>	<b>9,972,570</b>	<b>(522,873)</b>	<b>(10,495,443)</b>
<b>Net change in fund balance</b>	<b>(9,293,255)</b>	<b>(13,484,670)</b>	<b>10,564,355</b>	<b>24,049,025</b>
<b>Fund balances -- beginning</b>	<b>9,293,255</b>	<b>13,484,670</b>	<b>14,762,764</b>	<b>1,278,094</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>(5,939,843)</b>	<b>(5,939,843)</b>
<b>Fund balance - beginning, as restated</b>	<b>9,293,255</b>	<b>13,484,670</b>	<b>8,822,921</b>	<b>(4,661,749)</b>
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,387,276</b>	<b>\$ 19,387,276</b>



**JAPANESE GARDENS**

# Special Revenue Funds

## Budget and Actual

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### **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.

### **Planning and Development Operating 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.

### **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.

### **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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Assessments	\$ 1,000	\$ 1,000	\$ 226	\$ (774)
Investment earnings	2,000	2,000	1,193	(807)
Other interest income	1,000	1,000	801	(199)
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>2,220</u>	<u>(1,780)</u>
<b>EXPENDITURES</b>				
General operating contingencies	58,752	58,695	-	58,695
Overhead charges - General Fund	153	210	210	-
Total expenditures	<u>58,905</u>	<u>58,905</u>	<u>210</u>	<u>58,695</u>
Revenues over (under) expenditures	(54,905)	(54,905)	2,010	56,915
Fund balances -- beginning	<u>54,905</u>	<u>54,905</u>	<u>58,081</u>	<u>3,176</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,091</u>	<u>\$ 60,091</u>

**City of Portland, Oregon**  
**Emergency Communication Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues:				
State cost sharing	\$ 2,190,022	\$ 2,190,022	\$ 1,915,637	\$ (274,385)
Multnomah County cost sharing	280,095	280,095	259,923	(20,172)
Local cost sharing	2,300,184	2,300,184	2,210,271	(89,913)
<b>Total intergovernmental revenues</b>	<b>4,770,301</b>	<b>4,770,301</b>	<b>4,385,831</b>	<b>(384,470)</b>
Miscellaneous and interest:				
Other service charges	50,000	50,000	55,898	5,898
Investment earnings	-	-	30,158	30,158
<b>Total miscellaneous and interest</b>	<b>50,000</b>	<b>50,000</b>	<b>86,056</b>	<b>36,056</b>
<b>Total revenues</b>	<b>4,820,301</b>	<b>4,820,301</b>	<b>4,471,887</b>	<b>(348,414)</b>
<b>EXPENDITURES</b>				
Personal services	9,692,785	10,718,608	10,041,492	677,116
Materials and services	3,126,404	3,235,039	3,149,020	86,019
General operating contingencies	-	110,098	-	110,098
Overhead charges - General Fund	221,488	300,727	300,727	-
<b>Total expenditures</b>	<b>13,040,677</b>	<b>14,364,472</b>	<b>13,491,239</b>	<b>873,233</b>
<b>Revenues over (under) expenditures</b>	<b>(8,220,376)</b>	<b>(9,544,171)</b>	<b>(9,019,352)</b>	<b>524,819</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	8,318,245	8,318,245	8,318,245	-
Public Safety	-	1,210,922	857,151	(353,771)
Fleet Services Operating	1,633	1,633	1,633	-
Transfers to other funds:				
Public Safety	-	(930,980)	(930,980)	-
Pension Debt Redemption	(99,502)	(74,627)	(74,627)	-
Communication Services Operating	-	(22,100)	(21,439)	661
<b>Total other financing sources (uses)</b>	<b>8,220,376</b>	<b>8,503,093</b>	<b>8,149,983</b>	<b>(353,110)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(1,041,078)</b>	<b>(869,369)</b>	<b>171,709</b>
<b>Fund balances -- beginning</b>	<b>-</b>	<b>1,041,078</b>	<b>1,041,078</b>	<b>-</b>
<b>Fund balances -- ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 171,709</b>	<b>\$ 171,709</b>

**City of Portland, Oregon**  
**Planning and Development Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and fees:				
Construction permits	\$ 18,430,000	\$ 18,490,399	\$ 18,994,835	\$ 504,436
Other permits	302,000	302,000	309,925	7,925
Total licenses and fees	<u>18,732,000</u>	<u>18,792,399</u>	<u>19,304,760</u>	<u>512,361</u>
Service charges and fees:				
Inspection fees	1,064,000	1,064,000	1,388,025	324,025
Other service charges	3,919,000	3,919,000	3,954,003	35,003
Total service charges and fees	<u>4,983,000</u>	<u>4,983,000</u>	<u>5,342,028</u>	<u>359,028</u>
Miscellaneous and interest:				
Assessments	2,715,000	2,715,000	1,900,738	(814,262)
Investment earnings	215,000	215,000	102,348	(112,652)
Other interest income	230,000	230,000	344,763	114,763
Total miscellaneous and interest	<u>3,160,000</u>	<u>3,160,000</u>	<u>2,347,849</u>	<u>(812,151)</u>
Billings for interfund services:				
General	27,158	33,158	33,158	-
Transportation Operating	49,352	49,352	46,807	(2,545)
Housing and Community Development	179,775	179,775	127,105	(52,670)
Sewer System Operating	43,407	43,407	43,407	-
Water	5,232	5,232	5,232	-
Solid Waste Management	50,000	50,000	50,000	-
Total billings for interfund services	<u>354,924</u>	<u>360,924</u>	<u>305,709</u>	<u>(55,215)</u>
Total revenues	<u>27,229,924</u>	<u>27,296,323</u>	<u>27,300,346</u>	<u>4,023</u>
<b>EXPENDITURES</b>				
Personal services	21,503,401	21,563,800	20,906,291	657,509
Materials and services	7,784,813	7,984,062	7,002,161	981,901
Capital outlay	11,861	246,861	14,348	232,513
General operating contingencies	1,613,828	1,149,293	-	1,149,293
Overhead charges - General Fund	686,045	821,144	821,144	-
Total expenditures	<u>31,599,948</u>	<u>31,765,160</u>	<u>28,743,944</u>	<u>3,021,216</u>
Revenues over (under) expenditures	<u>(4,370,024)</u>	<u>(4,468,837)</u>	<u>(1,443,598)</u>	<u>3,025,239</u>

Continued next page



**City of Portland, Oregon**  
**Planning and Development Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	2,129,886	2,129,886	2,129,886	-
General Reserve	454,000	454,000	454,000	-
Housing and Community Development	36,728	36,728	34,484	(2,244)
Solid Waste Management	143,562	143,562	143,562	-
Fleet Services Operating	82,200	82,200	82,200	-
Transfers to other funds:				
Pension Debt Redemption	(524,404)	(393,303)	(393,303)	-
Fleet Services Operating	-	(32,288)	(7,426)	24,862
Total other financing sources (uses)	<u>2,321,972</u>	<u>2,420,785</u>	<u>2,443,403</u>	<u>22,618</u>
Net change in fund balances	(2,048,052)	(2,048,052)	999,805	3,047,857
Fund balances – beginning	<u>2,048,052</u>	<u>2,048,052</u>	<u>4,043,065</u>	<u>1,995,013</u>
Fund balances – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,042,870</u>	<u>\$ 5,042,870</u>

**City of Portland, Oregon**  
**Property Management License Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Business licenses	\$ 3,300,000	\$ 4,300,000	\$ 4,133,918	\$ (166,082)
Investment earnings	16,516	16,516	8,796	(7,720)
Total revenues	<u>3,316,516</u>	<u>4,316,516</u>	<u>4,142,714</u>	<u>(173,802)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>3,316,516</u>	<u>4,325,316</u>	<u>4,143,515</u>	<u>181,801</u>
Revenues over (under) expenditures	-	(8,800)	(801)	7,999
Fund balances -- beginning	<u>-</u>	<u>8,800</u>	<u>8,138</u>	<u>(662)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,337</u>	<u>\$ 7,337</u>

**City of Portland, Oregon**  
**Public Safety Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Prior years' property taxes	\$ -	\$ -	\$ 242	\$ 242
Investment earnings	100,000	50,000	7,872	(42,128)
<b>Total revenues</b>	<u>100,000</u>	<u>50,000</u>	<u>8,114</u>	<u>(41,886)</u>
<b>EXPENDITURES</b>				
Personal services	204,000	-	8,595	(8,595)
Materials and services	508,104	479,751	377,329	102,422
Capital outlay	683,688	564,464	339,736	224,728
General operating contingencies	408,952	778,014	-	778,014
Overhead charges - General Fund	7,949	8,785	8,785	-
<b>Total expenditures</b>	<u>1,812,693</u>	<u>1,831,014</u>	<u>734,445</u>	<u>1,096,569</u>
<b>Revenues over (under) expenditures</b>	<u>(1,712,693)</u>	<u>(1,781,014)</u>	<u>(726,331)</u>	<u>1,054,683</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Emergency Communication	-	930,980	930,980	-
Transfers to other funds:				
Emergency Communication	-	(1,210,922)	(857,151)	353,771
Pension Debt Redemption	(307)	(230)	(230)	-
<b>Total financing sources (uses)</b>	<u>(307)</u>	<u>(280,172)</u>	<u>73,599</u>	<u>353,771</u>
<b>Net change in fund balances</b>	<u>(1,713,000)</u>	<u>(2,061,186)</u>	<u>(652,732)</u>	<u>1,408,454</u>
<b>Fund balances -- beginning</b>	<u>1,713,000</u>	<u>2,061,186</u>	<u>2,061,186</u>	<u>-</u>
<b>Fund balances -- ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,408,454</u>	<u>\$ 1,408,454</u>

**City of Portland, Oregon  
Cable Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public utility licenses	\$ 761,165	\$ 761,165	\$ 887,987	\$ 126,822
Investment earnings	54,000	54,000	61,958	7,958
Miscellaneous	1,651,440	1,651,440	1,835,649	184,209
Billings for interfund services:				
General	250,995	250,995	219,005	(31,990)
Total revenues	<u>2,717,600</u>	<u>2,717,600</u>	<u>3,004,599</u>	<u>286,999</u>
<b>EXPENDITURES</b>				
Materials and services	2,964,594	3,260,220	3,218,722	41,498
General operating contingencies	1,200,029	581,492	-	581,492
Overhead charges - General Fund	10,762	7,645	7,645	-
Total expenditures	<u>4,175,385</u>	<u>3,849,357</u>	<u>3,226,367</u>	<u>622,990</u>
Revenues over (under) expenditures	<u>(1,457,785)</u>	<u>(1,131,757)</u>	<u>(221,768)</u>	<u>909,989</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
General	-	(106,080)	(165,750)	(59,670)
Communication Services Operating	-	(219,948)	(219,948)	-
Total financing sources (uses)	<u>-</u>	<u>(326,028)</u>	<u>(385,698)</u>	<u>(59,670)</u>
Net change in fund balances	(1,457,785)	(1,457,785)	(607,466)	850,319
Fund balances -- beginning	<u>2,673,673</u>	<u>2,673,673</u>	<u>2,965,146</u>	<u>291,473</u>
Fund balances -- ending	<u>\$ 1,215,888</u>	<u>\$ 1,215,888</u>	<u>\$ 2,357,680</u>	<u>\$ 1,141,792</u>

**City of Portland, Oregon**  
**Convention and Tourism Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Lodging taxes	\$ 2,027,808	\$ 2,077,808	\$ 2,138,002	\$ 60,194
Investment earnings	15,900	15,900	5,922	(9,978)
Total revenues	<u>2,043,708</u>	<u>2,093,708</u>	<u>2,143,924</u>	<u>50,216</u>
<b>EXPENDITURES</b>				
Materials and services	2,021,192	2,081,742	2,141,386	(59,644)
General operating contingencies	130,450	154,997	-	154,997
Overhead charges - General Fund	6,616	6,066	6,066	-
Total expenditures	<u>2,158,258</u>	<u>2,242,805</u>	<u>2,147,452</u>	<u>95,353</u>
Revenues over (under) expenditures	(114,550)	(149,097)	(3,528)	145,569
Fund balances -- beginning	<u>114,550</u>	<u>149,097</u>	<u>147,352</u>	<u>(1,745)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,824</u>	<u>\$ 143,824</u>

**City of Portland, Oregon  
General Reserve Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Investment earnings	\$ 854,370	\$ 854,370	\$ 678,611	\$ (175,759)
Miscellaneous	-	-	962,216	962,216
Total revenues	854,370	854,370	1,640,827	786,457
<b>EXPENDITURES</b>				
General operating contingencies	35,130,854	35,130,854	-	35,130,854
Revenues over (under) expenditures	(34,276,484)	(34,276,484)	1,640,827	35,917,311
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
General	(1,463,775)	(1,463,775)	-	1,463,775
Planning and Development Operating	(454,000)	(454,000)	(454,000)	-
Total financing sources (uses)	(1,917,775)	(1,917,775)	(454,000)	1,463,775
Net change in fund balances	(36,194,259)	(36,194,259)	1,186,827	37,381,086
Fund balances -- beginning	36,194,259	36,194,259	36,058,962	(135,297)
Fund balances -- ending	\$ -	\$ -	\$ 37,245,789	\$ 37,245,789

**City of Portland, Oregon**  
**Special Finance and Resource Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 22,000	\$ 29,533	\$ 7,533
<b>EXPENDITURES</b>				
Materials and services	43,170,000	94,819,133	88,094,096	6,725,037
Revenues over (under) expenditures	(43,170,000)	(94,797,133)	(88,064,563)	6,732,570
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Waterfront Renewal Bond Sinking	-	(11,400)	(10,599)	801
Airport Way Debt	-	(14,000)	(12,487)	1,513
Governmental Bond Redemption	-	(10,500)	(10,289)	211
Bonds and notes issued	43,030,000	93,971,000	84,847,589	(9,123,411)
Bond and note premium	-	-	2,763,850	2,763,850
Total other financing sources (uses)	43,030,000	93,935,100	87,578,064	(6,357,036)
Net change in fund balances	(140,000)	(862,033)	(486,499)	375,534
Fund balances – beginning	140,000	862,033	862,033	-
Fund balances – ending	\$ -	\$ -	\$ 375,534	\$ 375,534

**City of Portland, Oregon  
 Transportation Reserve Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 30,000	\$ 30,000	\$ 13,495	\$ (16,505)
<b>EXPENDITURES</b>				
General operating contingencies	699,132	699,132	-	699,132
Revenues over (under) expenditures	(669,132)	(669,132)	13,495	682,627
Fund balances -- beginning	669,132	669,132	662,582	(6,550)
Fund balances -- ending	\$ -	\$ -	\$ 676,077	\$ 676,077



**City of Portland, Oregon**  
**Housing Investment Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Rents and reimbursements	\$ 450,000	\$ 453,500	\$ 59,835	\$ (393,665)
Other service charges	-	113,000	48,000	(65,000)
Investment earnings	160,000	160,000	80,272	(79,728)
<b>Total revenues</b>	<u>610,000</u>	<u>726,500</u>	<u>188,107</u>	<u>(538,393)</u>
<b>EXPENDITURES</b>				
Materials and services	14,701,838	14,068,338	1,296,208	12,772,130
Capital outlay	6,500,000	6,500,000	-	6,500,000
General operating contingencies	160,000	160,000	-	160,000
Debt service:				
Principal	1,000,000	1,000,000	-	1,000,000
<b>Total expenditures</b>	<u>22,361,838</u>	<u>21,728,338</u>	<u>1,296,208</u>	<u>20,432,130</u>
Revenues over (under) expenditures	<u>(21,751,838)</u>	<u>(21,001,838)</u>	<u>(1,108,101)</u>	<u>19,893,737</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	55,652	55,652	55,652	-
Transfers to other funds:				
Pension Debt Redemption	(21)	(21)	(16)	5
Governmental Bond Redemption	(6,950,000)	(6,950,000)	(6,496,859)	453,141
Bonds and notes issued	14,100,000	14,100,000	-	(14,100,000)
Loan proceeds	2,000,000	2,000,000	-	(2,000,000)
Sale of capital asset	7,500,000	7,500,000	6,408,252	(1,091,748)
<b>Total other financing sources (uses)</b>	<u>16,705,631</u>	<u>16,705,631</u>	<u>(32,971)</u>	<u>(16,738,602)</u>
Net change in fund balances	<u>(5,046,207)</u>	<u>(4,296,207)</u>	<u>(1,141,072)</u>	<u>3,155,135</u>
Fund balances -- beginning	<u>5,046,207</u>	<u>4,296,207</u>	<u>4,299,491</u>	<u>3,284</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,158,419</u>	<u>\$ 3,158,419</u>

**City of Portland, Oregon**  
**Children's Investment Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Materials and services	\$ -	\$ 10,000	\$ 6,378	\$ 3,622
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	-	10,000	10,000	-
Net change in fund balances	-	-	3,622	3,622
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,622</u>	<u>\$ 3,622</u>

**City of Portland, Oregon**  
**Federal Grants Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal grants	\$ 13,200,426	\$ 26,644,288	\$ 15,176,581	\$ (11,467,707)
State grants	22,600	840,170	136,585	(703,585)
Private grants and donations	205,237	1,845,437	196,155	(1,649,282)
Investment earnings	-	-	21,090	21,090
	<u>13,428,263</u>	<u>29,329,895</u>	<u>15,530,411</u>	<u>(13,799,484)</u>
<b>EXPENDITURES</b>				
Materials and services	-	808,658	11,320	797,338
	<u>13,428,263</u>	<u>28,521,237</u>	<u>15,519,091</u>	<u>(13,002,146)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
General	(8,558,264)	(18,566,234)	(8,703,693)	9,862,541
Transportation Operating	(3,528,720)	(5,286,084)	(4,156,992)	1,129,092
Parks Construction	(500,000)	(1,339,000)	(916,002)	422,998
Sewer System Operating	(294,250)	(2,261,897)	(891,809)	1,370,088
Sewer System Construction	(347,029)	(655,000)	(35,473)	619,527
Water	(200,000)	(372,121)	(774,965)	(402,844)
Portland International Raceway	-	(901)	-	901
Solid Waste Management	-	(40,000)	(18,000)	22,000
Communication Services Operating	-	-	(22,157)	(22,157)
	<u>(13,428,263)</u>	<u>(28,521,237)</u>	<u>(15,519,091)</u>	<u>13,002,146</u>
Net change in fund balances	-	-	-	-
Fund balances -- beginning	-	-	-	-
Fund balances -- 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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal grants	\$ 13,000,584	\$ 18,358,962	\$ 6,803,353	\$ (11,555,609)
Other service charges	18,000	18,000	12,671	(5,329)
Loan repayments	2,800,000	2,800,000	6,009,611	3,209,611
Assessments	85,000	85,000	61,210	(23,790)
Other interest income	5,400	5,400	53,443	48,043
	<u>15,908,984</u>	<u>21,267,362</u>	<u>12,940,288</u>	<u>(8,327,074)</u>
<b>EXPENDITURES</b>				
Materials and services	15,658,064	21,016,442	12,729,520	8,286,922
General operating contingencies	40,152	40,152	-	40,152
	<u>15,698,216</u>	<u>21,056,594</u>	<u>12,729,520</u>	<u>8,327,074</u>
Revenues over (under) expenditures	<u>210,768</u>	<u>210,768</u>	<u>210,768</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
General	(133,690)	(133,690)	(156,829)	(23,139)
Transportation Operating	(40,350)	(40,350)	(19,455)	20,895
Planning and Development Operating	(36,728)	(36,728)	(34,484)	2,244
	<u>(210,768)</u>	<u>(210,768)</u>	<u>(210,768)</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Portland, Oregon**  
**Home Grant Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal grants	\$ 4,758,000	\$ 12,401,911	\$ 2,252,987	\$ (10,148,924)
Loan repayments	190,000	190,000	440,877	250,877
Total revenues	<u>4,948,000</u>	<u>12,591,911</u>	<u>2,693,864</u>	<u>(9,898,047)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>4,948,000</u>	<u>12,591,911</u>	<u>2,693,864</u>	<u>9,898,047</u>
Total expenditures	<u>4,948,000</u>	<u>12,591,911</u>	<u>2,693,864</u>	<u>9,898,047</u>
Revenues over (under) expenditures	-	-	-	-
Fund balances – beginning	-	-	-	-
Fund balances – 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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Parking fees	\$ 164,000	\$ 164,000	\$ 149,439	\$ (14,561)
Rents and reimbursements	416,000	416,000	436,189	20,189
Concessions	45,000	45,000	54,354	9,354
Parks and recreation facilities fees	973,800	973,800	912,482	(61,318)
Miscellaneous revenues:				
Assessments	-	-	1,553	1,553
Private grants and donations	46,000	46,000	193,925	147,925
Investment earnings	136,000	136,000	57,369	(78,631)
Other interest income	-	-	7,500	7,500
Miscellaneous	-	-	5,505	5,505
Billings for interfund services:				
General	136,000	78,000	137,279	59,279
Transportation Operating	-	5,253	27,718	22,465
	<u>1,916,800</u>	<u>1,864,053</u>	<u>1,983,313</u>	<u>119,260</u>
<b>EXPENDITURES</b>				
Materials and services	2,006,307	2,324,781	1,841,036	483,745
General operating contingencies	2,860,743	2,312,547	-	2,312,547
	<u>4,867,050</u>	<u>4,637,328</u>	<u>1,841,036</u>	<u>2,796,292</u>
Revenues over (under) expenditures	<u>(2,950,250)</u>	<u>(2,773,275)</u>	<u>142,277</u>	<u>2,915,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Portland International Raceway	157,500	157,500	-	(157,500)
Transfers to other funds:				
Water	(46,705)	(46,705)	-	46,705
Parks Endowment	-	(125,000)	(125,000)	-
Parks Construction	-	(50,000)	(50,000)	-
Printing and Distribution Services Operating	-	(1,975)	(1,975)	-
	<u>110,795</u>	<u>(66,180)</u>	<u>(176,975)</u>	<u>(110,795)</u>
Net change in fund balances	(2,839,455)	(2,839,455)	(34,698)	2,804,757
Fund balances -- beginning	<u>2,839,455</u>	<u>2,839,455</u>	<u>2,717,580</u>	<u>(121,875)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,682,882</u>	<u>\$ 2,682,882</u>



UNION STATION

# Debt Service Funds Budget and Actual

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## ***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 Fund***

This fund accounts for redemption of bonds to be issued for tax increment improvements to the Airport Way Urban Renewal Area.

## ***Gas Tax Bond Redemption Fund***

This fund accounts for redemption of bonds issued for certain street improvements.

## ***Lents Town Center Urban Renewal Area Debt Redemption Fund***

This fund accounts for redemption of bonds issued for tax increment improvements to the Lents Town Center Urban Renewal Area.

## ***Central Eastside Industrial District Debt Service Fund***

This fund accounts for redemption of bonds issued for tax increment improvements to the City's Central Eastside.

## ***Bancroft Bond Interest and Sinking Fund***

This fund accounts for transactions related to Bancroft bonding activity that are regulated by the I.R.S. code of 1986. The fund also provides segregated financial reporting of each bond issue subject to the provisions of this code.

## ***Convention Center Area Debt Service Fund***

This fund accounts for redemption of bonds issued for tax increment improvements to the Convention Center Urban Renewal Area.

## ***North Macadam Urban Renewal Area Debt Redemption Fund***

This fund accounts for tax increment revenues and debt service payments for activities associated with the North Macadam Urban Renewal Area.

## ***Special Projects Debt Service Fund***

This fund accounts for payment of principal and interest on bonds to be issued for a variety of special projects. These projects comprise only the Convention Center Expansion at this time.

## ***Gateway Urban Renewal Area Debt Redemption Fund***

This fund accounts for tax increment revenues and debt service payments for activities associated with the establishment of the Gateway Urban Renewal Area.

## ***Governmental Bond Redemption Fund***

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



**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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 5,143,428	\$ 6,819,405	\$ 6,696,249	\$ (123,156)
Prior years' property taxes	15,000	70,000	101,922	31,922
Investment earnings	70,000	70,000	51,153	(18,847)
<b>Total revenues</b>	<u>5,228,428</u>	<u>6,959,405</u>	<u>6,849,324</u>	<u>(110,081)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	4,177,428	6,420,527	27,750,000	(21,329,473)
Interest	1,051,000	1,051,000	488,356	562,644
<b>Total expenditures</b>	<u>5,228,428</u>	<u>7,471,527</u>	<u>28,238,356</u>	<u>(20,766,829)</u>
Revenues over (under) expenditures	-	(512,122)	(21,389,032)	(20,876,910)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	-	-	28,484,950	28,484,950
Fund balances -- beginning	-	512,122	512,122	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,608,040</u>	<u>\$ 7,608,040</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 6,474,991	\$ 6,474,991	\$ 6,552,367	\$ 77,376
Prior years' property taxes	130,000	130,000	208,888	78,888
Investment earnings	50,000	50,000	60,400	10,400
Other interest income	-	-	371	371
<b>Total revenues</b>	<u>6,654,991</u>	<u>6,654,991</u>	<u>6,822,026</u>	<u>167,035</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	3,550,000	3,550,000	3,550,000	-
Interest	<u>3,354,991</u>	<u>3,354,991</u>	<u>3,354,990</u>	<u>1</u>
<b>Total expenditures</b>	<u>6,904,991</u>	<u>6,904,991</u>	<u>6,904,990</u>	<u>1</u>
Revenues over (under) expenditures	(250,000)	(250,000)	(82,964)	167,036
Fund balances – beginning	<u>250,000</u>	<u>826,592</u>	<u>963,333</u>	<u>136,741</u>
Fund balances – ending	<u>\$ -</u>	<u>\$ 576,592</u>	<u>\$ 880,369</u>	<u>\$ 303,777</u>

**City of Portland, Oregon**  
**Waterfront Renewal Bond Sinking Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 11,872,150	\$ 13,424,857	\$ 13,322,624	\$ (102,233)
Prior years' property taxes	225,000	225,000	337,821	112,821
Investment earnings	202,000	152,000	161,684	9,684
Other interest income	-	-	12,636	12,636
<b>Total revenues</b>	<u>12,299,150</u>	<u>13,801,857</u>	<u>13,834,765</u>	<u>32,908</u>
<b>EXPENDITURES</b>				
Materials and services	15,000	15,000	7,262	7,738
Debt service:				
Principal	7,867,151	9,738,724	8,965,000	773,724
Interest	5,106,999	5,106,999	3,927,293	1,179,706
<b>Total expenditures</b>	<u>12,989,150</u>	<u>14,860,723</u>	<u>12,899,555</u>	<u>1,961,168</u>
Revenues over (under) expenditures	<u>(690,000)</u>	<u>(1,058,866)</u>	<u>935,210</u>	<u>1,994,076</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Special Finance and Resource	-	11,400	10,599	(801)
Parking Facilities	690,000	690,000	690,000	-
Bonds and notes issued	-	-	16,618,473	16,618,473
Bond and note premium	-	-	321,567	321,567
Payments to refunding escrow agent	-	-	(18,993,540)	(18,993,540)
<b>Total other financing sources and uses</b>	<u>690,000</u>	<u>701,400</u>	<u>(1,352,901)</u>	<u>(2,054,301)</u>
Net change in fund balances	-	(357,466)	(417,691)	(60,225)
Fund balances -- beginning	<u>3,735,000</u>	<u>4,092,466</u>	<u>4,092,466</u>	<u>-</u>
Fund balances -- ending	<u>\$ 3,735,000</u>	<u>\$ 3,735,000</u>	<u>\$ 3,674,775</u>	<u>\$ (60,225)</u>

**City of Portland, Oregon**  
**Interstate Corridor Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 1,376,505	\$ 1,961,058	\$ 1,940,850	\$ (20,208)
Prior years' property taxes	10,000	10,000	13,452	3,452
Investment earnings	18,700	18,700	11,234	(7,466)
Total revenues	<u>1,405,205</u>	<u>1,989,758</u>	<u>1,965,536</u>	<u>(24,222)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,404,905	2,010,515	1,950,000	60,515
Interest	300	300	122	178
Total expenditures	<u>1,405,205</u>	<u>2,010,815</u>	<u>1,950,122</u>	<u>60,693</u>
Revenues over (under) expenditures	-	(21,057)	15,414	36,471
Fund balances -- beginning	-	21,057	21,057	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,471</u>	<u>\$ 36,471</u>

**City of Portland, Oregon**  
**Pension Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 204,993	\$ 204,993	\$ 391,860	\$ 186,867
Miscellaneous	340,752	255,564	255,564	-
Total revenues	<u>545,745</u>	<u>460,557</u>	<u>647,424</u>	<u>186,867</u>
<b>EXPENDITURES</b>				
Materials and services	477,083	483,433	483,432	1
Debt service:				
Interest	<u>15,708,419</u>	<u>10,987,861</u>	<u>8,225,736</u>	<u>2,762,125</u>
Total expenditures	<u>16,185,502</u>	<u>11,471,294</u>	<u>8,709,168</u>	<u>2,762,126</u>
Revenues over (under) expenditures	<u>(15,639,757)</u>	<u>(11,010,737)</u>	<u>(8,061,744)</u>	<u>2,948,993</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	3,843,602	2,882,701	2,882,702	1
Transportation Operating	1,810,087	1,357,565	1,357,565	-
Emergency Communication	99,502	74,627	74,627	-
Planning and Development Operating	524,404	393,303	393,303	-
Public Safety	307	230	230	-
Housing Investment	21	21	16	(5)
Local Improvement District Construction	26,493	19,870	19,870	-
Parks Construction	27,161	20,371	20,371	-
Sewer System Operating	1,312,844	984,633	-	(984,633)
Water	1,390,444	1,042,833	-	(1,042,833)
Hydroelectric Power Operating	9,649	7,237	-	(7,237)
Golf	85,565	64,174	-	(64,174)
Portland International Raceway	13,888	10,416	-	(10,416)
Solid Waste Management	26,281	19,711	-	(19,711)
Environmental Remediation	467	350	-	(350)
Health Insurance Operating	14,794	11,096	-	(11,096)
Facilities Services Operating	102,603	76,952	-	(76,952)
Fleet Services Operating	185,278	138,959	-	(138,959)
Printing and Distribution Services Operating	66,273	49,705	-	(49,705)
Communication Services Operating	94,886	71,164	-	(71,164)
Insurance and Claims Operating	32,922	24,692	-	(24,692)
Workers' Compensation Self-Insurance Operating	32,922	24,692	-	(24,692)
Information Technology	161,058	120,794	-	(120,794)
Fire and Police Disability and Retirement	28,343	28,343	-	(28,343)
Total other financing sources (uses)	<u>9,889,794</u>	<u>7,424,439</u>	<u>4,748,684</u>	<u>(2,675,755)</u>
Net change in fund balances	<u>(5,749,963)</u>	<u>(3,586,298)</u>	<u>(3,313,060)</u>	<u>273,238</u>
Fund balances -- beginning	<u>17,302,441</u>	<u>18,828,087</u>	<u>18,828,087</u>	<u>-</u>
Fund balances -- ending	<u>\$ 11,552,478</u>	<u>\$ 15,241,789</u>	<u>\$ 15,515,027</u>	<u>\$ 273,238</u>

**City of Portland, Oregon**  
**South Park Block Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Current year's taxes	\$ 5,188,900	\$ 6,458,046	\$ 6,416,965	\$ (41,081)
Prior years' property taxes	120,221	120,221	157,507	37,286
Investment earnings	73,500	73,500	57,948	(15,552)
Other interest income	-	-	1	1
<b>Total revenues</b>	<u>5,382,621</u>	<u>6,651,767</u>	<u>6,632,421</u>	<u>(19,346)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	2,903,661	4,356,504	4,110,000	246,504
Interest	2,478,960	2,478,960	2,493,984	(15,024)
<b>Total expenditures</b>	<u>5,382,621</u>	<u>6,835,464</u>	<u>6,603,984</u>	<u>231,480</u>
Revenues over (under) expenditures	-	(183,697)	28,437	212,134
Fund balances -- beginning	<u>589,375</u>	<u>773,072</u>	<u>773,072</u>	<u>-</u>
Fund balances -- ending	<u>\$ 589,375</u>	<u>\$ 589,375</u>	<u>\$ 801,509</u>	<u>\$ 212,134</u>

**City of Portland, Oregon**  
**Airport Way Debt Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 6,534,100	\$ 6,926,899	\$ 6,890,555	\$ (36,344)
Prior years' property taxes	234,862	234,862	180,495	(54,367)
Investment earnings	84,000	84,000	74,201	(9,799)
Other interest income	-	-	96	96
<b>Total revenues</b>	<u>6,852,962</u>	<u>7,245,761</u>	<u>7,145,347</u>	<u>(100,414)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	3,175,174	4,191,591	3,865,000	326,591
Interest	3,705,164	3,293,706	3,284,077	9,629
<b>Total expenditures</b>	<u>6,880,338</u>	<u>7,485,297</u>	<u>7,149,077</u>	<u>336,220</u>
Revenues over (under) expenditures	<u>(27,376)</u>	<u>(239,536)</u>	<u>(3,730)</u>	<u>235,806</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Special Finance and Resource	-	14,000	12,487	(1,513)
Bonds and notes issued	-	-	13,332,504	13,332,504
Bond and note premium	-	-	422,596	422,596
Payments to refunding escrow agent	-	-	(12,769,059)	(12,769,059)
<b>Total other financing sources and uses</b>	<u>-</u>	<u>14,000</u>	<u>998,528</u>	<u>984,528</u>
Net change in fund balances	<u>(27,376)</u>	<u>(225,536)</u>	<u>994,798</u>	<u>1,220,334</u>
Fund balances -- beginning	<u>427,731</u>	<u>625,891</u>	<u>625,891</u>	<u>-</u>
Fund balances -- ending	<u>\$ 400,355</u>	<u>\$ 400,355</u>	<u>\$ 1,620,689</u>	<u>\$ 1,220,334</u>

**City of Portland, Oregon**  
**Gas Tax Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 83	\$ 83
Other interest income	-	-	5	5
Total revenues	<u>-</u>	<u>-</u>	<u>88</u>	<u>88</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	380,000	380,000	380,000	-
Interest	415,436	533,160	533,159	1
Total expenditures	<u>795,436</u>	<u>913,160</u>	<u>913,159</u>	<u>1</u>
Revenues over (under) expenditures	<u>(795,436)</u>	<u>(913,160)</u>	<u>(913,071)</u>	<u>89</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Transportation Operating	530,278	648,002	647,982	(20)
Spectator Facilities Operating	265,158	265,158	265,157	(1)
Total other financing sources (uses)	<u>795,436</u>	<u>913,160</u>	<u>913,139</u>	<u>(21)</u>
Net change in fund balances	-	-	68	68
Fund balances -- beginning	-	-	549	549
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 617</u>	<u>\$ 617</u>



**City of Portland, Oregon**  
**Lents Town Center Urban Renewal Area Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 2,365,946	\$ 3,370,374	\$ 3,310,859	\$ (59,515)
Prior years' property taxes	65,000	65,000	56,664	(8,336)
Investment earnings	37,000	37,000	19,436	(17,564)
Total revenues	<u>2,467,946</u>	<u>3,472,374</u>	<u>3,386,959</u>	<u>(85,415)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,066,946	3,148,809	3,240,000	(91,191)
Interest	401,000	401,000	129,994	271,006
Total expenditures	<u>2,467,946</u>	<u>3,549,809</u>	<u>3,369,994</u>	<u>179,815</u>
Revenues over (under) expenditures	-	(77,435)	16,965	94,400
Fund balances -- beginning	-	77,435	77,435	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,400</u>	<u>\$ 94,400</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 3,181,333	\$ 3,893,772	\$ 3,875,596	\$ (18,176)
Prior years' property taxes	85,000	85,000	97,818	12,818
Investment earnings	50,000	50,000	37,300	(12,700)
Total revenues	<u>3,316,333</u>	<u>4,028,772</u>	<u>4,010,714</u>	<u>(18,058)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,634,771	3,447,205	3,701,388	(254,183)
Interest	681,562	681,562	250,543	431,019
Total expenditures	<u>3,316,333</u>	<u>4,128,767</u>	<u>3,951,931</u>	<u>176,836</u>
Revenues over (under) expenditures	-	(99,995)	58,783	158,778
Fund balances -- beginning	-	99,995	99,995	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,778</u>	<u>\$ 158,778</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Assessments	\$ 2,338,487	\$ 2,338,487	\$ 4,850,305	\$ 2,511,818
Investment earnings	426,920	426,920	186,232	(240,688)
Other interest income	<u>1,554,518</u>	<u>1,554,518</u>	<u>1,782,058</u>	<u>227,540</u>
Total revenues	<u>4,319,925</u>	<u>4,319,925</u>	<u>6,818,595</u>	<u>2,498,670</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,110,000	2,110,000	3,280,000	(1,170,000)
Interest	<u>617,564</u>	<u>617,564</u>	<u>565,236</u>	<u>52,328</u>
Total expenditures	<u>2,727,564</u>	<u>2,727,564</u>	<u>3,845,236</u>	<u>(1,117,672)</u>
Revenues over (under) expenditures	1,592,361	1,592,361	2,973,359	1,380,998
Fund balances -- beginning	<u>6,320,109</u>	<u>6,320,109</u>	<u>7,579,734</u>	<u>1,259,625</u>
Fund balances -- ending	<u>\$ 7,912,470</u>	<u>\$ 7,912,470</u>	<u>\$ 10,553,093</u>	<u>\$ 2,640,623</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 5,052,100	\$ 6,354,437	\$ 6,307,263	\$ (47,174)
Prior years' property taxes	143,366	143,366	157,838	14,472
Investment earnings	55,000	55,000	109,461	54,461
<b>Total revenues</b>	<u>5,250,466</u>	<u>6,552,803</u>	<u>6,574,562</u>	<u>21,759</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	5,369,613	6,436,874	6,400,000	36,874
Interest	3,290,401	3,290,401	3,103,800	186,601
<b>Total expenditures</b>	<u>8,660,014</u>	<u>9,727,275</u>	<u>9,503,800</u>	<u>223,475</u>
<b>Revenues over (under) expenditures</b>	<u>(3,409,548)</u>	<u>(3,174,472)</u>	<u>(2,929,238)</u>	<u>245,234</u>
Fund balances -- beginning	<u>3,409,548</u>	<u>3,174,472</u>	<u>3,174,472</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,234</u>	<u>\$ 245,234</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 783,361	\$ 1,168,619	\$ 1,166,612	\$ (2,007)
Prior years' property taxes	500	500	4,390	3,890
Investment earnings	11,000	11,000	7,151	(3,849)
Total revenues	<u>794,861</u>	<u>1,180,119</u>	<u>1,178,153</u>	<u>(1,966)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	718,861	1,124,621	1,160,000	(35,379)
Interest	76,000	76,000	10,232	65,768
Total expenditures	<u>794,861</u>	<u>1,200,621</u>	<u>1,170,232</u>	<u>30,389</u>
Revenues over (under) expenditures	-	(20,502)	7,921	28,423
Fund balances -- beginning	-	20,502	20,502	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,423</u>	<u>\$ 28,423</u>

**City of Portland, Oregon**  
**Special Projects Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 81,228	\$ 81,228	\$ 55,067	\$ (26,161)
Other interest income	-	-	222	222
Miscellaneous	4,364,443	4,375,806	5,553,084	1,177,278
Total revenues	<u>4,445,671</u>	<u>4,457,034</u>	<u>5,608,373</u>	<u>1,151,339</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	70,000	70,000	70,000	-
Interest	5,811,693	5,811,693	4,982,193	829,500
Total expenditures	<u>5,881,693</u>	<u>5,881,693</u>	<u>5,052,193</u>	<u>829,500</u>
Revenues over (under) expenditures	<u>(1,436,022)</u>	<u>(1,424,659)</u>	<u>556,180</u>	<u>1,980,839</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	-	-	32,707,500	32,707,500
Bond and note premium	-	-	986,757	986,757
Payments to refunding escrow agent	-	-	(36,338,757)	(36,338,757)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(2,644,500)</u>	<u>(2,644,500)</u>
Net change in fund balances	<u>(1,436,022)</u>	<u>(1,424,659)</u>	<u>(2,088,320)</u>	<u>(663,661)</u>
Fund balances – beginning	<u>3,605,875</u>	<u>3,594,512</u>	<u>3,594,512</u>	<u>-</u>
Fund balances – ending	<u>\$ 2,169,853</u>	<u>\$ 2,169,853</u>	<u>\$ 1,506,192</u>	<u>\$ (663,661)</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, 2003**

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BA315  
Debt Service Funds

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 284,454	\$ 654,225	\$ 651,105	\$ (3,120)
Investment earnings	4,000	4,000	4,590	590
Total revenues	<u>288,454</u>	<u>658,225</u>	<u>655,695</u>	<u>(2,530)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	237,454	607,225	615,000	(7,775)
Interest	51,000	51,000	18,255	32,745
Total expenditures	<u>288,454</u>	<u>658,225</u>	<u>633,255</u>	<u>24,970</u>
Revenues over (under) expenditures	-	-	22,440	22,440
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>-</u>	<u>\$ 22,440</u>	<u>\$ 22,440</u>

**City of Portland, Oregon**  
**Governmental Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other interest income	\$ -	\$ -	\$ 60	\$ 60
Billings for interfund services:				
General	29,180	30,389	30,384	(5)
Total revenues	<u>29,180</u>	<u>30,389</u>	<u>30,444</u>	<u>55</u>
<b>EXPENDITURES</b>				
Materials and services	-	3,000	2,504	496
Debt service:				
Principal	9,490,592	9,310,775	8,846,474	464,301
Interest	956,133	966,809	800,197	166,612
Total expenditures	<u>10,446,725</u>	<u>10,280,584</u>	<u>9,649,175</u>	<u>631,409</u>
Revenues over (under) expenditures	<u>(10,417,545)</u>	<u>(10,250,195)</u>	<u>(9,618,731)</u>	<u>631,464</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	2,977,549	2,747,549	2,675,093	(72,456)
Special Finance and Resource	-	10,500	10,289	(211)
Housing Investment	6,950,000	6,950,000	6,496,859	(453,141)
Capital Improvement	68,475	68,475	68,170	(305)
Parks Construction	421,521	421,521	323,379	(98,142)
Total other financing sources (uses)	<u>10,417,545</u>	<u>10,198,045</u>	<u>9,573,790</u>	<u>(624,255)</u>
Net change in fund balances	-	(52,150)	(44,941)	7,209
Fund balances -- beginning	-	52,150	52,150	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,209</u>	<u>\$ 7,209</u>



# Capital Projects Funds Budget and Actual

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## ***Fire, Rescue and Emergency Services Facilities 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.

## ***Capital Improvement Fund***

This fund accounts for governmental fund resources and expenditures for equipment and facility acquisitions.

## ***Parks Bond Construction Fund***

This fund accounts for revenues and expenditures associated with bond-funded capital projects to create or improve parks and recreation facilities.

## ***Parks Construction 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  
**FRES Facilities Bond Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 238,000	\$ 238,000	\$ 176,603	\$ (61,397)
Billings for interfund services:				
General	116,300	116,300	116,300	-
Total revenues	<u>354,300</u>	<u>354,300</u>	<u>292,903</u>	<u>(61,397)</u>
<b>EXPENDITURES</b>				
Materials and services	2,368,265	2,412,490	1,524,280	888,210
Capital outlay	11,122,248	15,544,925	5,659,908	9,885,017
General operating contingencies	13,076,325	13,004,765	-	13,004,765
Overhead charges - General Fund	44,930	72,265	72,265	-
Total expenditures	<u>26,611,768</u>	<u>31,034,445</u>	<u>7,256,453</u>	<u>23,777,992</u>
Revenues over (under) expenditures	<u>(26,257,468)</u>	<u>(30,680,145)</u>	<u>(6,963,550)</u>	<u>23,716,595</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	20,000,000	20,000,000	-	(20,000,000)
Sale of capital asset	-	-	216,573	216,573
Total other financing sources and uses	<u>20,000,000</u>	<u>20,000,000</u>	<u>216,573</u>	<u>(19,783,427)</u>
Net change in fund balances	(6,257,468)	(10,680,145)	(6,746,977)	3,933,168
Fund balances -- beginning	<u>6,257,468</u>	<u>10,680,145</u>	<u>10,529,857</u>	<u>(150,288)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,782,880</u>	<u>\$ 3,782,880</u>

**City of Portland, Oregon**  
**Local Improvement District Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other service charges	\$ 751,000	\$ 4,362,061	\$ 4,425,113	\$ 63,052
Assessments	300,000	4,800,000	4,574,538	(225,462)
Investment earnings	125,000	125,000	91,105	(33,895)
Other interest income	75,000	75,000	409,279	334,279
Billings for interfund services:				
Housing and Community Development	500,000	500,000	66,270	(433,730)
<b>Total revenues</b>	<u>1,751,000</u>	<u>9,862,061</u>	<u>9,566,305</u>	<u>(295,756)</u>
<b>EXPENDITURES</b>				
Materials and services	3,398,741	16,055,329	15,550,431	504,898
Capital outlay	2,249,161	2,249,161	-	2,249,161
General operating contingencies	674,514	953,669	-	953,669
Overhead charges - General Fund	118,311	12,589	12,589	-
Debt service:				
Principal	2,825,000	26,422,256	25,779,847	642,409
Interest	305,000	305,000	270,459	34,541
<b>Total expenditures</b>	<u>9,570,727</u>	<u>45,998,004</u>	<u>41,613,326</u>	<u>4,384,678</u>
<b>Revenues over (under) expenditures</b>	<u>(7,819,727)</u>	<u>(36,135,943)</u>	<u>(32,047,021)</u>	<u>4,088,922</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Transportation Operating	3,695	3,695	3,695	-
Sewer System Operating	35,024	35,024	35,024	-
Sewer System Construction	11,609	11,609	11,609	-
Transfers to other funds:				
Pension Debt Redemption	(26,493)	(19,870)	(19,870)	-
Sewer System Construction	(1,500,000)	(1,500,000)	(1,314,777)	185,223
Bonds and notes issued	8,081,438	36,706,239	34,461,318	(2,244,921)
Bond and note premium	-	-	145,039	145,039
<b>Total other financing sources and uses</b>	<u>6,605,273</u>	<u>35,236,697</u>	<u>33,322,038</u>	<u>(1,914,659)</u>
<b>Net change in fund balances</b>	<u>(1,214,454)</u>	<u>(899,246)</u>	<u>1,275,017</u>	<u>2,174,263</u>
<b>Fund balances -- beginning</b>	<u>1,214,454</u>	<u>899,246</u>	<u>899,247</u>	<u>1</u>
<b>Fund balances -- ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,174,264</u>	<u>\$ 2,174,264</u>

**City of Portland, Oregon**  
**Capital Improvement Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 247	\$ 247
Other interest income	2,475	2,475	2,306	(169)
Total revenues	<u>2,475</u>	<u>2,475</u>	<u>2,553</u>	<u>78</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Governmental Bond Redemption	(68,475)	(68,475)	(68,170)	305
Net change in fund balances	(66,000)	(66,000)	(65,617)	383
Fund balances -- beginning	<u>66,000</u>	<u>66,000</u>	<u>65,617</u>	<u>(383)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Portland, Oregon**  
**Parks Bond Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Capital outlay	\$ -	\$ 15,573	\$ -	\$ 15,573
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Parks Construction	-	15,573	15,577	4
Net change in fund balances	-	-	15,577	15,577
Fund balances -- beginning	-	-	(15,577)	(15,577)
Fund balances -- ending	\$ -	\$ -	\$ -	\$ -

**City of Portland, Oregon**  
**Parks Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local cost sharing	\$ 569,787	\$ 2,516,824	\$ 588,361	\$ (1,928,463)
Service charges and fees:				
Public works and utility charges	1,734,546	1,734,546	2,507,002	772,456
Rents and reimbursements	-	-	1,707	1,707
Parks and recreation facilities fees	-	-	1,250	1,250
Other service charges	-	-	850	850
Assessments	-	-	480,279	480,279
Private grants and donations	-	25,000	77,592	52,592
Investment earnings	180,000	180,000	27,357	(152,643)
Other interest income	-	-	12,919	12,919
Miscellaneous	-	-	8	8
Billings for interfund services:				
General	-	259,233	277,232	17,999
Transportation Operating	-	6,936	6,936	-
Portland Parks Memorial Trust	222,500	286,495	209,939	(76,556)
Sewer System Operating	-	132,000	103,070	(28,930)
Water	-	82,000	88,222	6,222
Golf	281,000	350,820	93,766	(257,054)
Total revenues	2,987,833	5,573,854	4,476,490	(1,097,364)
<b>EXPENDITURES</b>				
Personal services	841,779	1,095,481	1,080,188	15,293
Materials and services	1,084,754	2,874,467	1,713,646	1,160,821
Capital outlay	2,758,640	6,089,400	3,475,971	2,613,429
General operating contingencies	-	17,211	-	17,211
Overhead charges - General Fund	89,978	111,588	111,588	-
Debt service:				
Interest	-	-	6,930	(6,930)
Total expenditures	4,775,151	10,188,147	6,388,323	3,799,824
Revenues over (under) expenditures	(1,787,318)	(4,614,293)	(1,911,833)	2,702,460
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	900,000	900,000	900,000	-
Federal Grants	500,000	1,339,000	916,002	(422,998)
Portland Parks Memorial Trust	-	50,000	50,000	-
Transfers to other funds:				
Pension Debt Redemption	(27,161)	(20,371)	(20,371)	-
Governmental Bond Redemption	(421,521)	(421,521)	(323,379)	98,142
Parks Bond Construction	-	(15,573)	(15,577)	(4)
Bonds and notes issued	-	1,069,120	1,084,437	15,317
Total other financing sources and uses	951,318	2,900,655	2,591,112	(309,543)
Net change in fund balances	(836,000)	(1,713,638)	679,279	2,392,917
Fund balances -- beginning	836,000	1,713,638	1,713,637	(1)
Fund balances -- ending	\$ -	\$ -	\$ 2,392,916	\$ 2,392,916



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# Permanent Fund Budget and Actual

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## ***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, 2003**

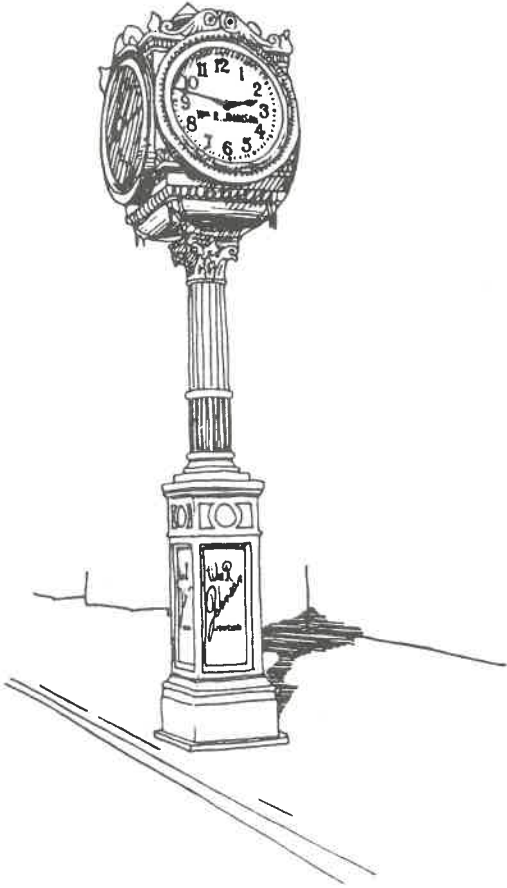
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Private grants and donations	\$ -	\$ 4,500	\$ -	\$ (4,500)
Investment earnings	1,400	1,400	580	(820)
<b>Total revenues</b>	<u>1,400</u>	<u>5,900</u>	<u>580</u>	<u>(5,320)</u>
<b>EXPENDITURES</b>				
Materials and services	1,400	126,400	465	125,935
General operating contingencies	-	4,500	-	4,500
<b>Total expenditures</b>	<u>1,400</u>	<u>130,900</u>	<u>465</u>	<u>130,435</u>
Revenues over (under) expenditures	-	(125,000)	115	125,115
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Portland Parks Memorial Trust	-	125,000	125,000	-
Net change in fund balances	-	-	125,115	125,115
Fund balances -- beginning	29,000	29,000	28,804	(196)
Fund balances -- ending	<u>\$ 29,000</u>	<u>\$ 29,000</u>	<u>\$ 153,919</u>	<u>\$ 124,919</u>



PARKING GARAGE - SW 3RD & ALDER

# Schedules of Revenues and Expenditures Proprietary Funds - Budget and Actual

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Johnson Street Clock, 1880

SCHED OF REV & EXPEND  
PROPRIETARY FUNDS  
BUDGET & ACTUAL

# Enterprise Funds Budget and Actual

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## ***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

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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
- Washington County Supply Bond Redemption 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

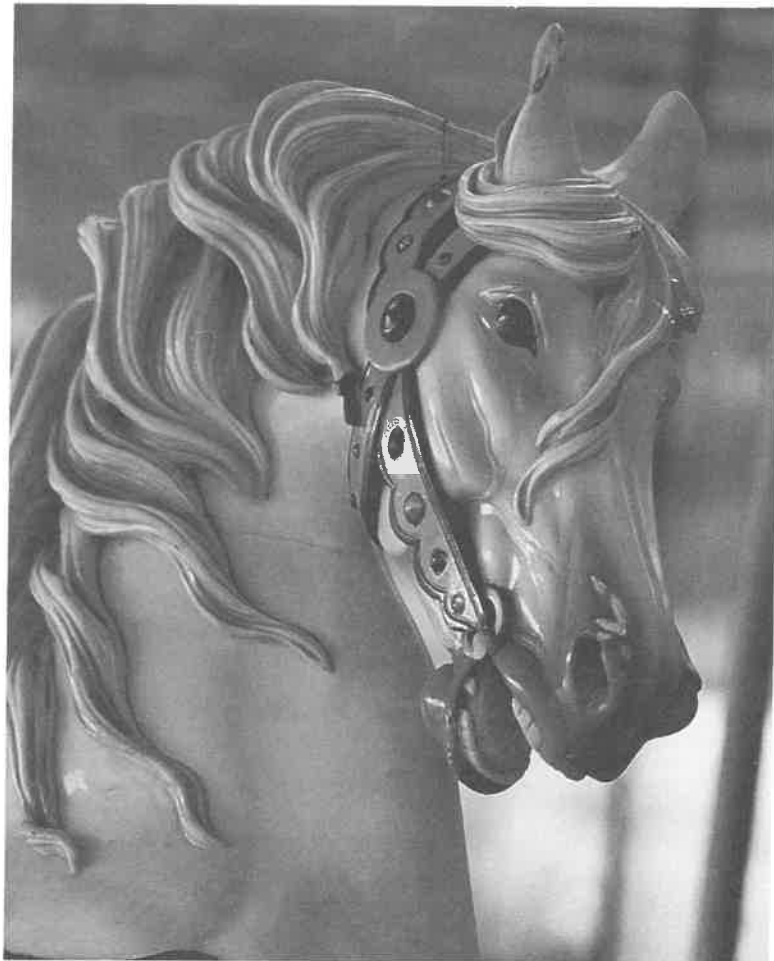
### SOLID WASTE MANAGEMENT FUND

### PARKING FACILITIES FUND:

- Parking Facilities Fund
- Parking Facilities Debt Redemption Fund

### SPECTATOR FACILITIES OPERATING FUND

### ENVIRONMENTAL REMEDIATION FUND



**CAROUSEL HORSE**

**City of Portland, Oregon  
Sewer System Operating Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Construction permits	\$ 134,657	\$ 134,657	\$ 112,136	\$ (22,521)
Other permits	299,257	299,257	391,198	91,941
Intergovernmental revenues:				
State cost sharing	32,598	32,598	76,787	44,189
Local cost sharing	567,497	567,497	127,368	(440,129)
Service charges and fees:				
Public works and utility charges	154,263,944	161,263,944	157,542,931	(3,721,013)
Rents and reimbursements	103,291	103,291	108,180	4,889
Other service charges	29,288	29,288	127,192	97,904
Miscellaneous:				
Sales - other	130,934	130,934	139,871	8,937
Refunds	39,364	3,539,364	3,744,328	204,964
Private grants and donations	15,684	15,684	100,328	84,644
Investment earnings	288,850	288,850	621,953	333,103
Miscellaneous	96,338	96,338	45,755	(50,583)
Billings for interfund services:				
General	85,136	242,343	137,538	(104,805)
Transportation Operating	604,320	808,445	424,106	(384,339)
Parks Construction	-	-	13,285	13,285
Water	111,200	112,993	160,570	47,577
Golf	2,447	22,621	60,834	38,213
Portland International Raceway	75,000	75,000	75,000	-
Solid Waste Management	22,790	22,790	9,063	(13,727)
Environmental Remediation	12,123	12,123	10,709	(1,414)
Facilities Services Operating	-	-	12,295	12,295
<b>Total revenues</b>	<b>156,914,718</b>	<b>167,798,017</b>	<b>164,041,427</b>	<b>(3,756,590)</b>
<b>EXPENDITURES</b>				
Personal services	37,068,939	37,124,788	35,716,565	1,408,223
Materials and services	59,475,762	68,859,840	62,304,601	6,555,239
Capital outlay	68,506,193	104,827,500	86,446,041	18,381,459
General operating contingencies	15,040,737	15,316,158	-	15,316,158
Overhead charges - General Fund	2,464,649	2,499,076	2,499,076	-
Debt service:				
Principal	131,354	131,354	131,354	-
Interest	-	-	1,625,598	(1,625,598)
<b>Total expenditures</b>	<b>182,687,634</b>	<b>228,758,716</b>	<b>188,723,235</b>	<b>40,035,481</b>
<b>Revenues over (under) expenditures</b>	<b>(25,772,916)</b>	<b>(60,960,699)</b>	<b>(24,681,808)</b>	<b>36,278,891</b>

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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	35,000	50,000	50,000	-
Federal Grants	294,250	2,261,897	891,809	(1,370,088)
Sewer System Rate Stabilization	5,475,141	6,051,367	-	(6,051,367)
Sewer System Construction	99,905,380	137,085,380	116,904,335	(20,181,045)
Environmental Remediation	463,500	463,500	-	(463,500)
Transfers to other funds:				
General	(10,417,152)	(11,817,152)	(11,885,708)	(68,556)
Pension Debt Redemption	(1,312,844)	(984,633)	-	984,633
Local Improvement District Construction	(35,024)	(35,024)	(35,024)	-
Sewer System Debt Redemption	(61,438,962)	(61,438,962)	(61,441,948)	(2,986)
Sewer System Construction	(53,565,984)	(52,745,984)	(25,000,000)	27,745,984
Sewer System Rate Stabilization	-	(7,000,000)	(5,175,000)	1,825,000
Printing and Distribution Services Operating	(25,000)	(42,000)	(41,000)	1,000
Communication Services Operating	-	(8,433)	(7,598)	835
Sale of capital asset	-	-	37,049	37,049
	<u>(20,621,695)</u>	<u>11,839,956</u>	<u>14,296,915</u>	<u>2,456,959</u>
Total other financing sources (uses)				
Net change in fund balances	(46,394,611)	(49,120,743)	(10,384,893)	38,735,850
Fund balances -- beginning	46,394,611	49,120,743	50,852,966	1,732,223
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,468,073</u>	<u>\$ 40,468,073</u>



**City of Portland, Oregon**  
**Sewer System Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 25,000	\$ 25,000	\$ 11,674	\$ (13,326)
Other interest income	-	-	392	392
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>12,066</u>	<u>(12,934)</u>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	23,829,507	23,477,723	23,829,507	(351,784)
Interest	37,257,967	37,609,752	37,609,751	1
Total expenditures	<u>61,087,474</u>	<u>61,087,475</u>	<u>61,439,258</u>	<u>(351,783)</u>
Revenues over (under) expenditures	<u>(61,062,474)</u>	<u>(61,062,475)</u>	<u>(61,427,192)</u>	<u>(364,717)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Sewer System Operating	61,438,962	61,438,962	61,441,948	2,986
Bonds and notes issued	-	41,586,785	41,586,784	(1)
Payments to refunding escrow agent	(41,586,784)	(41,586,784)	(41,586,784)	-
Total other financing sources (uses)	<u>19,852,178</u>	<u>61,438,963</u>	<u>61,441,948</u>	<u>2,985</u>
Net change in fund balances	<u>(41,210,296)</u>	<u>376,488</u>	<u>14,756</u>	<u>(361,732)</u>
Fund balances -- beginning	<u>2,808,414</u>	<u>2,808,414</u>	<u>2,825,416</u>	<u>17,002</u>
Fund balances -- ending	<u>\$ (38,401,882)</u>	<u>\$ 3,184,902</u>	<u>\$ 2,840,172</u>	<u>\$ (344,730)</u>

**City of Portland, Oregon**  
**Sewer System Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Public works and utility charges	\$ 594,644	\$ 594,644	\$ 1,034,982	\$ 440,338
Miscellaneous:				
Refunds	-	-	157,812	157,812
Investment earnings	1,234,745	1,234,745	895,090	(339,655)
Total revenues	<u>1,829,389</u>	<u>1,829,389</u>	<u>2,087,884</u>	<u>258,495</u>
<b>EXPENDITURES</b>				
Materials and services	-	3,500,000	2,957,065	542,935
Capital outlay	-	655,000	-	655,000
General operating contingencies	10,885,606	172,038,577	-	172,038,577
Total expenditures	<u>10,885,606</u>	<u>176,193,577</u>	<u>2,957,065</u>	<u>173,236,512</u>
Revenues over (under) expenditures	<u>(9,056,217)</u>	<u>(174,364,188)</u>	<u>(869,181)</u>	<u>173,495,007</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Federal Grants	347,029	655,000	35,473	(619,527)
Local Improvement District Construction	1,500,000	1,500,000	1,314,777	(185,223)
Sewer System Operating	53,565,984	52,745,984	25,000,000	(27,745,984)
Transfers to other funds:				
Local Improvement District Construction	(11,609)	(11,609)	(11,609)	-
Sewer System Operating	(99,905,380)	(137,085,380)	(116,904,335)	20,181,045
Bonds and notes issued	-	203,000,000	196,783,216	(6,216,784)
Bond and note premium	-	-	6,153,745	6,153,745
Total other financing sources (uses)	<u>(44,503,976)</u>	<u>120,803,995</u>	<u>112,371,267</u>	<u>(8,432,728)</u>
Net change in fund balances	<u>(53,560,193)</u>	<u>(53,560,193)</u>	<u>111,502,086</u>	<u>165,062,279</u>
Fund balances -- beginning	<u>53,560,193</u>	<u>53,560,193</u>	<u>56,868,926</u>	<u>3,308,733</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,371,012</u>	<u>\$ 168,371,012</u>

**City of Portland, Oregon**  
**Sewer System Rate Stabilization Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 101,205	\$ 101,205	\$ 113,109	\$ 11,904
<b>EXPENDITURES</b>				
General operating contingencies	952,959	4,077,961	-	4,077,961
Revenues over (under) expenditures	<u>(851,754)</u>	<u>(3,976,756)</u>	113,109	4,089,865
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Sewer System Operating	-	7,000,000	5,175,000	(1,825,000)
Transfers to other funds:				
Sewer System Operating	<u>(5,475,141)</u>	<u>(6,051,367)</u>	-	6,051,367
Total other financing sources (uses)	<u>(5,475,141)</u>	<u>948,633</u>	<u>5,175,000</u>	<u>4,226,367</u>
Net change in fund balances	(6,326,895)	(3,028,123)	5,288,109	8,316,232
Fund balances -- beginning	<u>6,326,895</u>	<u>3,028,123</u>	<u>3,028,123</u>	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,316,232</u>	<u>\$ 8,316,232</u>

**City of Portland, Oregon**  
**Sewer System Safety Net Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Loan repayments	\$ 230,000	\$ 230,000	\$ 61,749	\$ (168,251)
Assessments	-	-	3,524	3,524
Investment earnings	10,000	10,000	592	(9,408)
Total revenues	<u>240,000</u>	<u>240,000</u>	<u>65,865</u>	<u>(174,135)</u>
<b>EXPENDITURES</b>				
Materials and services	200,000	200,000	-	200,000
General operating contingencies	1,006,383	1,006,383	-	1,006,383
Debt service:				
Interest	30,000	30,000	-	30,000
Total expenditures	<u>1,236,383</u>	<u>1,236,383</u>	<u>-</u>	<u>1,236,383</u>
Revenues over (under) expenditures	(996,383)	(996,383)	65,865	1,062,248
Fund balances -- beginning	<u>996,383</u>	<u>996,383</u>	<u>1,055,867</u>	<u>59,484</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,121,732</u>	<u>\$ 1,121,732</u>

**City of Portland, Oregon  
Sewer Revolving Loan Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public works and utility charges	\$ 35,000	\$ 35,000	\$ 31,319	\$ (3,681)
Loan repayments	35,000	35,000	15,713	(19,287)
Investment earnings	50,000	50,000	28,401	(21,599)
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>75,433</u>	<u>(44,567)</u>
<b>EXPENDITURES</b>				
Materials and services	36,000	36,000	25,809	10,191
General operating contingencies	1,699,293	1,699,293	-	1,699,293
Total expenditures	<u>1,735,293</u>	<u>1,735,293</u>	<u>25,809</u>	<u>1,709,484</u>
Revenues over (under) expenditures	(1,615,293)	(1,615,293)	49,624	1,664,917
Fund balances -- beginning	1,615,293	1,615,293	1,619,249	3,956
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,668,873</u>	<u>\$ 1,668,873</u>

**City of Portland, Oregon**  
**Water Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Public works and utility charges	\$ 70,255,740	\$ 70,255,740	\$ 63,725,871	\$ (6,529,869)
Other service charges	75,000	75,000	119,508	44,508
Rents and reimbursements	286,000	286,000	317,378	31,378
Miscellaneous and interest:				
Local cost sharing	9,753	9,753	203,712	193,959
Sales - other	613,765	613,765	92,952	(520,813)
Refunds	78,000	78,000	41,459	(36,541)
Investment earnings	213,397	213,397	571,937	358,540
Other interest income	-	-	6,930	6,930
Miscellaneous	-	-	10,213,123	10,213,123
Billings for interfund services:				
General	27,000	27,000	16,164	(10,836)
Transportation Operating	190,900	391,347	224,420	(166,927)
Housing and Community Development	-	-	910	910
Sewer System Operating	7,340,100	9,044,977	8,959,422	(85,555)
Hydroelectric Power Operating	82,634	82,634	60,172	(22,462)
Facilities Services Operating	-	25,000	39,861	14,861
Fleet Services Operating	87,958	87,958	85,751	(2,207)
Total revenues	<u>79,260,247</u>	<u>81,190,571</u>	<u>84,679,570</u>	<u>3,488,999</u>
<b>EXPENDITURES</b>				
Personal services	35,412,853	35,812,853	35,274,917	537,936
Materials and services	30,097,929	30,914,979	24,655,033	6,259,946
Capital outlay	23,648,100	23,449,690	5,323,787	18,125,903
General operating contingencies	14,449,856	3,773,934	-	3,773,934
Overhead charges - General Fund	1,563,515	952,013	952,013	-
Debt service:				
Interest	490,134	490,134	1,281,404	(791,270)
Total expenditures	<u>105,662,387</u>	<u>95,393,603</u>	<u>67,487,154</u>	<u>27,906,449</u>
Revenues over (under) expenditures	<u>(26,402,140)</u>	<u>(14,203,032)</u>	<u>17,192,416</u>	<u>31,395,448</u>

Continued next page

**City of Portland, Oregon**  
**Water Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Water Construction	41,842,702	41,842,702	26,864,708	(14,977,994)
Portland Parks Memorial Trust	46,705	46,705	-	(46,705)
Federal Grants	200,000	372,121	774,965	402,844
Transfers to other funds:				
General	(3,917,219)	(3,917,219)	(3,753,739)	163,480
Pension Debt Redemption	(1,390,444)	(1,042,833)	-	1,042,833
Water Bond Sinking	(14,226,524)	(26,893,164)	(26,037,673)	855,491
Washington County Supply Bond Redemption	(203,419)	(203,419)	(203,419)	-
Water Construction	(13,432,932)	(13,432,932)	(15,009,535)	(1,576,603)
Printing and Distribution Services Operating	-	(11,700)	(11,700)	-
Communication Services Operating	-	(40,500)	(34,938)	5,562
Sale of capital asset	-	-	157,983	157,983
<b>Total other financing sources (uses)</b>	<u>8,918,869</u>	<u>(3,280,239)</u>	<u>(17,253,348)</u>	<u>(13,973,109)</u>
<b>Net change in fund balance</b>	<u>(17,483,271)</u>	<u>(17,483,271)</u>	<u>(60,932)</u>	<u>17,422,339</u>
<b>Fund balances -- beginning</b>	17,483,271	17,483,271	17,882,106	398,835
<b>Budgetary prior period adjustment</b>	-	-	(4,135,586)	(4,135,586)
<b>Fund balances -- beginning, as adjusted</b>	<u>17,483,271</u>	<u>17,483,271</u>	<u>13,746,520</u>	<u>(3,736,751)</u>
<b>Fund balances -- ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,685,588</u>	<u>\$ 13,685,588</u>

**City of Portland, Oregon  
Water Bond Sinking Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 5,212	\$ 5,212
Other interest income	-	-	530	530
Total revenues	<u>-</u>	<u>-</u>	<u>5,742</u>	<u>5,742</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	7,392,174	19,997,174	19,997,174	-
Interest	7,216,858	7,278,498	6,297,082	981,416
Total expenditures	<u>14,609,032</u>	<u>27,275,672</u>	<u>26,294,256</u>	<u>981,416</u>
Revenues over (under) expenditures	<u>(14,609,032)</u>	<u>(27,275,672)</u>	<u>(26,288,514)</u>	<u>987,158</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Water	14,226,524	26,893,164	26,037,673	(855,491)
Water Construction	382,508	382,508	256,585	(125,923)
Total other financing sources	<u>14,609,032</u>	<u>27,275,672</u>	<u>26,294,258</u>	<u>(981,414)</u>
Net change in fund balance	-	-	5,744	5,744
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>3,705</u>	<u>3,705</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,449</u>	<u>\$ 9,449</u>



**City of Portland, Oregon**  
**Washington County Supply Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing	\$ -	\$ -	\$ 163,078	\$ 163,078
Public works and utility charges	1,867,078	1,867,078	1,706,593	(160,485)
Investment earnings	-	-	1,870	1,870
<b>Total revenues</b>	<u>1,867,078</u>	<u>1,867,078</u>	<u>1,871,541</u>	<u>4,463</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,820,000	1,820,000	1,820,000	-
Interest	214,185	214,185	214,185	-
<b>Total expenditures</b>	<u>2,034,185</u>	<u>2,034,185</u>	<u>2,034,185</u>	<u>-</u>
Revenues over (under) expenditures	(167,107)	(167,107)	(162,644)	4,463
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Water	203,419	203,419	203,419	-
Net change in fund balances	36,312	36,312	40,775	4,463
Fund balances -- beginning	<u>1,722,153</u>	<u>1,722,153</u>	<u>1,602,365</u>	<u>(119,788)</u>
Fund balances -- ending	<u>\$ 1,758,465</u>	<u>\$ 1,758,465</u>	<u>\$ 1,643,140</u>	<u>\$ (115,325)</u>

**City of Portland, Oregon  
Water Construction Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public works and utility charges	\$ 1,966,873	\$ 1,966,873	\$ 2,331,284	\$ 364,411
Investment earnings	490,008	490,008	261,175	(228,833)
Total revenues	<u>2,456,881</u>	<u>2,456,881</u>	<u>2,592,459</u>	<u>135,578</u>
<b>EXPENDITURES</b>				
General operating contingencies	<u>6,333,781</u>	<u>6,333,781</u>	-	<u>6,333,781</u>
Total expenditures	<u>6,333,781</u>	<u>6,333,781</u>	-	<u>6,333,781</u>
Revenues over (under) expenditures	<u>(3,876,900)</u>	<u>(3,876,900)</u>	<u>2,592,459</u>	<u>6,469,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Water	13,432,932	13,432,932	15,009,535	1,576,603
Transfers to other funds:				
Water	(41,842,702)	(41,842,702)	(26,864,708)	14,977,994
Water Bond Sinking	(382,508)	(382,508)	(256,585)	125,923
Bonds and notes issued	<u>37,700,000</u>	<u>37,700,000</u>	<u>18,643,946</u>	<u>(19,056,054)</u>
Total other financing sources (uses)	<u>8,907,722</u>	<u>8,907,722</u>	<u>6,532,188</u>	<u>(2,375,534)</u>
Net change in fund balances	5,030,822	5,030,822	9,124,647	4,093,825
Fund balances -- beginning	<u>3,421,039</u>	<u>3,421,039</u>	<u>6,814,508</u>	<u>3,393,469</u>
Fund balances -- ending	<u>\$ 8,451,861</u>	<u>\$ 8,451,861</u>	<u>\$ 15,939,155</u>	<u>\$ 7,487,294</u>

**City of Portland, Oregon**  
**Water Growth Impact Charge Trust Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 34,769	\$ 34,769	\$ 32,831	\$ (1,938)
Fund balances -- beginning	<u>1,617,180</u>	<u>1,617,180</u>	<u>1,611,931</u>	<u>(5,249)</u>
Fund balances -- ending	<u>\$ 1,651,949</u>	<u>\$ 1,651,949</u>	<u>\$ 1,644,762</u>	<u>\$ (7,187)</u>

City of Portland, Oregon  
 Hydroelectric Power Operating Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 For the Year Ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Sales - other	\$ 643,270	\$ 643,270	\$ 666,543	\$ 23,273
Investment earnings	10,000	10,000	7,514	(2,486)
Miscellaneous	1,000	1,000	-	(1,000)
Billings for interfund services:				
Water	29,000	29,000	29,677	677
<b>Total revenues</b>	<u>683,270</u>	<u>683,270</u>	<u>703,734</u>	<u>20,464</u>
<b>EXPENDITURES</b>				
Personal services	249,246	249,246	203,866	45,380
Materials and services	292,304	557,304	393,866	163,438
General operating contingencies	187,834	190,208	-	190,208
Overhead charges - General Fund	52,798	52,836	52,836	-
Debt service:				
Interest	-	-	10,531	(10,531)
<b>Total expenditures</b>	<u>782,182</u>	<u>1,049,594</u>	<u>661,099</u>	<u>388,495</u>
Revenues over (under) expenditures	<u>(98,912)</u>	<u>(366,324)</u>	<u>42,635</u>	<u>408,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Hydroelectric Power Renewal and Replacement	50,000	315,000	224,569	(90,431)
Fleet Services Operating	961	961	961	-
Transfers to other funds:				
General	(200,000)	(200,000)	(200,000)	-
Pension Debt Redemption	(9,649)	(7,237)	-	7,237
<b>Total other financing sources (uses)</b>	<u>(158,688)</u>	<u>108,724</u>	<u>25,530</u>	<u>(83,194)</u>
Net change in fund balances	<u>(257,600)</u>	<u>(257,600)</u>	<u>68,165</u>	<u>325,765</u>
Fund balances -- beginning	<u>257,600</u>	<u>257,600</u>	<u>292,588</u>	<u>34,988</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,753</u>	<u>\$ 360,753</u>

**City of Portland, Oregon**  
**Hydroelectric Power Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Sales - other	\$ 3,549,540	\$ 3,549,540	\$ 3,549,881	\$ 341
Other interest income	100,200	100,200	64,653	(35,547)
Total revenues	<u>3,649,740</u>	<u>3,649,740</u>	<u>3,614,534</u>	<u>(35,206)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,750,000	1,750,000	1,750,000	-
Interest	1,947,384	1,947,384	1,947,382	2
Total expenditures	<u>3,697,384</u>	<u>3,697,384</u>	<u>3,697,382</u>	<u>2</u>
Revenues over (under) expenditures	(47,644)	(47,644)	(82,848)	(35,204)
Fund balances -- beginning	<u>4,318,200</u>	<u>4,318,200</u>	<u>4,323,409</u>	<u>5,209</u>
Fund balances -- ending	<u>\$ 4,270,556</u>	<u>\$ 4,270,556</u>	<u>\$ 4,240,561</u>	<u>\$ (29,995)</u>

**City of Portland, Oregon**  
**Hydroelectric Power Renewal and Replacement Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales - other	\$ -	\$ 303,183	\$ 303,183	\$ -
Other interest income	187,500	187,500	126,782	(60,718)
Total revenues	187,500	490,683	429,965	(60,718)
<b>EXPENDITURES</b>				
General operating contingencies	8,181,555	8,219,738	-	8,219,738
Revenues over (under) expenditures	(7,994,055)	(7,729,055)	429,965	8,159,020
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Hydroelectric Power Operating	(50,000)	(315,000)	(224,569)	90,431
Total other financing sources (uses)	(50,000)	(315,000)	(224,569)	90,431
Net changes in fund balances	(8,044,055)	(8,044,055)	205,396	8,249,451
Fund balances -- beginning	8,044,055	8,044,055	8,076,402	32,347
Fund balances -- ending	\$ -	\$ -	\$ 8,281,798	\$ 8,281,798

**City of Portland, Oregon**  
**Golf Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Rents and reimbursements	\$ -	\$ -	\$ 5,719	\$ 5,719
Concessions	375,322	375,322	273,307	(102,015)
Parks and recreation facilities fees	7,032,077	7,032,077	5,714,087	(1,317,990)
Miscellaneous:				
Sales - other	71,500	71,500	8,529	(62,971)
Investment earnings	65,246	65,246	24,848	(40,398)
<b>Total revenues</b>	<u>7,544,145</u>	<u>7,544,145</u>	<u>6,026,490</u>	<u>(1,517,655)</u>
<b>EXPENDITURES</b>				
Personal services	2,578,902	2,743,902	2,689,301	54,601
Materials and services	2,784,845	3,075,580	2,797,886	277,694
Capital outlay	709,000	3,047,077	893,970	2,353,107
General operating contingencies	1,118,113	905,159	-	905,159
Overhead charges - General Fund	122,988	88,012	88,012	-
Debt Service:				
Principal	128,510	128,510	128,510	-
Interest	-	-	192,368	(192,368)
<b>Total expenditures</b>	<u>7,442,358</u>	<u>9,988,240</u>	<u>6,590,047</u>	<u>3,398,193</u>
<b>Revenues over (under) expenditures</b>	<u>101,787</u>	<u>(2,444,095)</u>	<u>(563,557)</u>	<u>1,880,538</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Fleet Services Operating	28,874	28,874	28,874	-
Transfers to other funds:				
Pension Debt Redemption	(85,565)	(64,174)	-	64,174
Golf Revenue Bond Redemption	(435,000)	(435,000)	(71,295)	363,705
Fleet Services Operating	-	(98,494)	(98,183)	311
Bonds and notes issued	-	2,645,671	2,100,000	(545,671)
<b>Total other financing sources (uses)</b>	<u>(491,691)</u>	<u>2,076,877</u>	<u>1,959,396</u>	<u>(117,481)</u>
<b>Net changes in fund balances</b>	<u>(389,904)</u>	<u>(367,218)</u>	<u>1,395,839</u>	<u>1,763,057</u>
<b>Fund balances -- beginning</b>	<u>389,904</u>	<u>367,218</u>	<u>366,603</u>	<u>(615)</u>
<b>Fund balances -- ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,762,442</u>	<u>\$ 1,762,442</u>

**City of Portland, Oregon**  
**Golf Revenue Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 700	\$ 700	\$ 4,438	\$ 3,738
<b>EXPENDITURES</b>				
Debt service:				
Interest	435,000	435,000	71,295	363,705
Revenues over (under) expenditures	(434,300)	(434,300)	(66,857)	367,443
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Golf	435,000	435,000	71,295	(363,705)
Bonds and notes issued	-	633,334	633,333	(1)
Total other financing sources (uses)	435,000	1,068,334	704,628	(363,706)
Net change in fund balances	700	634,034	637,771	3,737
Fund balances -- beginning	11,829	11,829	2,141	(9,688)
Fund balances -- ending	<u>\$ 12,529</u>	<u>\$ 645,863</u>	<u>\$ 639,912</u>	<u>\$ (5,951)</u>



**City of Portland, Oregon**  
**Portland International Raceway Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Concessions	\$ 180,000	\$ 180,000	\$ 120,308	\$ (59,692)
Rents and reimbursements	985,000	1,135,000	1,282,072	147,072
Miscellaneous:				
Investment earnings	-	-	1,628	1,628
Miscellaneous	5,000	5,000	730	(4,270)
Total revenues	<u>1,170,000</u>	<u>1,320,000</u>	<u>1,404,738</u>	<u>84,738</u>
<b>EXPENDITURES</b>				
Personal services	477,597	509,597	507,276	2,321
Materials and services	540,799	648,879	720,090	(71,211)
General operating contingencies	30,000	128,824	-	128,824
Overhead charges - General Fund	27,994	28,172	28,172	-
Debt service:				
Interest	-	-	23,207	(23,207)
Total expenditures	<u>1,076,390</u>	<u>1,315,472</u>	<u>1,278,745</u>	<u>36,727</u>
Revenues over (under) expenditures	<u>93,610</u>	<u>4,528</u>	<u>125,993</u>	<u>121,465</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Federal Grants	-	901	-	(901)
Fleet Services Operating	1,921	1,921	1,921	-
Transfers to other funds:				
Portland Parks Memorial Trust	(157,500)	(157,500)	-	157,500
Pension Debt Redemption	(13,888)	(10,416)	-	10,416
Total other financing sources (uses)	<u>(169,467)</u>	<u>(165,094)</u>	<u>1,921</u>	<u>167,015</u>
Net changes in fund balances	<u>(75,857)</u>	<u>(160,566)</u>	<u>127,914</u>	<u>288,480</u>
Fund balances -- beginning	<u>75,857</u>	<u>160,566</u>	<u>109,571</u>	<u>(50,995)</u>
Fund Balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,485</u>	<u>\$ 237,485</u>

**City of Portland, Oregon**  
**Solid Waste Management Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Public utility licenses	\$ 1,623,747	\$ 1,623,747	\$ 1,680,902	\$ 57,155
Other permits	-	-	3,600	3,600
Local cost sharing	270,000	340,000	394,653	54,653
Service charges and fees:				
Public works and utility charges	1,222,453	1,222,453	1,048,388	(174,065)
Rents and reimbursements	7,239	7,239	-	(7,239)
Other service charges	-	-	1,393	1,393
Miscellaneous:				
Investment earnings	53,308	53,308	72,729	19,421
Miscellaneous	4,500	4,500	4,096	(404)
<b>Total revenues</b>	<u>3,181,247</u>	<u>3,251,247</u>	<u>3,205,761</u>	<u>(45,486)</u>
<b>EXPENDITURES</b>				
Personal services	727,949	727,949	718,977	8,972
Materials and services	2,181,441	2,337,628	1,816,527	521,101
General operating contingencies	1,861,505	1,253,737	-	1,253,737
Overhead charges - General Fund	124,340	153,869	153,869	-
Debt service:				
Interest	-	-	27,968	(27,968)
<b>Total expenditures</b>	<u>4,895,235</u>	<u>4,473,183</u>	<u>2,717,341</u>	<u>1,755,842</u>
Revenues over (under) expenditures	<u>(1,713,988)</u>	<u>(1,221,936)</u>	<u>488,420</u>	<u>1,710,356</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Federal Grants	-	40,000	18,000	(22,000)
Transfers to other funds:				
General	(505,862)	(1,044,484)	(620,741)	423,743
Planning and Development Operating	(143,562)	(143,562)	(143,562)	-
Pension Debt Redemption	(26,281)	(19,711)	-	19,711
<b>Total other financing sources (uses)</b>	<u>(675,705)</u>	<u>(1,167,757)</u>	<u>(746,303)</u>	<u>421,454</u>
<b>Net changes in fund balances</b>	<u>(2,389,693)</u>	<u>(2,389,693)</u>	<u>(257,883)</u>	<u>2,131,810</u>
Fund balances -- beginning	<u>2,389,693</u>	<u>2,389,693</u>	<u>3,280,433</u>	<u>890,740</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,022,550</u>	<u>\$ 3,022,550</u>

**City of Portland, Oregon**  
**Parking Facilities Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Parking fees	\$ 9,147,115	\$ 9,147,115	\$ 7,766,658	\$ (1,380,457)
Rents and reimbursements	1,073,935	1,073,935	1,069,167	(4,768)
Miscellaneous:				
Investment earnings	129,067	129,067	127,097	(1,970)
Miscellaneous	-	-	9,343	9,343
Billings for interfund services:				
General	369,000	369,000	366,019	(2,981)
Transportation Operating	102,915	102,915	89,233	(13,682)
Parks Construction	3,600	3,600	3,600	-
Sewer System Operating	62,400	62,400	61,776	(624)
Water	66,600	66,600	61,892	(4,708)
Hydroelectric Power Operating	1,800	1,800	1,800	-
Golf	1,800	1,800	1,800	-
Facilities Services Operating	165,597	165,597	165,597	-
Printing and Distribution Services Operating	7,200	7,200	7,200	-
Communication Services Operating	5,400	5,400	4,154	(1,246)
Insurance and Claims Operating	4,500	4,500	3,600	(900)
Workers' Compensation Self-Insurance Operating	4,500	4,500	3,600	(900)
Total revenues	<u>11,145,429</u>	<u>11,145,429</u>	<u>9,742,536</u>	<u>(1,402,893)</u>
<b>EXPENDITURES</b>				
Materials and services	6,544,422	8,328,837	6,038,008	2,290,829
Capital outlay	-	34,000	12,000	22,000
General operating contingencies	1,920,251	2,534,425	-	2,534,425
Overhead charges - General Fund	108,106	116,241	116,241	-
Total expenditures	<u>8,572,779</u>	<u>11,013,503</u>	<u>6,166,249</u>	<u>4,847,254</u>
Revenues over (under) expenditures	<u>2,572,650</u>	<u>131,926</u>	<u>3,576,287</u>	<u>3,444,361</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
General	(202,014)	(202,014)	(202,014)	-
Transportation Operating	(1,389,000)	(1,389,000)	(1,389,000)	-
Waterfront Renewal Bond Sinking	(690,000)	(690,000)	(690,000)	-
Parking Facilities Debt Redemption	(3,638,026)	(3,634,708)	(3,634,708)	-
Total other financing sources (uses)	<u>(5,919,040)</u>	<u>(5,915,722)</u>	<u>(5,915,722)</u>	<u>-</u>
Net changes in fund balances	<u>(3,346,390)</u>	<u>(5,783,796)</u>	<u>(2,339,435)</u>	<u>3,444,361</u>
Fund balances -- beginning	<u>3,346,390</u>	<u>5,783,796</u>	<u>5,783,798</u>	<u>2</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,444,363</u>	<u>\$ 3,444,363</u>

**City of Portland, Oregon  
 Parking Facilities Debt Redemption Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 For the Year Ended June 30, 2003**

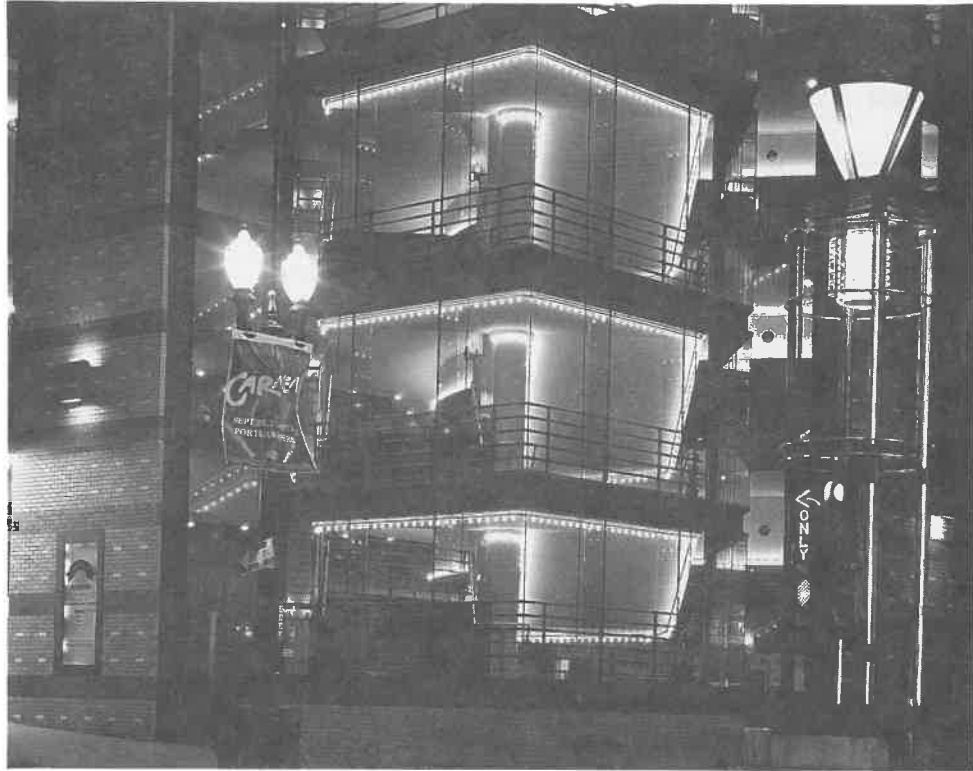
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 81	\$ 81
Other interest income	-	-	1,853	1,853
Miscellaneous	-	-	10	10
Total revenues	<u>-</u>	<u>-</u>	<u>1,944</u>	<u>1,944</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,667,613	2,667,613	1,990,000	677,613
Interest	970,413	970,413	1,648,025	(677,612)
Total expenditures	<u>3,638,026</u>	<u>3,638,026</u>	<u>3,638,025</u>	<u>1</u>
Revenues over (under) expenditures	<u>(3,638,026)</u>	<u>(3,638,026)</u>	<u>(3,636,081)</u>	<u>1,945</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Parking Facilities	<u>3,638,026</u>	<u>3,634,708</u>	<u>3,634,708</u>	<u>-</u>
Total other financing sources (uses)	<u>3,638,026</u>	<u>3,634,708</u>	<u>3,634,708</u>	<u>-</u>
Net changes in fund balances	-	(3,318)	(1,373)	1,945
Fund balances -- beginning	<u>-</u>	<u>3,318</u>	<u>3,320</u>	<u>2</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,947</u>	<u>\$ 1,947</u>

**City of Portland, Oregon**  
**Spectator Facilities Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing	\$ 2,193,585	\$ 2,193,585	\$ 2,193,585	\$ -
Service charges and fees:				
Parking fees	1,400,000	1,400,000	1,238,048	(161,952)
Rents and reimbursements	5,315,866	4,390,500	3,938,103	(452,397)
Miscellaneous:				
Investment earnings	297,813	297,813	240,705	(57,108)
Other interest income	36,620	36,620	30,621	(5,999)
Miscellaneous	71,344	71,344	71,344	-
<b>Total revenues</b>	<u>9,315,228</u>	<u>8,389,862</u>	<u>7,712,406</u>	<u>(677,456)</u>
<b>EXPENDITURES</b>				
Materials and services	1,605,029	2,210,029	1,255,961	954,068
Capital outlay	650,000	150,000	134,794	15,206
General operating contingencies	7,050,594	7,304,529	-	7,304,529
Overhead charges - General Fund	80,214	-	-	-
Debt service:				
Principal	1,200,000	1,200,000	2,040,000	(840,000)
Interest	5,379,754	5,379,754	4,529,234	850,520
<b>Total expenditures</b>	<u>15,965,591</u>	<u>16,244,312</u>	<u>7,959,989</u>	<u>8,284,323</u>
<b>Revenues over (under) expenditures</b>	<u>(6,650,363)</u>	<u>(7,854,450)</u>	<u>(247,583)</u>	<u>7,606,867</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Gas Tax Bond Redemption	(265,158)	(265,158)	(265,157)	1
<b>Total other financing sources (uses)</b>	<u>(265,158)</u>	<u>(265,158)</u>	<u>(265,157)</u>	<u>1</u>
<b>Net change in fund balances</b>	<u>(6,915,521)</u>	<u>(8,119,608)</u>	<u>(512,740)</u>	<u>7,606,868</u>
Fund balances -- beginning	6,915,521	8,119,608	8,164,878	45,270
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,652,138</u>	<u>\$ 7,652,138</u>

**City of Portland, Oregon**  
**Environmental Remediation Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Rents and reimbursements	\$ 559,161	\$ 559,161	\$ 633,705	\$ 74,544
Investment earnings	16,500	16,500	15,668	(832)
Total revenues	<u>575,661</u>	<u>575,661</u>	<u>649,373</u>	<u>73,712</u>
<b>EXPENDITURES</b>				
Personal services	-	17,500	15,137	2,363
Materials and services	231,186	453,438	342,366	111,072
Capital outlay	325,000	85,248	-	85,248
General operating contingencies	93,968	93,994	-	93,994
Overhead charges - General Fund	2,912	3,003	3,003	-
Debt service:				
Interest	-	-	551	(551)
Total expenditures	<u>653,066</u>	<u>653,183</u>	<u>361,057</u>	<u>292,126</u>
Revenues over (under) expenditures	<u>(77,405)</u>	<u>(77,522)</u>	<u>288,316</u>	<u>365,838</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Pension Debt Redemption	(467)	(350)	-	350
Sewer System Operating	(463,500)	(463,500)	-	463,500
Total other financing sources (uses)	<u>(463,967)</u>	<u>(463,850)</u>	<u>-</u>	<u>463,850</u>
Net changes in fund balances	<u>(541,372)</u>	<u>(541,372)</u>	<u>288,316</u>	<u>829,688</u>
Fund balances -- beginning	<u>541,372</u>	<u>541,372</u>	<u>588,789</u>	<u>47,417</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 877,105</u>	<u>\$ 877,105</u>



**PORTLAND CENTER FOR PERFORMING ARTS**

# Internal Service Funds Budget and Actual

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## **Health Insurance Operating Fund**

This fund accounts for the City's self-insured health program.

## **Facilities Services Operating Fund**

This fund accounts for the operation and maintenance of City facilities, properties and capital projects.

## **Fleet Services 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.

## **Communication Services Operating Fund**

This fund accounts for communications and other electronic services provided to City 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.

## **Information Technology Fund**

This fund accounts for multi-year funding of major capital purchases of information technology equipment and services provided to City agencies.



**City of Portland, Oregon  
Health Insurance Operating Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Health care charges	\$ 26,416,550	\$ 26,416,550	\$ 25,600,769	\$ (815,781)
Investment earnings	419,769	451,244	482,716	31,472
Miscellaneous	404,077	1,280,129	2,153,107	872,978
<b>Total revenues</b>	<u>27,240,396</u>	<u>28,147,923</u>	<u>28,236,592</u>	<u>88,669</u>
<b>EXPENDITURES</b>				
Personal services	422,088	472,874	447,858	25,016
Materials and services	31,052,542	32,666,426	30,116,879	2,549,547
General operating contingencies	16,617,072	17,733,601	-	17,733,601
Overhead charges - General Fund	240,110	263,040	263,040	-
Debt service:				
Interest	-	-	16,063	(16,063)
<b>Total expenditures</b>	<u>48,331,812</u>	<u>51,135,941</u>	<u>30,843,840</u>	<u>20,292,101</u>
<b>Revenues over (under) expenditures</b>	<u>(21,091,416)</u>	<u>(22,988,018)</u>	<u>(2,607,248)</u>	<u>20,380,770</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Pension Debt Redemption	(14,794)	(11,096)	-	11,096
Printing and Distribution Services Operating	-	(8,975)	(8,975)	-
<b>Total other financing sources (uses)</b>	<u>(14,794)</u>	<u>(20,071)</u>	<u>(8,975)</u>	<u>11,096</u>
<b>Net change in fund balances</b>	<u>(21,106,210)</u>	<u>(23,008,089)</u>	<u>(2,616,223)</u>	<u>20,391,866</u>
Fund balances -- beginning	21,106,210	23,008,089	23,007,392	(697)
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,391,169</u>	<u>\$ 20,391,169</u>

**City of Portland, Oregon**  
**Facilities Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing revenues:				
State cost sharing	\$ 156,012	\$ 156,012	\$ 160,698	\$ 4,686
Multnomah County cost sharing	748,242	748,242	743,771	(4,471)
Local cost sharing	799,031	799,031	830,865	31,834
Service charges and fees:				
Parking fees	254,115	254,115	217,894	(36,221)
Rents and reimbursements	1,725,648	1,682,881	1,588,783	(94,098)
Other service charges	-	-	41,743	41,743
Miscellaneous and interest:				
Investment earnings	353,565	353,565	257,535	(96,030)
Other interest income	-	-	587	587
Miscellaneous	-	-	31,338	31,338
Billings for interfund services:				
General	8,307,345	8,386,075	8,278,161	(107,914)
Transportation Operating	1,742,775	1,984,357	2,056,495	72,138
Emergency Communication	307,512	307,512	315,598	8,086
Planning and Development Operating	2,245,223	2,245,223	2,223,987	(21,236)
Cable	23,683	23,683	22,550	(1,133)
FRES Facilities Bond Construction	1,981,000	1,981,000	1,086,883	(894,117)
Parks Construction	-	-	1,255	1,255
Sewer System Operating	1,225,377	1,225,377	1,397,627	172,250
Water	1,692,629	1,692,629	1,769,865	77,236
Solid Waste Management	-	2,995	117	(2,878)
Parking Facilities	2,448,061	4,192,976	1,966,069	(2,226,907)
Environmental Remediation	177,748	400,000	326,174	(73,826)
Health Insurance Operating	27,082	27,082	27,430	348
Fleet Services Operating	534,252	578,612	569,596	(9,016)
Printing and Distribution Services Operating	183,558	183,558	181,658	(1,900)
Communication Services Operating	423,665	473,665	388,182	(85,483)
Insurance and Claims Operating	45,583	45,583	43,835	(1,748)
Workers' Compensation Self-Insurance Operating	45,584	45,584	43,237	(2,347)
Information Technology	600,310	600,310	510,075	(90,235)
Fire and Police Disability and Retirement	-	-	12	12
<b>Total revenues</b>	<b>26,048,000</b>	<b>28,390,067</b>	<b>25,082,020</b>	<b>(3,308,047)</b>

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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Personal services	2,776,761	2,864,022	2,645,903	218,119
Materials and services	15,744,518	23,335,659	14,204,165	9,131,494
Capital outlay	-	22,000	21,872	128
General operating contingencies	7,738,486	4,635,646	-	4,635,646
Overhead charges - General Fund	925,154	995,706	995,706	-
Debt service:				
Principal	7,547,178	7,547,178	24,191,723	(16,644,545)
Interest	2,546,535	2,546,535	3,497,533	(950,998)
<b>Total expenditures</b>	<u>37,278,632</u>	<u>41,946,746</u>	<u>45,556,902</u>	<u>(3,610,156)</u>
Revenues over (under) expenditures	<u>(11,230,632)</u>	<u>(13,556,679)</u>	<u>(20,474,882)</u>	<u>(6,918,203)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	2,796,150	2,796,150	2,796,150	-
Fleet Services Operating	10,586	10,586	10,586	-
Transfers to other funds:				
Pension Debt Redemption	(102,603)	(76,952)	-	76,952
Printing and Distribution Services Operating	-	(2,343)	(2,343)	-
Bonds and notes issued	-	-	17,550,000	17,550,000
Bond and note premium	-	-	172,741	172,741
<b>Total other financing sources (uses)</b>	<u>2,704,133</u>	<u>2,727,441</u>	<u>20,527,134</u>	<u>17,799,693</u>
<b>Net change in fund balances</b>	<u>(8,526,499)</u>	<u>(10,829,238)</u>	<u>52,252</u>	<u>10,881,490</u>
Fund balances -- beginning	<u>8,526,499</u>	<u>10,829,238</u>	<u>10,870,178</u>	<u>40,940</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,922,430</u>	<u>\$ 10,922,430</u>

**City of Portland, Oregon**  
**Fleet Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public works and utility charges	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Other service charges	-	-	57,950	57,950
Sales - other	1,000	1,000	7,511	6,511
Refunds	-	-	1,859	1,859
Investment earnings	700,000	700,000	353,728	(346,272)
Miscellaneous	1,000	1,000	100,875	99,875
Billings for interfund services:				
General	7,577,233	7,588,233	7,438,833	(149,400)
Transportation Operating	6,597,574	6,597,574	6,650,272	52,698
Emergency Communication	7,118	7,118	4,600	(2,518)
Planning and Development Operating	289,186	289,186	280,618	(8,568)
Cable	309	309	277	(32)
Parks Construction	5,170	5,170	5,879	709
Portland Parks Memorial Trust	-	-	235	235
Sewer System Operating	425,623	425,623	389,264	(36,359)
Water	1,823,334	1,823,334	1,635,691	(187,643)
Hydroelectric Power Operating	4,831	4,831	3,057	(1,774)
Golf	255,566	255,566	262,128	6,562
Portland International Raceway	5,921	5,921	5,509	(412)
Solid Waste Management	2,947	5,047	5,100	53
Health Insurance Operating	206	206	53	(153)
Facilities Services Operating	59,950	59,950	50,586	(9,364)
Printing and Distribution Services Operating	33,202	33,202	23,913	(9,289)
Communication Services Operating	56,663	90,636	54,989	(35,647)
Insurance and Claims Operating	2,575	2,575	2,801	226
Workers' Compensation Self-Insurance Operating	2,575	2,575	767	(1,808)
Information Technology	1,442	1,442	1,099	(343)
Total revenues	<u>17,883,425</u>	<u>17,930,498</u>	<u>17,337,594</u>	<u>(592,904)</u>

Continued next page

**City of Portland, Oregon**  
**Fleet Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Personal services	5,693,629	5,693,629	4,917,706	775,923
Materials and services	8,320,259	8,517,192	7,573,598	943,594
Capital outlay	6,078,488	7,536,710	3,175,473	4,361,237
General operating contingencies	2,441,636	7,763,904	-	7,763,904
Overhead charges - General Fund	566,678	559,066	559,066	-
Debt service:				
Interest	-	-	201,953	(201,953)
	<u>23,100,690</u>	<u>30,070,501</u>	<u>16,427,796</u>	<u>13,642,705</u>
Total expenditures				
Revenues over (under) expenditures	<u>(5,217,265)</u>	<u>(12,140,003)</u>	<u>909,798</u>	<u>13,049,801</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	-	370,265	356,995	(13,270)
Transportation Operating	-	816,583	385,308	(431,275)
Planning and Development Operating	-	32,288	7,426	(24,862)
Golf	-	98,494	98,183	(311)
Transfers to other funds:				
General	(1,360,853)	(1,405,804)	(1,405,804)	-
Transportation Operating	(883,789)	(883,789)	(883,789)	-
Emergency Communication	(1,633)	(1,633)	(1,633)	-
Planning and Development Operating	(82,200)	(82,200)	(82,200)	-
Pension Debt Redemption	(185,278)	(138,959)	-	138,959
Hydroelectric Power Operating	(961)	(961)	(961)	-
Golf	(28,874)	(28,874)	(28,874)	-
Portland International Raceway	(1,921)	(1,921)	(1,921)	-
Facilities Services Operating	(10,586)	(10,586)	(10,586)	-
Printing and Distribution Services Operating	(4,510)	(4,510)	(4,510)	-
Communication Services Operating	(12,434)	(12,434)	(12,434)	-
Sale of capital asset	400,000	400,000	334,647	(65,353)
	<u>(2,173,039)</u>	<u>(854,041)</u>	<u>(1,250,153)</u>	<u>(396,112)</u>
Total other financing sources (uses)				
Net change in fund balances	<u>(7,390,304)</u>	<u>(12,994,044)</u>	<u>(340,355)</u>	<u>12,653,689</u>
Fund balances -- beginning	<u>13,636,859</u>	<u>19,240,599</u>	<u>19,227,326</u>	<u>(13,273)</u>
Fund balances -- ending	<u>\$ 6,246,555</u>	<u>\$ 6,246,555</u>	<u>\$ 18,886,971</u>	<u>\$ 12,640,416</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing revenues:				
State cost sharing	\$ 280,366	\$ 280,366	\$ 296,768	\$ 16,402
Multnomah County cost sharing	630,233	630,233	539,312	(90,921)
Local cost sharing	234,362	234,362	174,069	(60,293)
Other service charges	256,842	264,793	279,858	15,065
Investment earnings	30,000	30,000	17,738	(12,262)
Miscellaneous	10,000	10,000	2,216	(7,784)
Billings for interfund services:				
General	2,302,885	2,391,618	2,128,602	(263,016)
Transportation Operating	482,260	487,976	346,937	(141,039)
Emergency Communication	35,511	35,511	18,906	(16,605)
Planning and Development Operating	498,172	498,172	487,243	(10,929)
Cable	11,668	11,668	7,559	(4,109)
Parks Construction	23,862	23,762	23,685	(77)
Portland Parks Memorial Trust	500	500	794	294
Sewer System Operating	639,883	639,883	493,540	(146,343)
Sewer System Construction	-	12,000	7,700	(4,300)
Water	856,718	856,718	815,020	(41,698)
Hydroelectric Power Operating	3,456	3,456	2,729	(727)
Golf	2,807	2,807	959	(1,848)
Portland International Raceway	729	729	822	93
Solid Waste Management	103,424	180,357	131,039	(49,318)
Parking Facilities	974	974	582	(392)
Spectator Facilities Operating	1,000	1,000	984	(16)
Health Insurance Operating	36,836	36,836	37,436	600
Facilities Services Operating	54,716	54,716	44,715	(10,001)
Fleet Services Operating	23,830	23,830	21,392	(2,438)
Communication Services Operating	15,108	15,108	7,994	(7,114)
Insurance and Claims Operating	17,287	17,287	14,113	(3,174)
Workers' Compensation Self-Insurance Operating	18,813	18,813	9,527	(9,286)
Information Technology	12,080	12,080	9,525	(2,555)
Fire and Police Disability and Retirement	35,115	44,000	45,077	1,077
<b>Total revenues</b>	<b>6,619,437</b>	<b>6,819,555</b>	<b>5,966,841</b>	<b>(852,714)</b>

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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Personal services	1,715,477	1,715,477	1,664,660	50,817
Materials and services	4,248,627	4,439,130	3,676,096	763,034
Capital outlay	374,306	486,534	238,274	248,260
General operating contingencies	1,005,725	663,848	-	663,848
Overhead charges - General Fund	199,236	251,651	251,651	-
Debt service:				
Interest	-	-	70,802	(70,802)
Total expenditures	<u>7,543,371</u>	<u>7,556,640</u>	<u>5,901,483</u>	<u>1,655,157</u>
Revenues over (under) expenditures	<u>(923,934)</u>	<u>(737,085)</u>	<u>65,358</u>	<u>802,443</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	-	63,909	71,409	7,500
Transportation Operating	-	3,850	3,850	-
Portland Parks Memorial Trust	-	1,975	1,975	-
Sewer System Operating	25,000	42,000	41,000	(1,000)
Water	-	11,700	11,700	-
Health Insurance Operating	-	8,975	8,975	-
Facilities Services Operating	-	2,343	2,343	-
Fleet Services Operating	4,510	4,510	4,510	-
Transfers to other funds:				
General	-	(213,867)	(213,867)	-
Pension Debt Redemption	(66,273)	(49,705)	-	49,705
Total other financing sources (uses)	<u>(36,763)</u>	<u>(124,310)</u>	<u>(68,105)</u>	<u>56,205</u>
Net change in fund balances	(960,697)	(861,395)	(2,747)	858,648
Fund balances -- beginning	<u>960,697</u>	<u>861,395</u>	<u>861,395</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 858,648</u>	<u>\$ 858,648</u>

**City of Portland, Oregon**  
**Communication Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Rents and reimbursements	\$ 77,525	\$ 77,525	\$ 90,210	\$ 12,685
Other service charges	1,916,341	2,155,341	2,091,902	(63,439)
Sales - other	2,000	2,000	137,570	135,570
Investment earnings	300,000	300,000	255,376	(44,624)
Miscellaneous	2,000	72,000	72,129	129
Billings for interfund services:				
General	5,234,949	5,626,699	5,262,626	(364,073)
Transportation Operating	956,839	1,006,839	1,019,241	12,402
Emergency Communication	441,434	419,334	443,750	24,416
Planning and Development Operating	436,830	436,830	392,409	(44,421)
Cable	5,743	5,743	3,647	(2,096)
Portland Parks Memorial Trust	385	385	385	-
FRES Facilities Bond Construction	-	-	76,397	76,397
Parks Construction	11,686	27,686	29,738	2,052
Sewer System Operating	749,308	749,308	753,436	4,128
Water	1,364,819	1,364,819	1,287,791	(77,028)
Hydroelectric Power Operating	6,721	6,721	5,703	(1,018)
Golf	15,401	15,401	15,983	582
Portland International Raceway	15,604	15,604	8,253	(7,351)
Solid Waste Management	12,066	15,866	16,367	501
Parking Facilities	16,515	16,515	16,600	85
Health Insurance Operating	8,610	8,610	8,756	146
Facilities Services Operating	461,448	461,448	316,660	(144,788)
Fleet Services Operating	42,848	42,848	37,743	(5,105)
Printing and Distribution Services Operating	33,272	33,272	30,444	(2,828)
Insurance and Claims Operating	11,872	11,872	10,520	(1,352)
Workers' Compensation Self-Insurance Operating	12,881	12,881	10,484	(2,397)
Information Technology	104,531	129,531	130,339	808
Fire and Police Disability and Retirement	14,822	33,000	32,989	(11)
<b>Total revenues</b>	<b>12,256,450</b>	<b>13,048,078</b>	<b>12,557,448</b>	<b>(490,630)</b>

Continued next page



**City of Portland, Oregon**  
**Communication Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Personal services	3,304,018	3,429,405	3,260,789	168,616
Materials and services	6,303,606	14,035,801	12,749,218	1,286,583
Capital outlay	1,152,950	3,057,062	1,669,779	1,387,283
General operating contingencies	10,972,509	7,016,122	-	7,016,122
Overhead charges - General Fund	276,732	393,561	393,561	-
Debt service:				
Principal	262,591	262,591	2,922,591	(2,660,000)
Interest	450,781	450,781	580,899	(130,118)
<b>Total expenditures</b>	<u>22,723,187</u>	<u>28,645,323</u>	<u>21,576,837</u>	<u>7,068,486</u>
Revenues over (under) expenditures	<u>(10,466,737)</u>	<u>(15,597,245)</u>	<u>(9,019,389)</u>	<u>6,577,856</u>
<b>OTHER FINANCIAL SOURCES (USES)</b>				
Transfers from other funds:				
General	257,950	1,199,561	639,835	(559,726)
Transportation Operating	-	39,580	39,543	(37)
Emergency Communication	-	22,100	21,439	(661)
Cable	-	219,948	219,948	-
Federal Grants	-	-	22,157	22,157
Sewer System Operating	-	8,433	7,598	(835)
Water	-	40,500	34,938	(5,562)
Fleet Services Operating	12,434	12,434	12,434	-
Transfers to other funds:				
General	-	(10,000)	(10,000)	-
Pension Debt Redemption	(94,886)	(71,164)	-	71,164
Bonds and notes issued	-	-	2,635,000	2,635,000
Bond and note premium	-	-	31,169	31,169
<b>Total other financing sources (uses)</b>	<u>175,498</u>	<u>1,461,392</u>	<u>3,654,061</u>	<u>2,192,669</u>
Net change in fund balances	<u>(10,291,239)</u>	<u>(14,135,853)</u>	<u>(5,365,328)</u>	<u>8,770,525</u>
Fund balances -- beginning	<u>10,291,239</u>	<u>14,135,853</u>	<u>14,140,609</u>	<u>4,756</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,775,281</u>	<u>\$ 8,775,281</u>

**City of Portland, Oregon**  
**Insurance and Claims Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 283,319	\$ 283,319	\$ 279,839	\$ (3,480)
Miscellaneous	47,555	47,555	133,708	86,153
Billings for interfund services:				
General	4,168,286	4,097,453	4,097,453	-
Transportation Operating	759,473	739,473	739,473	-
Emergency Communication	92,646	92,646	92,646	-
Planning and Development Operating	328,545	328,545	328,545	-
Cable	10,063	10,063	10,063	-
Sewer System Operating	476,206	453,706	453,706	-
Water	689,484	686,984	686,984	-
Hydroelectric Power Operating	57,277	57,277	57,277	-
Golf	31,732	31,732	31,732	-
Portland International Raceway	29,739	29,739	29,739	-
Solid Waste Management	9,718	9,718	9,718	-
Parking Facilities	81,731	81,731	81,731	-
Health Insurance Operating	3,495	3,495	3,495	-
Facilities Services Operating	161,894	161,894	161,894	-
Fleet Services Operating	58,064	58,064	58,064	-
Printing and Distribution Services Operating	25,089	25,089	25,089	-
Communication Services Operating	42,771	42,771	42,771	-
Workers' Compensation Self-Insurance Operating	4,966	4,966	4,966	-
Information Technology	26,567	26,567	26,567	-
	-	-	-	-
Total revenues	<u>7,388,620</u>	<u>7,272,787</u>	<u>7,355,460</u>	<u>82,673</u>

Continued next page

**City of Portland, Oregon**  
**Insurance and Claims Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Personal services	665,036	668,000	631,851	36,149
Materials and services	6,161,968	6,214,393	4,380,182	1,834,211
General operating contingencies	12,921,535	13,910,975	-	13,910,975
Overhead charges - General Fund	145,105	169,842	169,842	-
Debt service:				
Interest	-	-	36,624	(36,624)
Total expenditures	<u>19,893,644</u>	<u>20,963,210</u>	<u>5,218,499</u>	<u>15,744,711</u>
Revenues over (under) expenditures	(12,505,024)	(13,690,423)	2,136,961	15,827,384
<b>OTHER FINANCIAL SOURCES (USES)</b>				
Transfers to other funds:				
Pension Debt Redemption	(32,922)	(24,692)	-	24,692
Net change in fund balances	(12,537,946)	(13,715,115)	2,136,961	15,852,076
Fund balances -- beginning	<u>12,537,946</u>	<u>13,715,115</u>	<u>13,713,146</u>	<u>(1,969)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,850,107</u>	<u>\$ 15,850,107</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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 263,694	\$ 263,694	\$ 262,875	\$ (819)
Miscellaneous	144,117	144,117	157,786	13,669
Billings for interfund services:				
General	1,507,395	1,482,395	1,482,395	-
Transportation Operating	824,940	819,940	819,940	-
Emergency Communication	134,900	134,900	134,900	-
Planning and Development Operating	195,655	195,655	195,655	-
Cable	4,259	4,259	4,259	-
Sewer System Operating	305,159	297,659	297,659	-
Water	448,174	443,174	443,174	-
Hydroelectric Power Operating	3,152	3,152	3,152	-
Golf	46,138	46,138	46,138	-
Portland International Raceway	5,657	5,657	5,657	-
Solid Waste Management	6,200	6,200	6,200	-
Health Insurance Operating	2,493	2,493	2,493	-
Facilities Services Operating	37,466	37,466	37,466	-
Fleet Services Operating	162,744	162,744	162,744	-
Printing and Distribution Services Operating	21,922	21,922	21,922	-
Communication Services Operating	38,879	38,879	38,879	-
Insurance and Claims Operating	3,544	3,544	3,544	-
Information Technology	18,957	18,957	18,957	-
Total revenues	<u>4,175,445</u>	<u>4,132,945</u>	<u>4,145,795</u>	<u>12,850</u>
<b>EXPENDITURES</b>				
Personal services	680,941	683,905	653,711	30,194
Materials and services	3,766,845	3,812,270	3,166,603	645,667
General operating contingencies	11,651,742	12,480,250	-	12,480,250
Overhead charges - General Fund	129,134	184,798	184,798	-
Debt service:				
Interest	-	-	35,652	(35,652)
Total expenditures	<u>16,228,662</u>	<u>17,161,223</u>	<u>4,040,764</u>	<u>13,120,459</u>
Revenues over (under) expenditures	(12,053,217)	(13,028,278)	105,031	13,133,309
<b>OTHER FINANCIAL SOURCES (USES)</b>				
Transfers to other funds:				
Pension Debt Redemption	(32,922)	(24,692)	-	24,692
Net change in fund balances	(12,086,139)	(13,052,970)	105,031	13,158,001
Fund balances -- beginning	12,086,139	13,052,970	13,050,954	(2,016)
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,155,985</u>	<u>\$ 13,155,985</u>

**City of Portland, Oregon**  
**Information Technology Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing	\$ 101,375	\$ 263,680	\$ 254,937	\$ (8,743)
Investment earnings	120,000	120,000	88,095	(31,905)
Miscellaneous	20,799	20,799	17,355	(3,444)
Billings for interfund services:				
General	6,138,298	7,254,287	7,240,770	(13,517)
Transportation Operating	2,429,872	2,499,872	2,484,414	(15,458)
Emergency Communication	1,577,629	1,577,629	1,573,062	(4,567)
Planning and Development Operating	808,025	813,025	813,636	611
Public Safety	1,763	1,763	1,763	-
Cable	13,676	13,676	11,631	(2,045)
Sewer System Operating	1,943,136	2,164,136	2,167,803	3,667
Hydroelectric Power Operating	2,695	2,695	2,695	-
Water	2,102,575	2,271,575	2,264,865	(6,710)
Golf	14,617	14,617	14,617	-
Portland International Raceway	2,251	2,251	2,251	-
Solid Waste Management	26,011	26,711	26,711	-
Parking Facilities	5,075	5,075	5,227	152
Environmental Remediation	1,315	1,315	1,315	-
Housing and Community Development	-	35,000	-	(35,000)
Parks Construction	21,215	21,215	11,215	(10,000)
Fire and Police Disability and Retirement	14,442	14,442	11,132	(3,310)
Health Insurance Operating	122,141	157,025	163,786	6,761
Facilities Services Operating	53,743	59,958	59,596	(362)
Fleet Services Operating	37,645	49,645	39,780	(9,865)
Printing and Distribution Services Operating	137,427	137,427	119,548	(17,879)
Communication Services Operating	107,208	150,208	159,472	9,264
Insurance and Claims Operating	32,889	32,889	24,633	(8,256)
Workers' Compensation Self-Insurance Operating	32,889	32,889	24,535	(8,354)
Total revenues	<u>15,868,711</u>	<u>17,743,804</u>	<u>17,584,844</u>	<u>(158,960)</u>

Continued next page

**City of Portland, Oregon**  
**Information Technology Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Personal services	11,551,653	11,682,337	11,480,403	201,934
Materials and services	4,632,633	5,906,000	4,909,047	996,953
Capital outlay	-	60,000	58,651	1,349
General operating contingencies	2,601,574	3,999,145	-	3,999,145
Overhead charges - General Fund	261,255	452,805	452,805	-
Debt service:				
Principal	1,015,775	1,015,775	820,000	195,775
Interest	-	-	352,787	(352,787)
	<u>20,062,890</u>	<u>23,116,062</u>	<u>18,073,693</u>	<u>5,042,369</u>
Total expenditures				
Revenues over (under) expenditures	<u>(4,194,179)</u>	<u>(5,372,258)</u>	<u>(488,849)</u>	<u>4,883,409</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	474,900	474,900	474,900	-
Transfers to other funds				
Pension Debt Redemption	<u>(161,058)</u>	<u>(120,794)</u>	<u>-</u>	<u>120,794</u>
Total other financing sources (uses)	<u>313,842</u>	<u>354,106</u>	<u>474,900</u>	<u>120,794</u>
Net change in fund balances	<u>(3,880,337)</u>	<u>(5,018,152)</u>	<u>(13,949)</u>	<u>5,004,203</u>
Fund balances – beginning	<u>3,880,337</u>	<u>5,018,152</u>	<u>5,000,989</u>	<u>(17,163)</u>
Fund balances – ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,987,040</u>	<u>\$ 4,987,040</u>

# Schedules of Revenues and Expenditures Fiduciary Funds - Budget and Actual

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## ***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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Current year's taxes	\$ 68,308,591	\$ 68,308,591	\$ 68,119,139	\$ (189,452)
Prior years' property taxes	1,400,000	1,400,000	1,581,071	181,071
Other service charges	-	-	46	46
Investment earnings	700,000	700,000	555,803	(144,197)
Miscellaneous	-	-	27,076	27,076
Billing for interfund services:				
General	51,412	51,412	38,686	(12,726)
<b>Total revenues</b>	<u>70,460,003</u>	<u>70,460,003</u>	<u>70,321,821</u>	<u>(138,182)</u>
<b>EXPENDITURES</b>				
Materials and services	72,440,807	73,648,715	72,579,587	1,069,128
General operating contingencies	2,588,866	1,349,016	-	1,349,016
Overhead charges - General Fund	84,897	116,839	116,839	-
Debt service:				
Principal	20,000,000	20,000,000	17,750,000	2,250,000
Interest	500,000	500,000	463,712	36,288
<b>Total expenditures</b>	<u>95,614,570</u>	<u>95,614,570</u>	<u>90,910,138</u>	<u>4,704,432</u>
<b>Revenues over (under) expenditures</b>	<u>(25,154,567)</u>	<u>(25,154,567)</u>	<u>(20,588,317)</u>	<u>4,566,250</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Fire and Police Disability and Retirement Reserve	750,000	750,000	-	(750,000)
Transfers to other funds:				
Pension Debt Redemption	(28,343)	(28,343)	-	28,343
Bonds and notes issued	20,000,000	20,000,000	17,750,000	(2,250,000)
Bond and note premium	-	-	160,283	160,283
<b>Total other financing sources and uses</b>	<u>20,721,657</u>	<u>20,721,657</u>	<u>17,910,283</u>	<u>(2,811,374)</u>
<b>Net change in fund balances</b>	<u>(4,432,910)</u>	<u>(4,432,910)</u>	<u>(2,678,034)</u>	<u>1,754,876</u>
<b>Fund balances -- beginning</b>	<u>4,432,910</u>	<u>4,432,910</u>	<u>4,241,743</u>	<u>(191,167)</u>
<b>Fund balances -- ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,563,709</u>	<u>\$ 1,563,709</u>



**City of Portland, Oregon**  
**Fire and Police Disability and Retirement Reserve Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Fire and Police Disability and Retirement	\$ (750,000)	\$ (750,000)	\$ -	\$ 750,000
Fund balances – beginning	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Fund balances – 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, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 2,500	\$ 2,500	\$ 1,868	\$ (632)
<b>EXPENDITURES</b>				
Materials and services	7,200	7,200	6,970	230
Revenues over (under) expenditures	(4,700)	(4,700)	(5,102)	(402)
Fund balances -- beginning	96,633	96,633	95,018	(1,615)
Fund balances -- ending	<u>\$ 91,933</u>	<u>\$ 91,933</u>	<u>\$ 89,916</u>	<u>\$ (2,017)</u>



PARKING GARAGE - NW FRONT & DAVIS

# Capital Assets Used in the Operation of Governmental Funds

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Comparative Schedules by Source  
Schedule by Function and Activity  
Schedule of Changes by Function and Activity

CAPITAL ASSETS USED IN  
THE OPERATION OF  
GOVERNMENTAL FUNDS

City of Portland, Oregon  
 Capital Assets Used in the Operation of Governmental Funds  
 Comparative Schedules by Source<sup>1</sup>  
 For the Years Ended June 30, 2003 & 2002

	2003	2002
Governmental funds capital assets by type:		
Land	\$ 54,988,464	\$ 53,498,749
Buildings	52,081,951	45,565,791
Improvements	143,138,702	140,285,632
Infrastructure	3,954,845,539	3,907,472,594
Equipment	34,869,012	33,733,346
Capitalized leases	1,775,370	1,775,370
Work in progress	32,529,741	30,960,713
Total governmental funds capital assets	\$ 4,274,228,779	\$ 4,213,292,195
Governmental funds capital assets by source:		
General fund	\$ 118,411,021	\$ 113,033,967
Special revenue funds	3,988,542,384	3,944,736,883
Capital projects funds	122,952,075	107,626,936
Other governmental funds	44,323,299	47,894,409
Total governmental funds capital assets	\$ 4,274,228,779	\$ 4,213,292,195

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Portland, Oregon  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule by Function and Activity<sup>1</sup>  
 For the Year Ended June 30, 2003

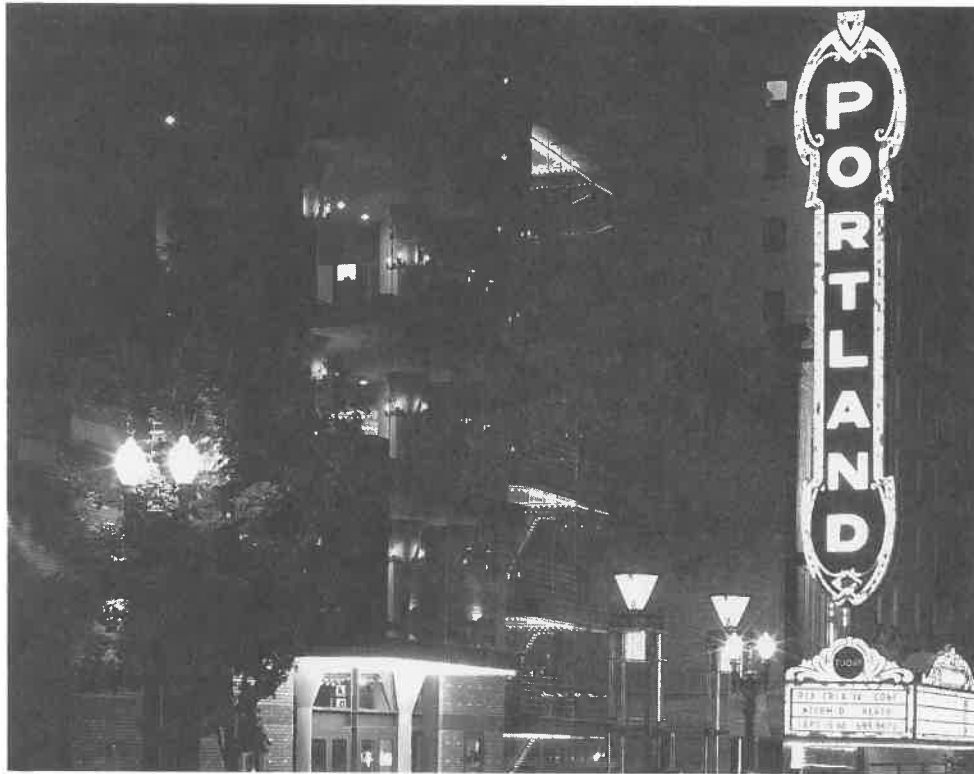
Function	Land	Buildings	Improvements	Infrastructure	Equipment	Capitalized Leases	Construction in Progress	Total
Legislative, admin, and support services	\$ 13,894,260	\$ 16,606,681	\$ 26,106,773	\$ -	\$ 289,104	\$ -	\$ -	\$ 56,896,818
Public safety	2,358,871	12,595,437	5,172,824	-	27,028,292	-	6,129,209	53,284,633
Community development	157,279	-	64,473	-	206,125	-	-	427,877
Parks, recreation, and culture	21,355,607	7,247,412	93,118,360	-	1,139,122	-	14,551,019	137,411,520
Transportation and parking	8,314,849	-	-	3,954,845,539	5,099,362	1,775,370	11,849,513	3,981,884,633
Other	8,907,598	15,632,421	18,676,272	-	1,107,007	-	-	44,323,298
<b>Total governmental funds capital assets</b>	<b>\$ 54,988,464</b>	<b>\$ 52,081,951</b>	<b>\$ 143,138,702</b>	<b>\$ 3,954,845,539</b>	<b>\$ 34,869,012</b>	<b>\$ 1,775,370</b>	<b>\$ 32,529,741</b>	<b>\$ 4,274,228,779</b>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Portland, Oregon  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity <sup>1</sup>  
 For the Year Ended June 30, 2003

Function	Governmental Funds Capital Assets July 1, 2002	Additions	Deductions	Adjustments	Governmental Funds Capital Assets June 30, 2003
Legislative, admin, and support services	\$ 56,886,937	\$ -	\$ 58,214	\$ 68,095	\$ 56,896,818
Public safety	46,256,724	12,051,279	3,801,373	(1,221,997)	53,284,633
Community development	436,771	14,348	23,242	-	427,877
Parks, recreation, and culture	123,415,555	11,936,558	1,287,995	3,347,402	137,411,520
Transportation and parking	3,938,401,799	59,936,843	16,452,023	(1,986)	3,981,884,633
Other	47,894,409	-	102,500	(3,468,611)	44,323,298
<b>Total governmental funds capital assets</b>	<b>\$ 4,213,292,195</b>	<b>\$ 83,939,028</b>	<b>\$ 21,725,347</b>	<b>\$ (1,277,097)</b>	<b>\$ 4,274,228,779</b>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.



PORTLAND



# Other Financial Schedules

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- 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, 2003

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2002	Bonds Issued During Year	Bonds Called and Matured During Year	Outstanding June 30, 2003
<b>GENERAL OBLIGATION BONDS</b>									
Water bonds									
	1993A	4.40-5.10	08/01/93	2001-11	\$ 20,070,000	\$ 12,385,000	\$ -	\$ 4,855,000	\$ 7,530,000
	1993B	4.35-4.50	11/15/93	2001-05	27,950,000	10,990,000	-	10,990,000	-
	1993C	4.35-4.50	11/15/93	2001-04	15,560,000	5,700,000	-	1,820,000	3,880,000
	1994A	4.00	01/15/94	2001-04	5,140,000	1,020,000	-	1,020,000	-
<b>Subtotal Water Bonds</b>						<b>30,095,000</b>	<b>-</b>	<b>18,685,000</b>	<b>11,410,000</b>
Other water districts' bonds assumed by annexation						8,780	-	2,174	6,606
<b>Total Water Bonds</b>						<b>30,103,780</b>	<b>-</b>	<b>18,687,174</b>	<b>11,416,606</b>
Parks bonds									
	1995A	5.30-5.50	03/01/95	2001-08	20,000,000	5,860,000	-	855,000	5,005,000
	1995B	5.15-5.40	03/01/95	2001-08	31,800,000	11,385,000	-	1,665,000	9,720,000
	2001A	3.20-5.00	07/01/01	2001-15	29,810,000	29,575,000	-	130,000	29,445,000
<b>Total Parks Bonds</b>						<b>46,820,000</b>	<b>-</b>	<b>2,650,000</b>	<b>44,170,000</b>
Emergency Facilities bonds									
	1999A	4.50-5.125	06/01/99	2001-19	24,500,000	22,020,000	-	900,000	21,120,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>						<b>98,943,780</b>	<b>-</b>	<b>22,237,174</b>	<b>76,706,606</b>
<b>SPECIAL ASSESSMENT BONDS</b>									
Department of Environmental Qua									
	1990A	7.15	09/01/90	2002-10	2,910,000	155,000	-	155,000	-
Department of Environmental Qua									
	1994A	6.00	04/14/94	2002-14	19,100,000	615,000	-	615,000	-
<b>TOTAL SPECIAL ASSESSMENT BONDS</b>						<b>770,000</b>	<b>-</b>	<b>770,000</b>	<b>-</b>
<b>LIMITED TAX IMPROVEMENT BONDS</b>									
Limited Tax Improvement									
	1994A	5.75	05/01/94	2002-14	6,925,000	965,000	-	265,000	700,000
	1995A	5.25	05/01/95	2002-15	6,210,000	690,000	-	210,000	480,000
	1996A	5.55	06/01/96	2002-16	7,525,000	2,165,000	-	450,000	1,715,000
	1998A	4.875	03/01/98	2002-18	8,460,000	2,285,000	-	690,000	1,595,000
	1999A	4.875	03/01/98	2002-19	8,685,000	4,625,000	-	895,000	3,730,000
	2003A	3.00-4.35	05/22/03	2003-23	21,430,000	-	21,430,000	-	21,430,000
<b>TOTAL LIMITED TAX IMPROVEMENT BONDS</b>						<b>10,730,000</b>	<b>21,430,000</b>	<b>2,510,000</b>	<b>29,650,000</b>
<b>URBAN RENEWAL AND REDEVELOPMENT BONDS</b>									
South Park Blocks									
	1993C	4.70-5.00	08/01/93	2002-05	4,625,000	2,135,000	-	2,135,000	-
	2000A	5.00-5.75	10/15/00	2002-20	23,325,000	23,325,000	-	-	23,325,000
	2000B	6.69-7.34	10/15/00	2002-13	16,560,000	15,185,000	-	775,000	14,410,000
Waterfront Renewal									
	1986C	7.25	11/01/88	2001-08	17,793,704	2,649,933	-	2,649,933	-
	1986L	6.10-6.40	03/01/92	2001-08	45,010,000	11,560,000	-	11,560,000	-
	2000A	5.10-5.75	10/31/00	2001-20	33,060,000	33,060,000	-	-	33,060,000
	2000B	6.65-7.28	10/31/00	2001-13	24,970,000	24,550,000	-	1,375,000	23,175,000
	2002A	2.50-3.00	09/15/02	2003-07	3,765,000	-	3,765,000	660,000	3,105,000
	2002B	2.00-3.50	09/15/02	2003-08	13,050,000	-	13,050,000	1,930,000	11,120,000
Airport Way									
	1994C	5.60-6.125	05/01/94	2001-10	17,805,000	12,225,000	-	12,225,000	-
	2000A	5.00-6.00	06/01/00	2001-20	51,000,000	51,000,000	-	260,000	50,740,000
	2000B	7.33	06/01/00	2001-03	2,000,000	910,000	-	910,000	-
	2002A	2.00-5.00	10/01/02	2002-10	13,500,000	-	13,500,000	1,195,000	12,305,000
Oregon Convention Center									
	2000A	5.25-5.75	08/01/00	2001-20	32,900,000	32,900,000	-	-	32,900,000
	2000B	7.45-7.75	08/01/00	2001-14	16,840,000	16,480,000	-	-	16,480,000
River District									
	2003A	3.25-5.00	06/17/03	2004-23	33,180,000	-	33,180,000	-	33,180,000
	2003B	1.14-4.10	06/17/03	2004-15	28,760,000	-	28,760,000	-	28,760,000
Line of Credit									
	*	*	2002	2003	23,750,000	23,750,000	-	23,750,000	-
Parks Line of Credit									
	*	*	2000	2004	2,250,000	500,000	1,000,000	-	1,500,000
Housing Preservation Line of Credit									
	*	*	2000	2003	4,804,438	6,404,438	-	6,404,438	-
Gateway Urban District Line of Credit									
	*	*	2003	2004	1,275,000	-	1,275,000	275,000	1,000,000
Du Jour Proceeds									
	*	*	2003	2003	28,725,000	-	28,725,000	28,725,000	-
<b>TOTAL URBAN RENEWAL AND REDEVELOPMENT BONDS</b>						<b>256,634,371</b>	<b>123,255,000</b>	<b>94,829,371</b>	<b>285,060,000</b>

\* Variable rate, see long-term debt note  
 \*\* Liability allocated to Fiduciary Fund

Continued next page

City of Portland, Oregon  
 Schedule of Bond Principal Transactions, Continued  
 For the Year Ended June 30, 2003

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2002	Bonds Issued During Year	Bonds Called and Matured During Year	Outstanding June 30, 2003
<b>LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>									
<b>Governmental</b>									
Pension									
	Allocation of Pension Bonds	1999C 7.27-7.701	11/01/99	2000-22	78,105,826	78,105,826	-	-	78,105,826
		1999D & E *	11/01/99	2000-19	105,391,744	105,391,744	-	-	105,391,744
	Deferred Interest	1999C 7.93	11/01/99	2000-29	27,881,984	27,881,984	-	-	27,881,984
	Interstate Light Rail	2000A 4.25	12/15/00	2001-04	35,700,000	35,700,000	-	35,700,000	-
	Oregon Convention Center	2001A 5.00-5.50	02/13/01	2201-30	81,940,000	81,940,000	-	-	81,940,000
	Deferred Interest	2001B 4.52-5.36	02/13/01	2001-22	18,058,888	18,058,888	-	-	18,058,888
	Portland Center for Performing A	2001C 4.00-6.50	05/01/01	2001-21	2,100,000	2,040,000	-	70,000	1,970,000
	Interstate MaxLight Rail	2002B 3.00	09/15/02	2003-05	32,750,000	-	32,750,000	-	32,750,000
	Streetcar Project	2002A 3.00-4.00	04/01/02	2002-06	1,060,000	1,060,000	-	255,000	805,000
	System Development	2002A 3.00-4.50	04/01/02	2002-11	2,245,000	2,245,000	-	230,000	2,015,000
	Capital Improvement and Renovation	1998B 4.05-4.90	06/15/98	1999-18	8,499,490	3,010,686	-	705,686	2,305,000
		1999B 5.0-5.875	11/01/99	2001-20	10,135,000	8,145,000	-	1,190,000	6,955,000
	School Grant	LOC *	06/16/03	2004	19,626,982	-	19,626,982	-	19,626,982
	Children's Receiving Center	LOC *	06/26/03	2004	1,001,401	-	1,001,401	-	1,001,401
	Streetcar Extension	LOC *	06/26/03	2004	632,632	-	632,632	-	632,632
<b>Total Limited Tax and Limited Tax Revenue Bonds: Governmental</b>						<b>363,579,128</b>	<b>54,011,015</b>	<b>38,150,686</b>	<b>379,439,457</b>
<b>Proprietary</b>									
Pension									
	Allocation of Pension Bonds	1999C 7.27-7.701	11/01/99	2000-22	32,864,814	33,059,174 **	(194,360)	-	32,864,814
		1999D & E 5.95	11/01/99	2009	44,345,996	44,608,256 **	(262,260)	-	44,345,996
	Deferred Interest	1999C *	11/01/99	2000-29	11,731,980	11,801,362 **	(69,382)	-	11,731,980
	Central City Streetcar	1999A 4.00-5.00	04/15/99	2001-24	29,160,000	27,970,000	-	610,000	27,360,000
	Arena	1996 6.90-7.75	08/01/96	1997-16	10,295,000	8,400,000	-	370,000	8,030,000
		1996A 7.25-8.05	07/15/96	1997-16	11,565,000	7,485,000	-	405,000	7,080,000
		1996B 4.85-5.70	07/15/96	1997-16	2,920,000	2,305,000	-	115,000	2,190,000
	Civic Stadium	2001D 6.00-7.00	05/15/01	2012	35,000,000	34,390,000	-	840,000	33,550,000
	Capital Improvement and Renovation	1996A 4.80-5.60	06/01/96	1999-16	29,128,538	23,382,737	-	1,187,409	22,195,328
		1996A 4.80-5.375	06/01/96	1999-13	1,001,462	747,263	-	52,591	694,672
		1998B 4.05	06/01/98	1998-03	250,510	54,314	-	54,314	-
		1999B 5.00-5.25	11/01/99	1999-08	2,835,000	2,265,000	-	390,000	1,875,000
		1999B 5.00-5.25	11/01/99	2000-06	5,560,000	3,630,000	-	820,000	2,810,000
		2002A 3.00-4.50	04/01/02	2003-12	220,000	220,000	-	20,000	200,000
	Walnut Park	2003A 2.00-3.25	01/15/03	2004-09	-	-	2,265,000	-	2,265,000
	Radio Shop	2003A 2.00-4.00	01/15/03	2004-13	-	-	930,000	-	930,000
	EOC	2003A 2.00-4.00	01/15/03	2004-13	-	-	160,000	-	160,000
	Portland and Justice Bldg	2003A 2.00-2.75	01/15/03	2004-08	-	-	14,195,000	-	14,195,000
	800 MHz	2003A 2.00-4.00	01/15/03	2004-13	-	-	2,635,000	-	2,635,000
	Capital Financing - Facilities	1998A 4.25-5.00	04/15/98	1999-18	28,900,000	25,780,000	-	1,130,000	24,650,000
		2002A 4.00-4.625	04/01/02	2003-13	7,795,000	7,795,000	-	-	7,795,000
<b>Total Limited Tax and Limited Tax Revenue Bonds: Proprietary</b>						<b>233,893,106</b>	<b>19,658,998</b>	<b>5,994,314</b>	<b>247,557,790</b>
<b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>						<b>597,472,234</b>	<b>73,670,013</b>	<b>44,145,000</b>	<b>626,997,247</b>
<b>REVENUE BONDS</b>									
<b>Governmental</b>									
	Gas Tax	1996A 4.95-5.80	09/01/96	1997-16	6,580,000	5,245,000	-	260,000	4,985,000
		1998A 4.10-5.00	06/01/98	1999-18	3,070,000	2,650,000	-	120,000	2,530,000
	Transportation Line of Credit	Variable	2002	2003	4,545,512	4,545,512	-	-	4,545,512
<b>Total Gas Tax Bonds</b>						<b>12,440,512</b>	<b>-</b>	<b>380,000</b>	<b>12,060,512</b>
<b>Total Revenue Bonds: Governmental</b>						<b>12,440,512</b>	<b>-</b>	<b>380,000</b>	<b>12,060,512</b>

\* Variable rate, see long-term debt note

Continued next page

City of Portland, Oregon  
Schedule of Bond Principal Transactions, Continued  
For the Year Ended June 30, 2003

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2002	Bonds Issued During Year	Bonds Called and Matured During Year	Outstanding June 30, 2003
<b>REVENUE BONDS, Continued</b>									
<b>Proprietary</b>									
<b>Water</b>									
	1993R	4.60-5.25	08/01/93	1994-14	25,000,000	18,230,000	-	1,140,000	17,090,000
	1995	4.50-5.50	11/15/95	1996-15	20,000,000	17,140,000	-	650,000	16,490,000
	1997A	4.75-5.00	11/15/97	1998-17	30,000,000	27,060,000	-	830,000	26,230,000
	2000A	5.00-5.50	03/15/00	2001-21	35,000,000	34,510,000	-	510,000	34,000,000
<b>Total Water Bonds</b>						<b>96,940,000</b>	<b>-</b>	<b>3,130,000</b>	<b>93,810,000</b>
<b>Golf</b>									
	LOC	2.49-5.26	01/10/03	2004-13	6,333,333	3,600,000	2,733,333	-	6,333,333
<b>Total Golf Bonds</b>						<b>3,600,000</b>	<b>2,733,333</b>	<b>-</b>	<b>6,333,333</b>
<b>Sewage Disposal</b>									
	1992A	5.50	09/15/92	1993-02	75,590,000	2,255,000	-	2,255,000	-
	1992B	5.50	09/15/92	1993-05	21,860,000	5,895,000	-	2,640,000	3,255,000
	1993A	4.70-5.25	07/15/93	1994-10	55,935,000	43,720,000	-	43,720,000	-
	1994A	5.45-5.55	08/15/97	1995-04	64,665,000	19,680,000	-	9,580,000	10,100,000
	1996A	5.125-5.50	11/01/96	1997-17	110,000,000	103,640,000	-	1,425,000	102,215,000
	1997A	5.00-6.00	08/15/97	1998-15	262,500,000	255,740,000	-	860,000	254,880,000
	1998A	5.00-6.00	09/15/98	1999-18	160,000,000	147,440,000	-	4,560,000	142,880,000
	2000A	5.30-5.75	09/01/00	2001-20	146,000,000	146,000,000	-	-	146,000,000
	2003A	3.00-5.25	04/03/03	2004-23	88,370,000	-	88,370,000	-	88,370,000
	2003B	*	06/11/03	2004-23	150,000,000	-	150,000,000	-	150,000,000
<b>Total Sewage Disposal Bonds</b>						<b>724,370,000</b>	<b>238,370,000</b>	<b>65,040,000</b>	<b>897,700,000</b>
<b>Hydroelectric Power</b>									
	1979A	6.75-7.00	06/01/79	1979-12	38,000,000	25,750,000	-	1,075,000	24,675,000
	1993	6.20-6.50	08/01/93	1994-06	7,980,000	3,740,000	-	675,000	3,065,000
<b>Total Hydroelectric Power Bonds</b>						<b>29,490,000</b>	<b>-</b>	<b>1,750,000</b>	<b>27,740,000</b>
<b>Parking Facilities</b>									
	2001A	3.00-4.25	08/15/01	2002-12	10,200,000	9,815,000	-	1,380,000	8,435,000
<b>Total Parking Facilities Bonds</b>						<b>9,815,000</b>	<b>-</b>	<b>1,380,000</b>	<b>8,435,000</b>
<b>Arena</b>									
	1996A	5.05-5.55	09/01/96	1997-09	5,380,000	4,855,000	-	310,000	4,545,000
	1996A	6.00-6.30	09/01/96	1997-20	7,438,102	7,438,102	-	-	7,438,102
<b>Total Arena Bonds</b>						<b>12,293,102</b>	<b>-</b>	<b>310,000</b>	<b>11,983,102</b>
<b>Total Revenue Bonds: Proprietary</b>						<b>876,508,102</b>	<b>241,103,333</b>	<b>71,610,000</b>	<b>1,048,001,435</b>
<b>TOTAL REVENUE BONDS</b>						<b>888,948,614</b>	<b>241,103,333</b>	<b>71,990,000</b>	<b>1,058,061,947</b>
<b>SUB-TOTAL BONDED DEBT</b>						<b>1,853,498,999</b>	<b>459,458,346</b>	<b>236,481,545</b>	<b>2,076,475,800</b>
<b>Fiduciary</b>									
<b>Allocation of Limited Tax Bonds</b>									
	1999C	7.27-7.701	11/01/99	2000-22	194,360	194,360	-	-	194,360
	1999D & E	*	11/01/99	2000-19	282,260	282,260	-	-	282,260
	1999C	7.93	11/01/99	2000-29	69,382	69,382	-	-	69,382
<b>Total Fiduciary</b>						<b>526,002</b>	<b>-</b>	<b>-</b>	<b>526,002</b>
<b>Total Bonded Debt</b>						<b>\$ 1,854,025,001</b>	<b>\$ 459,458,346</b>	<b>\$ 236,481,545</b>	<b>2,077,001,802</b>
									(3,786,399)
									9,859,581
									(10,342,178)
<b>NET BONDED DEBT</b>									<b>\$ 2,072,732,806</b>

\* Variable rate, see long-term debt note

City of Portland, Oregon  
Schedule of Bond Interest Transactions  
For the Year Ended June 30, 2003

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2002	Unmatured and Accretion Interest on Bonds Issued/ Called During Year	Interest Matures During Year	Unmatured Interest Outstanding June 30, 2003
<b>GENERAL OBLIGATION BONDS</b>							
<b>Water bonds</b>							
	1993A	4.40-5.10	08/01/93	\$ 2,951,190	(235,847) \$	600,328 \$	2,115,015
	1993B	4.35-4.50	11/15/93	1,005,806	(540,918)	464,888	-
	1993C	4.35-4.50	11/15/93	390,585	-	214,185	176,400
	1994A	4.00	01/15/94	61,600	(17,067)	44,533	-
	<b>Subtotal Water Bonds</b>			<b>4,409,181</b>	<b>(793,832)</b>	<b>1,323,934</b>	<b>2,291,415</b>
	Other water districts' bonds assumed by annexation			816	-	355	461
	<b>Total Water Bonds</b>			<b>4,409,997</b>	<b>(793,832)</b>	<b>1,324,289</b>	<b>2,291,876</b>
<b>Parks bonds</b>							
	1995A	5.30-5.50	03/01/95	1,150,160	-	312,535	837,625
	1995B	5.15-5.40	03/01/95	2,202,146	-	599,418	1,602,730
	2001A	3.20-5.00	07/01/01	13,673,213	-	1,350,050	12,323,163
	<b>Total Parks Bonds</b>			<b>17,025,521</b>	<b>-</b>	<b>2,262,003</b>	<b>14,763,518</b>
<b>Emergency Facilities Bonds</b>							
	1999A	4.50-5.125	06/01/99	11,218,075	-	1,092,988	10,125,087
<b>TOTAL GENERAL OBLIGATION BONDS</b>				<b>32,653,593</b>	<b>(793,832)</b>	<b>4,679,280</b>	<b>27,180,481</b>
<b>SPECIAL ASSESSMENT BONDS</b>							
	Department of Environmental Quality 1990A	7.15	09/01/90	94,201	(83,834)	10,367	-
	Department of Environmental Quality 1994A	6.00	04/14/94	442,800	(416,400)	26,400	-
<b>TOTAL SPECIAL ASSESSMENT BONDS</b>				<b>537,001</b>	<b>(500,234)</b>	<b>36,767</b>	<b>-</b>
<b>LIMITED TAX IMPROVEMENT BONDS</b>							
	Limited Tax Improvement 1994A	5.75	05/01/94	665,851	(170,920)	52,181	442,750
	Limited Tax Improvement 1995A	5.25	05/01/95	470,825	(134,400)	34,125	302,400
	Limited Tax Improvement 1996A	5.55	06/01/96	1,682,205	(328,839)	115,995	1,237,372
	Limited Tax Improvement 1998A	4.875	06/01/96	1,446,055	(175,134)	104,577	1,166,344
	Limited Tax Improvement 1999A	4.875	03/01/98	3,102,331	(298,715)	221,591	2,582,025
	Limited Tax Improvement 2003A	3.00-4.35	05/22/03	-	11,550,403	-	11,550,403
<b>TOTAL LIMITED TAX IMPROVEMENT BONDS</b>				<b>7,367,367</b>	<b>10,442,396</b>	<b>528,469</b>	<b>17,281,294</b>
<b>URBAN RENEWAL AND REDEVELOPMENT BONDS</b>							
<b>South Park Blocks</b>							
	1993C	4.70-5.00	08/01/93	216,460	(124,412)	92,048	-
	2000A	5.00-5.75	10/15/00	19,757,383	-	1,329,973	18,427,410
	2000B	6.69-7.34	09/01/85	7,167,180	-	1,071,889	6,095,291
<b>Waterfront Renewal</b>							
	1986C	7.25	11/01/88	6,065,067	(1,613,009)	4,452,058	-
	1986L	6.10-6.40	03/01/92	2,705,845	(2,341,018)	364,827	-
	2000A	5.10-5.75	10/31/00	28,370,632	-	1,866,275	26,504,357
	2000B	6.65-7.26	10/31/00	12,430,541	-	1,735,206	10,695,335
	2002A	2.50-3.00	09/15/02	-	325,119	75,644	249,475
	2002B	2.00-3.50	09/15/02	-	1,441,666	270,116	1,171,550
<b>Airport Way</b>							
	1994C	5.60-6.125	05/01/94	3,761,909	(3,217,850)	544,059	-
	2000A	5.00-6.00	06/01/00	38,998,030	-	2,909,542	34,088,488
	2000B	7.33	06/01/00	66,703	-	66,703	-
	2002A	2.00-5.00	10/01/02	-	2,325,334	316,469	2,008,875
<b>Oregon Convention Center</b>							
	2000A	5.25-5.75	08/01/00	28,209,576	-	1,852,083	26,357,493
	2000B	7.45-7.75	08/01/00	11,544,628	-	1,251,318	10,283,310
<b>River District</b>							
	2003A	3.25-5.00	06/17/03	-	26,479,722	-	26,479,722
	2003B	1.14-4.10	06/17/06	-	6,230,953	-	6,230,953
	Line of credit *		2002	544,732	(56,626)	488,106	-
	Parks Line of Credit *		2000	25,057	-	10,177	14,880
	Housing Preservation Line of Credit *		2000	131,832	(41,915)	89,917	-
	Gateway Urban District Line of Credit *		2003	-	48,234	18,234	30,000
	Du Jour Proceeds *		2003	-	1,795	1,795	-
<b>TOTAL URBAN RENEWAL AND REDEVELOPMENT BONDS</b>				<b>157,995,575</b>	<b>29,457,993</b>	<b>18,805,429</b>	<b>168,647,139</b>

\*Variable rate, see long-term debt note

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City of Portland, Oregon  
 Schedule of Bond Interest Transactions, Continued  
 For the Year Ended June 30, 2003

Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2002	Unmatured and Accretion Interest on Bonds Issued/ Called During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2003
<b>LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>						
<b>Governmental</b>						
Pension	1999C 7.27-7.701	11/01/99	147,225,224	(43,336,659)	6,420,338	97,468,227
	1999C 7.93	11/01/99	273,401,654	(81,305,350)	-	192,096,304
	1999D&E *	11/01/99	121,983,925	(40,862,738)	1,805,398	79,315,789
Interstate Light Rail	2000A 4.25	12/15/00	3,793,125	(3,154,368)	638,757	-
Oregon Convention Center	2001A 5.00-5.50	02/13/01	82,426,088	-	4,193,813	88,232,275
Deferred Interest	2001B 4.52-5.36	11/01/99	21,416,112	-	-	21,416,112
Portland Center for Performing Arts	2001C 4.00-6.50	12/15/00	1,157,080	-	100,630	1,056,450
InterstateMax Light Rail	2002B 3.00	09/15/02	-	2,210,625	736,875	1,473,750
Streetcar Project	2002A 3.00-4.00	04/01/02	86,025	-	32,125	63,900
System Development	2002A 3.00-4.50	04/01/02	490,408	-	75,521	413,887
Capital Improvement and	1998B 4.05-4.90	06/15/98	1,101,138	-	134,823	966,315
Renovation	1998B 5.0-5.875	11/01/99	3,517,290	-	445,815	3,071,475
School Grant	LOC *	06/16/03	-	490,674	-	490,674
Children's Recolving Center	LOC *	06/26/03	-	25,035	-	25,035
Streetcar Extension	LOC *	06/26/03	-	8,795	-	8,795
<b>Total Limited Tax and Limited Tax Revenue Bonds: Governmental</b>			<b>666,608,089</b>	<b>(165,923,986)</b>	<b>14,585,095</b>	<b>486,098,988</b>
<b>Proprietary</b>						
Pension	1999C 7.27-7.701	11/01/99	-	43,077,528	2,066,353	41,011,175
	1999C 7.93	11/01/99	-	80,827,335	-	80,827,335
	1999D&E *	11/01/99	-	34,126,520	581,056	33,545,464
Central City Streetcar	1999A 4.00-5.00	04/15/99	18,268,825	-	1,287,613	16,981,212
Arena	1996 6.90-7.75	08/01/96	5,717,775	-	623,463	5,094,312
	1996A 7.25-8.05	07/15/96	4,620,073	-	570,468	4,049,605
	1996B 4.85-5.70	07/15/96	1,064,615	-	124,738	939,877
Civic Stadium	2001D 6.00-7.00	05/15/01	30,755,430	-	2,297,905	28,457,525
Capital Improvement	1996A 4.80-5.60	06/01/96	10,527,593	-	1,239,462	9,288,131
and Renovation	1996A 4.80-5.375	06/01/96	255,802	-	38,746	216,856
	1998B 4.05	06/01/98	2,200	-	2,200	-
	1999B 5.00-5.25	11/01/99	376,100	-	118,450	257,650
	1999B 5.00-5.25	11/01/99	464,750	-	195,775	268,975
	2002A 3.00-4.50	04/01/02	53,683	-	7,583	46,100
Walnut Park	2003A 2.00-3.25	01/15/03	-	226,351	-	226,351
Radio Shop	2003A 2.00-4.00	01/15/03	-	190,763	-	190,763
EOC	2003A 2.00-4.00	01/15/03	-	32,689	-	32,689
Portland and Justice Bldg	2003A 2.00-2.75	01/15/03	-	982,508	-	982,508
800 MHZ	2003A 2.00-4.00	01/15/03	-	537,917	-	537,917
Capital Financing -	1998A 4.25-5.00	04/15/98	12,036,665	-	1,228,725	10,807,940
Facilities	2002A 4.00-4.625	04/01/02	2,356,423	-	282,510	2,073,913
<b>Total Limited Tax and Limited Tax Revenue Bonds: Proprietary</b>			<b>86,499,734</b>	<b>160,001,611</b>	<b>10,665,047</b>	<b>235,836,298</b>
<b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>			<b>753,107,803</b>	<b>(5,922,375)</b>	<b>25,250,142</b>	<b>721,935,286</b>
<b>REVENUE BONDS</b>						
<b>Governmental</b>						
Gas Tax	1996A 4.95-5.80	09/01/96	2,652,362	-	291,710	2,360,652
	1998A 4.10-5.00	06/01/98	1,205,330	-	123,725	1,081,605
Transportation	LOC Variable	06/27/02	455,531	113,183	117,724	450,990
<b>Total GasTax Bonds</b>			<b>4,313,223</b>	<b>113,183</b>	<b>533,159</b>	<b>3,893,247</b>
<b>Total Revenue Bonds: Governmental Funds</b>			<b>4,313,223</b>	<b>113,183</b>	<b>533,159</b>	<b>3,893,247</b>

\*Variable rate, see long-term debt note

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City of Portland, Oregon  
 Schedule of Bond Interest Transactions, Continued  
 For the Year Ended June 30, 2003

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2002	Unmatured and Accretion Interest on Bonds Issued/ Called During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2003
<b>REVENUE BONDS, Continued</b>							
<b>Proprietary</b>							
<b>Water</b>							
	1993R	4.60-5.25	08/01/93	6,776,764	-	897,778	5,878,986
	1995	4.50-5.5	11/15/95	8,427,500	-	884,335	7,543,165
	1997A	4.75-5.00	11/15/97	14,167,488	-	1,321,913	12,845,575
	2000A	5.00-5.50	03/15/00	27,070,589	-	1,828,368	25,242,221
<b>Total Water Bonds</b>				<b>56,442,341</b>	<b>-</b>	<b>4,932,394</b>	<b>51,509,947</b>
<b>Golf Bonds</b>							
	LOC	2.49-5.26	01/10/03	150,000	1,658,555	71,295	1,737,260
<b>Sewage Disposal</b>							
	1992A	5.50	09/15/92	62,012	-	62,012	-
	1992B	5.50	09/15/92	529,375	-	324,225	205,150
	1993A	4.70-5.25	07/15/93	11,864,885	(10,204,634)	1,460,251	-
	1994A	5.45-5.55	07/15/94	1,643,210	-	1,082,660	560,550
	1996A	5.125-5.50	1997-17	71,270,800	-	5,523,181	65,747,619
	1997A	5.00-6.00	08/15/97	114,888,400	-	13,160,400	101,728,000
	1998A	5.00-6.00	09/15/98	77,220,963	-	8,840,875	70,380,088
	2000A	5.30-5.75	09/01/00	146,786,942	-	8,370,145	138,416,797
	2003A	3.00-5.25	04/03/03	-	39,394,012	-	39,394,012
	2003B	*	08/11/03	-	143,966,972	-	143,966,972
<b>Total Sewage Disposal Revenue Bonds</b>				<b>424,066,587</b>	<b>173,156,350</b>	<b>36,823,749</b>	<b>560,399,188</b>
<b>Hydroelectric Power</b>							
	1979A	6.75-7.00	06/01/79	16,752,331	-	1,758,781	14,993,550
	1993	6.20-6.50	08/01/93	625,020	-	217,205	407,815
<b>Total Hydroelectric Power bonds</b>				<b>17,377,351</b>	<b>-</b>	<b>1,975,986</b>	<b>15,401,365</b>
<b>Parking Facilities</b>							
	2001A	3.00-4.25	08/15/01	1,968,275	-	360,413	1,607,862
<b>Total Parking Facilities Bonds</b>				<b>1,968,275</b>	<b>-</b>	<b>360,413</b>	<b>1,607,862</b>
<b>Arena</b>							
	1996A	5.05-5.55	09/01/96	1,255,240	-	258,708	996,532
	1996A	6.00-6.30	09/01/96	16,936,898	-	-	16,936,898
<b>Total Arena Bonds</b>				<b>18,192,138</b>	<b>-</b>	<b>258,708</b>	<b>17,933,430</b>
<b>Total Revenue Bonds: Proprietary</b>				<b>518,196,692</b>	<b>174,814,905</b>	<b>44,422,545</b>	<b>648,589,052</b>
<b>TOTAL REVENUE BONDS</b>				<b>522,509,915</b>	<b>174,928,088</b>	<b>44,955,704</b>	<b>652,482,299</b>
<b>SUB-TOTAL BONDED DEBT INTEREST</b>				<b>1,474,171,254</b>	<b>207,613,036</b>	<b>\$ 94,256,781</b>	<b>1,587,526,499</b>
<b>Fiduciary</b>							
Allocation of Limited Tax Bonds							
	1999C	7.27-7.701	11/01/99	257,409	1,723	16,591	242,541
	1999D & E	*	11/01/99	202,338	-	4,686	197,672
	1999C	7.93	11/01/99	478,015	-	-	478,015
<b>Total Fiduciary</b>				<b>937,762</b>	<b>1,723</b>	<b>21,257</b>	<b>918,228</b>
<b>TOTAL BONDED DEBT INTEREST</b>				<b>\$ 1,475,109,016</b>	<b>\$ 207,613,759</b>	<b>\$ 94,278,048</b>	<b>\$ 1,588,444,727</b>

\*Variable rate, see long-term debt note

City of Portland, Oregon  
 Schedule of Future Bond Principal Requirements  
 June 30, 2003

Fiscal Year	General Obligation Bonds				Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Revenue Bonds			Sub-Total Bonded Debt	Fiduciary Fund	Total Bonded Debt
	Water	Parks	Emergency Facilities	Total			Governmental	Proprietary	Total	Governmental	Proprietary	Total			
2004	\$ 1,900,000	\$ 2,780,000	\$ 930,000	\$ 5,610,000	\$ 1,480,000	\$ 11,985,000	\$ 23,431,015	\$ 10,855,000	\$ 34,088,015	\$ 1,458,493	\$ 33,231,333	\$ 34,689,826	\$ 87,850,841	\$ -	\$ 87,850,841
2005	1,980,000	2,925,000	970,000	5,875,000	1,045,000	9,740,000	35,325,000	12,435,000	47,760,000	420,000	35,290,000	35,710,000	100,130,000	-	100,130,000
2006	-	3,080,000	1,010,000	4,090,000	1,070,000	10,100,000	1,935,000	10,360,000	12,295,000	3,917,019	35,391,000	39,308,019	66,883,019	-	66,883,019
2007	1,380,000	3,235,000	1,050,000	5,645,000	1,100,000	11,485,000	3,745,717	10,854,790	14,400,507	460,000	37,360,000	37,820,000	70,450,507	4,493	70,455,000
2008	1,430,000	3,410,000	1,100,000	5,940,000	1,065,000	12,150,000	5,610,924	12,445,762	18,056,686	475,000	39,248,000	39,723,000	76,834,686	8,314	76,843,000
2009	1,500,000	3,595,000	1,140,000	6,235,000	-	11,560,000	6,818,648	9,475,879	16,294,527	505,000	41,264,000	41,769,000	75,858,527	10,473	75,869,000
2010	1,580,000	3,745,000	1,200,000	6,525,000	-	14,800,000	7,482,442	9,879,426	17,361,868	535,000	42,719,247	43,254,247	81,941,115	12,880	81,954,000
2011	1,660,000	3,900,000	1,250,000	6,810,000	-	14,490,000	8,484,756	12,749,240	21,233,996	555,000	43,629,011	44,184,011	86,718,007	15,342	86,733,349
2012	-	4,075,000	1,310,000	5,385,000	-	15,385,000	9,342,514	10,955,088	20,297,602	585,000	45,323,128	45,908,128	86,975,730	18,009	86,993,739
2013	-	4,280,000	1,370,000	5,650,000	5,840,000	16,375,000	10,669,320	12,622,894	23,292,214	180,000	69,863,638	70,043,638	121,000,852	20,893	121,021,745
2014	-	4,470,000	1,440,000	5,910,000	700,000	17,395,000	11,981,298	13,682,652	25,583,950	190,000	55,986,946	56,176,946	105,745,898	23,697	105,769,595
2015	-	4,675,000	1,510,000	6,185,000	480,000	18,355,000	13,451,220	12,011,756	25,462,976	200,000	52,894,525	53,094,525	103,577,501	27,362	103,604,863
2016	-	-	1,580,000	1,580,000	1,715,000	19,360,000	15,023,090	15,602,604	30,625,694	2,120,000	55,547,469	57,667,469	110,948,163	31,034	110,979,197
2017	-	-	1,660,000	1,660,000	-	20,455,000	16,976,000	9,337,792	26,313,792	-	64,637,835	64,857,835	113,286,627	34,966	113,321,593
2018	-	-	1,750,000	1,750,000	1,595,000	21,800,000	18,714,090	14,647,112	33,361,202	220,000	56,519,427	56,739,427	115,058,629	39,252	115,104,881
2019	-	-	1,850,000	1,850,000	3,280,000	22,805,000	20,638,916	9,688,218	30,327,134	-	64,238,419	64,238,419	122,500,053	43,841	122,544,394
2020	-	-	-	-	-	24,075,000	22,969,963	10,693,675	33,663,638	-	67,907,457	67,907,457	125,646,098	48,841	125,694,939
2021	-	-	-	-	-	4,110,000	26,030,034	16,856,150	42,886,184	-	70,740,000	70,740,000	117,736,184	55,068	117,791,250
2022	-	-	-	-	-	4,315,000	29,147,526	13,252,772	42,400,298	-	65,595,000	65,595,000	112,310,298	61,875	112,372,173
2023	-	-	-	-	10,480,000	4,520,000	11,098,120	4,095,880	15,194,000	-	68,615,000	68,615,000	98,809,000	11,094	98,820,094
2024	-	-	-	-	-	-	11,259,670	7,504,989	18,764,659	-	-	-	18,764,659	10,875	18,775,534
2025	-	-	-	-	-	-	11,447,587	1,738,770	13,186,357	-	-	-	13,186,357	10,271	13,196,628
2026	-	-	-	-	-	-	11,671,258	1,671,018	13,342,274	-	-	-	13,342,274	9,882	13,352,156
2027	-	-	-	-	-	-	11,910,931	1,607,766	13,518,697	-	-	-	13,518,697	9,508	13,528,205
2028	-	-	-	-	-	-	12,186,674	1,547,065	13,733,739	-	-	-	13,733,739	9,149	13,742,888
2029	-	-	-	-	-	-	12,577,746	1,488,482	14,066,228	-	-	-	14,066,228	8,803	14,075,031
2030	-	-	-	-	-	-	9,510,000	-	9,510,000	-	-	-	9,510,000	-	9,510,000
<b>Total Principal</b>	<b>11,410,000</b>	<b>\$ 44,170,000</b>	<b>\$ 21,120,000</b>	<b>\$ 76,700,000</b>	<b>\$ 29,650,000</b>	<b>\$ 285,060,000</b>	<b>\$ 379,438,457</b>	<b>\$ 247,557,790</b>	<b>\$ 626,997,247</b>	<b>\$ 12,060,512</b>	<b>\$ 1,046,001,435</b>	<b>\$ 1,058,061,847</b>	<b>2,076,469,194</b>	<b>\$ 528,002</b>	<b>2,076,995,196</b>
Plus other water districts' bonds assumed by annexation	6,606			6,606									6,606		6,606
	<b>\$ 11,416,606</b>			<b>\$ 76,706,606</b>									<b>\$ 2,076,475,800</b>		<b>\$ 2,077,001,802</b>

Fiscal Year	Water	Parks	Emergency Facilities	Total	Limited Tax Improvement	Urban Renewal and Redevelopment	Governmental	Proprietary	Total	Governmental	Proprietary	Total	Sub-Total Bonded Debt	Fiduciary Fund	Total Bonded Debt
2004	\$ 1,902,207	\$ 2,780,000	\$ 930,000	\$ 5,612,207	\$ 1,480,000	\$ 11,985,000	\$ 23,431,015	\$ 10,855,000	\$ 34,086,015	\$ 1,458,493	\$ 33,231,333	\$ 34,689,826	\$ 87,853,048	\$ -	\$ 87,853,048
2005	1,982,244	2,925,000	970,000	5,877,244	1,045,000	9,740,000	35,325,000	12,435,000	47,760,000	420,000	35,290,000	35,710,000	100,132,244	-	100,132,244
2006	2,155	3,080,000	1,010,000	4,092,155	1,070,000	10,100,000	1,935,000	10,360,000	12,295,000	3,917,019	35,391,000	39,308,019	66,865,174	-	66,865,174
2007	1,360,000	3,235,000	1,050,000	5,645,000	1,100,000	11,485,000	3,745,717	10,854,790	14,400,507	460,000	37,360,000	37,820,000	70,450,507	4,493	70,455,000
2008-2012	6,170,000	18,725,000	6,000,000	30,895,000	1,065,000	68,385,000	37,739,284	55,505,395	93,244,679	2,655,000	212,183,388	214,838,388	408,428,065	64,998	408,493,063
2013-2017	-	13,425,000	7,560,000	20,985,000	8,535,000	91,940,000	68,100,928	63,157,698	131,258,626	2,910,000	298,930,413	301,840,413	554,559,039	138,254	554,697,293
2018-2022	-	-	3,600,000	3,600,000	4,875,000	76,905,000	117,500,529	65,137,927	182,638,458	240,000	325,000,303	325,240,303	593,258,759	248,875	593,507,634
2023-2027	-	-	-	-	-	10,480,000	57,387,584	16,816,433	74,003,997	-	68,615,000	68,615,000	157,618,997	51,430	157,670,427
2028-2030	-	-	-	-	-	-	34,274,420	3,035,547	37,309,967	-	-	-	37,309,967	17,952	37,327,919
	<b>\$ 11,416,606</b>	<b>\$ 44,170,000</b>	<b>\$ 21,120,000</b>	<b>\$ 76,706,606</b>	<b>\$ 29,650,000</b>	<b>\$ 285,060,000</b>	<b>\$ 379,438,457</b>	<b>\$ 247,557,790</b>	<b>\$ 626,997,247</b>	<b>\$ 12,060,512</b>	<b>\$ 1,046,001,435</b>	<b>\$ 1,058,061,847</b>	<b>\$ 2,076,475,800</b>	<b>\$ 528,002</b>	<b>\$ 2,077,001,802</b>



City of Portland, Oregon  
 Schedule of Future Bond Interest Requirements  
 June 30, 2003

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Fiscal Year	General Obligation Bonds				Urban			Revenue Bonds			Sub-total Bonded Debt Interest	Fiduciary Fund	Total Bonded Debt Interest		
	Water	Parks	Emergency Facilities	Total	Limited Tax Improvement	Renewal and Redevelopment	Limited Tax and Limited Tax Revenue								
							Governmental	Proprietary	Total						
2004	\$ 507,440	\$ 2,127,635	\$ 1,052,487	\$ 3,887,562	\$ 1,251,756	\$ 15,140,843	\$ 18,647,653	\$ 13,502,930	\$ 32,150,583	\$ 504,612	\$ 54,577,822	\$ 55,082,434	\$ 107,313,178	\$ 30,471	\$ 107,343,649
2005	420,140	1,984,965	1,010,637	3,415,742	1,176,992	14,838,080	17,522,989	12,977,209	30,500,198	545,070	51,559,579	52,104,649	102,035,661	30,471	102,066,132
2006	375,590	1,833,155	966,987	3,175,732	1,145,641	14,468,253	16,900,158	12,471,599	29,371,757	535,863	49,868,584	50,404,447	98,565,830	30,472	98,596,302
2007	342,950	1,673,125	921,538	2,937,613	1,113,542	14,043,945	16,805,129	12,035,140	28,840,269	336,590	48,711,416	49,048,006	95,983,375	30,471	96,013,846
2008	275,275	1,502,650	869,037	2,646,962	1,080,540	13,566,402	18,573,856	11,560,292	28,134,148	313,310	46,044,419	46,357,729	91,785,781	30,144	91,815,925
2009	202,740	1,319,575	814,037	2,336,352	1,045,930	13,017,050	16,211,388	10,937,208	27,148,594	288,892	44,867,455	45,156,347	88,704,273	29,537	88,733,810
2010	124,950	1,170,383	757,038	2,052,371	1,045,928	12,373,583	16,444,037	10,417,932	26,861,969	262,440	42,795,228	43,057,668	85,391,519	28,764	85,420,283
2011	42,330	1,011,220	898,238	1,751,788	1,045,929	11,536,225	16,127,845	9,874,117	28,001,962	233,892	41,547,305	41,781,197	82,117,101	27,922	82,145,023
2012	-	835,720	835,737	1,471,457	1,045,929	10,636,020	15,847,951	9,153,728	25,001,679	203,858	38,775,747	38,979,605	77,134,690	27,009	77,161,699
2013	-	631,970	570,238	1,202,208	1,045,929	9,646,484	15,584,035	8,564,301	24,148,336	171,920	35,890,561	36,062,481	72,105,438	25,937	72,131,375
2014	-	439,370	501,738	941,108	854,168	8,626,112	15,264,484	7,839,396	23,103,880	163,260	33,383,708	33,546,968	67,072,256	24,894	67,097,150
2015	-	233,750	427,938	661,688	813,919	7,673,249	14,628,017	7,014,264	21,842,281	154,160	29,684,525	29,838,685	60,829,822	23,266	60,853,088
2016	-	-	350,550	350,550	788,718	6,663,341	14,476,525	6,328,724	20,805,249	144,360	27,910,721	28,055,081	56,682,939	21,638	56,684,577
2017	-	-	269,575	269,575	693,536	5,569,492	14,063,701	5,382,619	19,446,320	23,000	26,055,729	26,078,729	52,057,852	19,792	52,077,644
2018	-	-	184,500	184,500	693,537	4,424,900	13,269,378	4,827,225	18,096,603	12,000	23,885,577	23,897,577	47,297,117	17,711	47,314,828
2019	-	-	94,812	94,812	615,780	3,217,022	12,358,513	3,998,088	16,356,601	-	19,377,298	19,377,298	39,661,513	15,378	39,676,891
2020	-	-	-	-	455,880	1,951,138	11,341,138	3,381,910	14,723,048	-	14,542,479	14,542,479	31,672,545	12,767	31,685,312
2021	-	-	-	-	455,880	624,200	9,157,404	2,575,466	11,732,870	-	8,709,225	8,709,225	21,522,175	9,006	21,531,181
2022	-	-	-	-	455,880	418,700	7,013,448	1,441,415	8,454,863	-	6,704,664	6,704,664	16,034,107	4,765	16,038,872
2023	-	-	-	-	455,880	212,100	26,845,178	10,283,548	36,928,724	-	3,697,010	3,697,010	41,293,714	58,213	41,351,927
2024	-	-	-	-	-	-	27,595,281	10,687,606	38,282,887	-	-	-	38,262,887	61,403	38,324,290
2025	-	-	-	-	-	-	28,566,183	10,938,606	39,504,789	-	-	-	39,506,789	64,691	39,571,480
2026	-	-	-	-	-	-	29,654,353	11,511,402	41,065,755	-	-	-	41,065,755	68,079	41,133,834
2027	-	-	-	-	-	-	30,580,712	12,100,887	42,681,599	-	-	-	42,661,599	71,565	42,733,164
2028	-	-	-	-	-	-	31,597,224	12,711,470	44,308,694	-	-	-	44,308,694	75,176	44,383,870
2029	-	-	-	-	-	-	32,653,022	13,339,218	45,992,240	-	-	-	45,992,240	78,888	46,071,128
2030	-	-	-	-	-	-	487,388	-	487,388	-	-	-	487,388	-	487,388
<b>Total Interest</b>	<b>\$ 2,291,415</b>	<b>\$ 14,763,518</b>	<b>\$ 10,125,087</b>	<b>\$ 27,180,020</b>	<b>\$ 17,281,294</b>	<b>\$ 168,647,139</b>	<b>\$ 486,098,988</b>	<b>\$ 235,836,298</b>	<b>\$ 721,935,286</b>	<b>\$ 3,893,247</b>	<b>\$ 648,589,052</b>	<b>\$ 652,482,299</b>	<b>\$ 1,587,526,038</b>	<b>\$ 918,228</b>	<b>\$ 1,588,444,266</b>
Plus other water districts' bonds assumed by annexation	461			461									461		461
	<b>\$ 2,291,876</b>			<b>\$ 27,180,481</b>									<b>\$ 1,587,526,499</b>		<b>\$ 1,588,444,727</b>
<b>Fiscal Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008-2012</b>	<b>2013-2017</b>	<b>2018-2022</b>	<b>2023-2027</b>	<b>2028-2030</b>						
	\$ 507,696	\$ 2,127,635	\$ 1,052,487	\$ 3,887,618	\$ 1,251,756	\$ 15,140,843	\$ 18,647,653	\$ 13,502,930	\$ 32,150,583	\$ 504,612	\$ 54,577,822	\$ 55,082,434	\$ 107,313,434	\$ 30,471	\$ 107,343,905
	420,294	1,984,965	1,010,637	3,415,896	1,176,992	14,838,080	17,522,989	12,977,209	30,500,198	545,070	51,559,579	52,104,849	102,035,815	30,471	102,066,286
	375,641	1,833,155	966,987	3,175,783	1,145,641	14,468,253	16,900,158	12,471,599	29,371,757	535,863	49,868,584	50,404,447	98,565,881	30,472	98,596,353
	342,850	1,673,125	921,538	2,937,613	1,113,542	14,043,945	16,805,129	12,035,140	28,840,269	336,590	48,711,416	49,048,006	95,983,375	30,471	96,013,846
	645,295	5,839,548	3,774,067	10,258,930	5,264,256	81,129,280	81,205,075	51,943,277	133,148,352	1,302,392	214,030,154	215,332,546	425,133,364	143,378	425,276,740
	-	1,305,090	2,120,039	3,425,129	4,196,270	38,178,678	74,216,762	35,129,304	109,346,066	656,720	152,925,244	153,581,964	308,728,107	115,327	308,843,434
	-	-	279,312	279,312	2,676,957	10,835,960	53,139,881	16,224,104	69,363,985	12,000	73,219,243	73,231,243	158,187,457	59,625	158,247,082
	-	-	-	-	455,880	212,100	142,923,707	55,502,047	198,425,754	-	3,697,010	3,697,010	202,790,744	323,951	203,114,695
	-	-	-	-	-	-	84,737,834	26,050,688	90,788,522	-	-	-	90,788,322	154,064	90,942,386
	<b>\$ 2,291,876</b>	<b>\$ 14,763,518</b>	<b>\$ 10,125,087</b>	<b>\$ 27,180,481</b>	<b>\$ 17,281,294</b>	<b>\$ 168,647,139</b>	<b>\$ 486,098,988</b>	<b>\$ 235,836,298</b>	<b>\$ 721,935,286</b>	<b>\$ 3,893,247</b>	<b>\$ 648,589,052</b>	<b>\$ 652,482,299</b>	<b>\$ 1,587,526,499</b>	<b>\$ 918,228</b>	<b>\$ 1,588,444,727</b>

City of Portland, Oregon  
 Schedule of Property Tax Transactions and Outstanding Balances  
 For the Year Ended June 30, 2003

Tax Year	Balance Receivable, July 1, 2002	Add Levy as Extended by Assessor	Deduct Discounts	Add Interest	(Deduct) Collections	Add (Deduct) Corrections and Adjustments	Balance Receivable, June 30, 2003
2002-03	\$ -	\$ 283,977,674	\$ 6,685,530	\$ 111,236	\$ (264,478,216)	\$ (1,531,259)	\$ 11,393,905
2001-02	10,573,015	-	(4)	154,653	(5,200,819)	(1,627,754)	3,899,099
2000-01	4,325,635	-	(2)	205,279	(2,050,952)	(353,778)	2,126,186
1999-00	2,027,694	-	-	163,477	(1,107,551)	(282,953)	800,667
1998-99	828,476	-	(1)	73,552	(596,906)	(173,950)	131,173
1997-98	185,124	-	-	16	(90)	(109,934)	75,116
1996-97	52,703	-	-	9	(30,185)	3,550	26,077
1995-96	17,776	-	-	2	(1,353)	(1,376)	15,049
1994-95	14,532	-	-	1	(1,946)	(1,455)	11,132
1993-94 & Prior	118,970	-	-	6,874	(13,735)	(5,160)	106,949
<b>Total</b>	<b>\$ 18,143,925</b>	<b>\$ 283,977,674</b>	<b>\$ 6,685,523</b>	<b>\$ 715,099</b>	<b>\$ (273,481,753)</b>	<b>\$ (4,084,069)</b>	<b>\$ 18,585,353</b>

Summary by Fund and Fund Type:

General Fund	\$ 215,250,906	\$ 14,701,927
Special Revenue Funds:		
Transportation Operating	269	1,891
Public Safety	217	(291)
Subtotal	486	1,600
Debt Service Funds:		
River District Urban Renewal Area Debt Redemption	6,760,557	403,856
Bonded Debt Interest and Sinking	6,751,624	506,420
Waterfront Renewal Bond Sinking	13,617,441	952,682
Interstate Corridor Debt Service	1,938,409	98,909
South Park Block Redemption	6,555,100	439,529
Airport Way Debt	7,048,895	488,441
Lents Town Center Urban Renewal Area Debt Redemption	3,346,574	203,466
Central Eastside Industrial District	3,966,920	267,699
Convention Center Area Debt	6,443,128	438,241
North Macadam Urban Renewal Area Debt Redemption	1,158,728	54,882
Gateway Urban Renewal Area Debt Redemption	642,985	27,701
Subtotal	58,230,361	3,881,826
Total	\$ 273,481,753	\$ 18,585,353

	Collections	Changes in Property Taxes Subject to Accrual at June 30, 2003	Lodging Tax and Other	GAAP Basis Financial Statements
Reconciliation to tax revenues per GAAP basis financial statements:				
General Fund	\$ 215,250,906	\$ 719,951	\$ 11,524,454	\$ 227,495,311
Special Revenue Funds:				
Transportation Operating	269	31	-	300
Public Safety	217	25	-	242
Convention and Tourism	-	-	2,138,002	2,138,002
Subtotal	486	56	2,138,002	2,138,544
Debt Service Funds:				
River District Urban Renewal	6,760,557	37,614	-	6,798,171
Bonded Debt Interest and Sinking	6,751,624	9,630	-	6,761,254
Waterfront Renewal Bond Sinking	13,617,441	43,004	-	13,660,445
North Interstate Corridor Urban Renewal	1,938,409	15,893	-	1,954,302
South Park Block Redemption	6,555,100	19,372	-	6,574,472
Airport Way	7,048,895	22,155	-	7,071,050
Lents Town Center Urban Renewal	3,346,574	20,949	-	3,367,523
Central Eastside Industrial District	3,966,920	6,494	-	3,973,414
Convention Center Area Debt	6,443,128	21,973	-	6,465,101
North Macadam Urban Renewal	1,158,728	12,273	-	1,171,001
Gateway Urban Renewal	642,985	8,120	-	651,105
Subtotal	58,230,361	217,477	-	58,447,838
Total	\$ 273,481,753	\$ 937,484	\$ 13,662,456	\$ 288,081,693

City of Portland, Oregon  
 Schedule of Property Taxes Receivable by Levy Year by Fund  
 For the Year Ended June 30, 2003

Tax Year	Total	General	Special Revenue Funds		Debt Service Funds										
			Transportation Operating	Public Safety	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Bond Sinking	Interstate Corridor Urban Renewal	South Park Block Redemption	Airport Way	Town Center Urban Renewal	Central Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal
2002-03	\$ 11,393,905	\$ 8,963,000	\$ -	\$ -	\$ 284,884	\$ 278,691	\$ 566,987	\$ 82,571	\$ 273,043	\$ 293,287	\$ 140,856	\$ 164,883	\$ 268,370	\$ 49,632	\$ 27,701
2001-02	3,899,099	3,080,175	-	-	87,492	121,768	196,723	16,338	94,817	105,805	40,352	59,624	91,664	4,341	-
2000-01	2,126,186	1,710,435	-	-	29,400	68,386	110,151	-	51,457	57,662	18,085	28,405	51,296	909	-
1999-00	800,667	651,940	-	-	2,080	25,898	42,255	-	18,346	23,287	4,173	12,582	20,106	-	-
1998-99	131,173	108,139	-	-	-	2,401	7,167	-	3,615	3,363	-	3,267	3,201	-	-
1997-98	75,116	60,842	-	-	-	1,825	3,682	-	1,920	2,696	-	1,145	3,006	-	-
1996-97	26,077	22,253	-	-	-	1,081	1,037	-	353	233	-	344	776	-	-
1995-96	15,049	14,102	-	-	-	741	154	-	52	-	-	-	-	-	-
1994-95	11,132	10,890	-	-	-	242	-	-	-	-	-	-	-	-	-
1993-94 & Prior	106,949	80,151	1,891	(291)	-	5,387	24,526	-	(4,074)	2,108	-	(2,571)	(178)	-	-
<b>Total</b>	<b>\$ 18,585,353</b>	<b>\$ 14,701,927</b>	<b>\$ 1,891</b>	<b>\$ (291)</b>	<b>\$ 403,856</b>	<b>\$ 506,420</b>	<b>\$ 952,682</b>	<b>\$ 98,909</b>	<b>\$ 439,529</b>	<b>\$ 488,441</b>	<b>\$ 203,466</b>	<b>\$ 267,699</b>	<b>\$ 438,241</b>	<b>\$ 54,882</b>	<b>\$ 27,701</b>

City of Portland, Oregon  
 Schedule of Property Taxes Collected by Levy Year by Fund  
 For the Year Ended June 30, 2003

Tax Year	Special Revenue Funds		Debt Service Funds												
	Total	General	Transportation Operating	Public Safety	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Renewal Bond Sinking	Interstate Corridor Urban Renewal	South Park Block Redemption	Airport Way	Lents Town Center Urban Renewal	Central Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal
2002-03	\$ 264,478,216	\$ 208,059,667	\$ -	\$ -	\$ 6,612,741	\$ 6,470,662	\$ 13,156,465	\$ 1,916,646	\$ 6,336,937	\$ 6,804,613	\$ 3,269,570	\$ 3,827,264	\$ 6,228,604	\$ 1,152,062	\$ 642,985
2001-02	5,200,819	4,109,805	-	-	116,542	162,456	262,004	21,763	126,293	140,907	53,750	79,422	122,094	5,783	-
2000-01	2,050,952	1,650,241	-	-	28,368	65,947	106,109	-	49,568	55,573	17,449	27,420	49,394	883	-
1999-00	1,107,551	901,900	-	-	2,906	35,831	58,408	-	25,336	32,191	5,805	17,421	27,753	-	-
1998-99	596,906	487,831	-	-	-	15,167	32,605	-	16,436	15,313	-	15,027	14,527	-	-
1997-98	90	87	-	-	-	3	-	-	-	-	-	-	-	-	-
1996-97	30,185	26,298	-	-	-	1,278	986	-	336	221	-	328	738	-	-
1995-96	1,353	1,267	-	-	-	67	14	-	5	-	-	-	-	-	-
1994-95	1,946	1,904	-	-	-	42	-	-	-	-	-	-	-	-	-
1993-94 & Prior	13,735	11,906	269	217	-	171	850	-	189	77	-	38	18	-	-
<b>Total</b>	<b>\$ 273,481,753</b>	<b>\$ 215,250,906</b>	<b>\$ 269</b>	<b>\$ 217</b>	<b>\$ 6,760,557</b>	<b>\$ 6,751,624</b>	<b>\$ 13,617,441</b>	<b>\$ 1,938,409</b>	<b>\$ 6,555,100</b>	<b>\$ 7,048,895</b>	<b>\$ 3,346,574</b>	<b>\$ 3,966,920</b>	<b>\$ 6,443,128</b>	<b>\$ 1,158,728</b>	<b>\$ 642,985</b>



**MARINA**

# STATISTICAL SECTION

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General Governmental Expenditures by Function  
General Revenues by Source  
Tax Revenues by Source  
Property Tax Levies and Collections  
Assessed and Estimated Value of Taxable Property  
Consolidated Tax Rates  
Consolidated Tax Levies  
Special Assessment Billings and Collections  
Ratio of Net General Obligation Bonded Debt to Assessed  
Value and Net Bonded Debt per Capita  
Computation of Legal Debt Margin  
Computation of Overlapping Debt  
Schedule of Revenue Bond Coverage:

- Sewer System
- Water System
- Golf System
- Parking System

Ratio of Annual Debt Service Expenditures for General Obligation  
Bonded Debt to Total Governmental Expenditures  
Demographic Statistics  
Property Value, Construction and Bank Deposits  
Principal Property Taxpayers  
Sewer Bond Rate Covenant Coverage Calculation  
Miscellaneous Statistical Data

City of Portland, Oregon  
 General Governmental Expenditures by Function  
 Last Ten Fiscal Years  
 (unaudited)

Fiscal Year	Public Safety	Parks, Recreation and Culture	Community Development	Transportation and Parking	Legislative, Administrative, and Support Services	Capital Outlay	Debt Service	Total
1994	\$ 143,103,575	\$ 29,471,906	\$ 67,090,186	\$ 75,074,310	\$ 40,164,103	\$ 13,873,040	\$ 43,394,730	\$ 412,171,850
1995	157,216,185	31,494,122	58,950,290	71,450,440	41,430,603	11,187,549	41,209,731	412,938,920
1996	160,800,847	30,980,159	66,010,677	75,470,314	51,546,658	19,985,530	40,577,615	445,351,800
1997	165,108,273	34,274,325	66,624,551	79,585,385	65,721,152	35,450,409	137,595,516	584,359,611
1998	167,302,989	33,738,220	73,263,312	80,779,951	54,980,228	38,361,300	81,846,490	530,272,490
1999	177,339,231	37,031,995	83,936,919	84,345,134	60,795,550	40,967,982	70,567,588	554,984,399
2000	181,725,290	40,954,220	418,199,403	89,087,693	122,256,950	49,657,327	145,198,454	1,047,079,337
2001	253,107,290	46,810,213	383,966,626	87,864,128	45,683,452	50,157,179	112,900,934	980,489,822
2002	259,413,556	47,413,683	93,045,144	84,254,784	79,794,887	45,442,400	87,664,704	697,029,158
2003	262,993,986	46,699,998	98,077,740	89,673,943	131,298,588	41,656,553	116,295,001	786,695,809

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Planning and Community Development and Citizen and Community Service functions were combined in FY 2001-02 to Community Development.

The Office of Cable Communications, General Fund, was reclassified from Legislative, Administrative, and Support Services to Community Development in the FY 2001-02 budget.

The Special Finance and Resource Fund was reclassified from Planning and Community Development to Legislative, Administrative, and Support Services in the FY 2001-02 budget.

Sources:

FY 1994-2002 data from the City's Comprehensive Annual Financial Reports, *Combined Statements of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds* (excluding trust funds and discretely presented component units)

FY 2003 data from the City's Comprehensive Annual Financial Reports, *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*

City of Portland, Oregon  
General Revenues by Source  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	Taxes	Charges for Services	Licenses and Fees	Intergovernmental	Investment Earnings	Assessments	Loan Collections	Miscellaneous	Total
1994	\$ 112,037,702	\$ 75,176,302	\$ 67,639,291	\$ 82,724,390	\$ 22,034,491	\$ 25,998,174	\$ 6,290,164	\$ -	\$ 391,900,514
1995	128,147,002	73,395,481	78,806,752	76,479,728	23,945,598	20,407,389	5,317,249	-	406,499,199
1996	143,957,132	77,285,798	86,227,741	85,257,808	24,607,669	22,052,861	6,907,734	-	446,296,743
1997	167,767,037	81,987,818	93,310,451	86,534,319	27,916,552	19,131,623	7,680,132	-	484,327,932
1998	171,866,024	84,047,428	99,684,456	89,905,640	40,264,203	17,973,182	6,199,247	-	509,940,180
1999	178,494,821	86,658,501	102,942,590	104,242,563	12,434,378	16,832,628	4,252,470	16,221,207	522,079,158
2000	244,396,068	95,774,098	103,833,633	107,435,945	13,967,752	18,140,776	5,043,316	19,534,249	608,125,837
2001	262,622,004	97,811,640	111,630,087	104,363,373	16,089,702	13,101,515	7,687,282	25,132,351	638,437,954
2002	272,960,152	105,696,768	110,601,433	105,780,685	9,582,997	15,157,386	7,983,230	19,513,770	647,276,421
2003	288,081,693	114,479,729	123,526,404	95,712,179	6,666,051	12,776,748	6,478,903	12,556,519	660,278,226

Component units were excluded to comply with GASB reporting requirements.

Assessments added to current and previous years, and Interest and Miscellaneous become Investments, as the bulk of FY 1993-98 was interest.

Sources:

FY 1994-2002 data from the City's Comprehensive Annual Financial Reports, *Combined Statements of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds* (excluding trust funds and discretely presented component units)

FY 2003 data from the City's Comprehensive Annual Financial Reports, *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*



City of Portland, Oregon  
 Tax Revenues by Source  
 Last Ten Fiscal Years  
 (unaudited)

Fiscal Year	Property Taxes	Lodging Taxes	Other Taxes	Total Taxes
1994	\$ 103,199,171	\$ 8,331,308	\$ 507,223	\$ 112,037,702
1995	118,737,646	9,050,246	359,110	128,147,002
1996	133,515,326	9,945,482	496,324	143,957,132
1997	164,409,842	11,132,209	600,565	176,142,616
1998	184,517,161	11,762,701	500,394	196,780,256
1999	169,557,214	12,228,534	403,237	182,188,985
2000	300,432,168	12,858,528	666,031	313,956,727
2001	399,709,222	13,382,959	860,267	413,952,448
2002	259,468,436	12,490,238	1,001,478	272,960,152
2003	274,419,237	12,828,007	834,449	288,081,693

Sources:

FY 1994-2002 data from the City's Comprehensive Annual Financial Reports, *Combined Statements of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds* (excluding trust funds and discretely presented component units)

FY 2003 data from the City's Comprehensive Annual Financial Reports, *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*

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

Fiscal Year	Total Tax Levy*	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1994	\$ 143,477,163	\$ 135,010,805	\$ 94.10%	\$ 8,805,146	\$ 143,815,951	\$ 100.24%	\$ 15,366,002	10.71%
1995	162,260,925	151,915,703	93.62	9,741,485	161,657,188	99.63	12,382,619	7.63
1996	182,497,185	171,380,766	93.91	6,628,868	178,009,634	97.54	12,260,633	6.72
1997	208,823,279	196,542,897	94.12	7,124,618	203,667,515	97.53	13,126,178	6.29
1998	213,328,413	203,465,984	95.38	8,133,508	211,599,492	99.19	13,271,754	6.22
1999	228,449,144	214,635,187	93.95	7,702,987	222,338,174	97.33	13,965,932	6.11
2000	237,784,750	222,808,516	93.70	7,777,448	230,585,964	96.97	15,292,305	6.43
2001	257,864,993	240,735,484	93.36	6,337,756	247,073,240	95.82	17,555,883	6.81
2002	267,740,485	249,631,465	93.24	9,563,916	259,195,381	96.81	18,143,926	6.78
2003	283,977,674	264,478,216	93.13	9,003,537	273,481,753	96.30	18,585,353	6.54

Taxes are levied as of July 1 of 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 of the total taxes due.

\*Total Tax Levy Includes special levies for urban renewal projects

Sources:

FY 1994-2002 data from the City's Comprehensive Annual Financial Reports, Property Tax Levies and Collections

FY 2003 data from the City's Comprehensive Annual Financial Reports, Schedule of Taxes Receivable – All Counties, All Funds

City of Portland, Oregon  
Assessed and Estimated Value of Taxable Property  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	Real Property		Personal Property		Public Utility Property		Total		Ratio of Total Assessed to Total Est. Actual Value/Real Market Value
	AV*	RMV*	AV	RMV	AV	RMV	AV	RMV	
	Assessed Value	Est. Actual Value/Real Market Value	Assessed Value	Est. Actual Value/Real Market Value	Assessed Value	Est. Actual Value/Real Market Value	Assessed Value	Est. Actual Value/Real Market Value	
1994	\$ 19,344,497,999	\$ 19,344,497,999	\$ 989,976,983	\$ 989,976,983	\$ 1,356,400,983	\$ 1,356,400,983	\$ 21,690,875,965	\$ 21,690,875,965	100.00%
1995	22,739,662,722	22,739,662,722	1,009,185,117	1,009,185,117	1,289,953,679	1,289,953,679	25,038,801,518	25,038,801,518	100.00
1996	25,721,864,589	25,721,864,589	1,132,013,937	1,132,013,937	1,457,355,891	1,457,355,891	28,311,234,417	28,311,234,417	100.00
1997	28,594,818,687	28,594,818,687	1,226,843,248	1,226,843,248	1,617,298,692	1,617,298,692	31,438,960,627	31,438,960,627	100.00
1998	23,546,577,704	31,222,341,910	1,335,435,989	1,418,929,471	1,642,448,602	1,880,702,469	26,524,462,295	34,521,973,850	76.83
1999	25,243,872,403	33,102,322,359	1,635,084,171	1,658,810,258	1,864,817,433	2,002,764,714	28,743,774,007	36,763,897,331	78.18
2000	25,945,879,552	38,332,132,887	1,993,764,648	2,133,157,467	2,256,304,385	2,480,439,868	30,195,948,585	42,945,730,222	70.31
2001	27,157,156,799	41,287,377,348	2,177,764,956	2,221,073,788	2,551,073,757	2,815,313,262	31,885,995,512	46,323,764,398	68.83
2002	28,379,516,573	45,268,333,247	2,286,625,438	2,333,658,032	2,664,949,976	2,753,913,533	33,331,091,987	50,355,904,812	66.19
2003	29,482,653,044	47,884,905,980	2,267,808,782	2,324,536,604	2,387,871,826	2,453,258,405	34,138,333,652	52,662,700,989	64.82

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.

\* 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 market value. Thereafter, 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 lesser of RMV or MAV.

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

City of Portland, Oregon  
Consolidated Tax Rates  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	City of Portland	Urban Renewal PDC*	Portland School District #1	Multnomah County Educational Service District	Portland Community College	Multnomah County	Portland	Metropolitan Service District	Tri-Met	Total
1994	\$6.30	\$ -	\$8.78	\$0.76	\$0.55	\$3.75	\$0.16	\$0.19	\$0.20	\$20.69
1995	6.19	-	6.59	0.57	0.43	3.82	0.07	0.19	0.17	18.03
1996	6.05	0.09	4.39	0.38	0.32	3.69	0.12	0.35	0.14	15.53
1997	5.75	0.58	5.05	0.38	0.30	4.00	0.08	0.28	0.12	16.54
1998	6.78	0.01	6.67	0.46	0.37	4.89	0.07	0.39	0.16	19.80
1999	6.83	0.40	6.32	0.46	0.35	5.39	0.08	0.36	0.15	20.34
2000	6.79	0.30	6.35	0.46	0.36	5.25	0.08	0.33	0.14	20.06
2001	6.90	0.38	7.00	0.46	0.37	5.30	0.07	0.34	0.13	20.95
2002	6.72	0.38	6.97	0.46	0.55	5.21	0.07	0.32	0.14	20.82
2003	6.97	0.42	7.22	0.46	0.49	5.17	0.07	0.28	0.12	21.20

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Tax rates, expressed in dollars and cents per \$1,000 of assessed value of taxable property in each taxing district, are required by State Constitution to be uniform throughout the district.

Taxes levied may be composed of three types: (1) base operating levies, (2) special operating levies approved by district voters, and (3) debt service levies. The operating levy may increase annually to 106% of the highest levy in three previous years. Levy increases are permitted the year following expansion of a district's boundaries. Special operating levies may not be approved for periods exceeding 10 years. Each district with outstanding general obligation bonded debt is required to levy taxes sufficient, with other available funds, to meet principal and interest payments when due.

Assessment and tax rolls are prepared and maintained by each county for all taxing districts within their territory. The county then collects all taxes against property within their boundaries, except assessments for improvements charged to benefited property, and distributes tax receipts at least monthly. No charges are made to taxing districts for these services.

\* Portland Development Commission. The City limited urban renewal tax levies in FY 1992-93 through FY 1996-97 in order to reduce the effects of Measure 5 compression on the City's General Fund and the Fire and Police Disability and Retirement Fund levies. Measure 50 changed the way urban renewal tax collections were made beginning in FY 1997-98. Rates shown are for the urban renewal special levy which is imposed citywide.

Source: FY 1994-2003 data from the Multnomah County Division of Assessment and Taxation

City of Portland, Oregon  
Consolidated Tax Levies  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	City of Portland	Urban Renewal PDC*	Portland School District #1	Multnomah County Educational Service District	Portland Community College	Multnomah County	Port of Portland	Metropolitan Service District	Tri-Met	Total
1994	\$ 143,477,163	\$ -	\$ 176,419,081	\$ 22,437,057	\$ 11,465,492	\$110,475,668	\$ 4,650,190	\$ 5,359,918	\$ 5,750,010	\$ 480,034,580
1995	162,260,925	-	147,543,882	18,781,396	9,896,952	123,488,913	2,314,653	5,893,066	5,517,431	475,697,219
1996	180,000,678	2,496,508	111,297,824	14,118,999	8,367,325	134,895,021	4,522,549	12,672,620	4,928,320	473,299,844
1997	190,815,166	18,022,475	142,212,518	15,756,097	8,620,351	162,801,120	3,326,678	11,120,635	4,782,950	557,457,989
1998	178,019,921	35,309,261	145,574,146	14,601,678	8,162,335	158,664,262	2,268,623	12,574,329	5,249,835	560,424,391
1999	192,529,417	35,919,726	148,310,804	15,882,776	8,446,943	188,660,823	2,752,779	12,818,342	5,394,580	610,716,191
2000	201,316,176	36,468,573	156,025,986	16,662,322	9,062,101	192,864,105	2,793,302	12,139,982	5,310,865	632,643,413
2001	215,759,106	42,105,886	175,714,074	17,608,310	9,894,210	205,186,474	2,879,920	13,276,001	5,278,460	687,702,442
2002	219,880,575	47,859,909	141,579,954	18,512,544	15,493,301	212,115,882	2,910,100	13,325,058	5,675,356	677,352,680
2003	230,346,780	53,630,893	199,113,768	18,949,684	14,337,436	210,276,629	2,905,659	11,801,870	5,204,727	746,567,446

\*Portland Development Commission. FY 1997-98 through FY 2000-01 includes taxes collected on the incremental assessed value of property within each urban renewal district and an urban renewal special levy imposed citywide.

Sources:

FY 1994-2003 data from the Multnomah County Tax Supervising and Conservation Commission and Divisions of Assessment and Taxation for Multnomah, Clackamas and Washington Counties

City of Portland, Oregon  
Special Assessment Billings and Collections  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	Assessments Outstanding Beginning of Year	Assessments Made During Year	Assessments Adjusted or Collected During Year	Assessments Outstanding End of Year	Ratio of Collections to Assessments Outstanding During Year
1994	\$98,959,661	\$25,743,029	\$32,006,030	\$92,696,660	25.67%
1995	92,696,660	10,038,709	18,223,944	84,511,425	17.74
1996	84,511,425	6,587,893	20,815,797	70,283,521	22.85
1997	70,283,521	6,512,892	18,187,361	58,609,052	23.68
1998	58,609,052	15,211,868	16,616,210	57,204,710	22.51
1999	57,204,710	7,411,829	14,692,620	49,923,919	22.74
2000	49,923,919	10,656,837	15,263,006	45,317,750	25.19
2001	45,317,750	4,924,870	9,990,027	40,252,593	19.88
2002	40,252,593	14,840,515	15,161,270	39,931,838	27.52
2003	39,931,838	20,782,537	12,672,191	48,042,184	20.87

Note: Special assessments are made against real property primarily to pay for improvements directly benefiting the property. Property owners may elect to pay in full within 20 days of assessment date, or pay in installments, up to 20 years, plus interest. Unpaid installments may be paid at any time before due date, in whole or in part, without penalty. Delinquent improvement assessments may be foreclosed by procedures similar to those used to foreclose delinquent property taxes.

Source: City assessment records for special assessment funds from the Office of the City Auditor

City assessment records for special assessment funds from the Office of the City Auditor.

City of Portland, Oregon  
 Ratio of Net General Obligation Bonded Debt  
 to Assessed Value and Net Bonded Debt per Capita  
 Last Ten Fiscal Years  
 (unaudited)

Fiscal Year	Population <sup>1</sup>	Assessed Value	Bonded Debt <sup>2</sup>	Debt Payable from Proprietary Bond Funds	Debt Service Monies Available	Net General Obligation Debt <sup>3</sup>	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1994	471,325	\$21,690,875,965	\$115,088,770	\$102,158,770	\$ 516,933	\$12,413,067	0.06%	\$ 26.34
1995	495,090	25,038,801,518	234,336,898	165,466,898	598,576	68,271,424	0.27	137.90
1996	497,600	28,311,234,417	132,465,217	64,520,217	1,149,464	66,795,536	0.24	134.24
1997	503,000	31,438,960,627	119,033,493	57,903,493	1,416,177	59,713,823	0.19	118.72
1998	508,500	26,524,462,295	109,651,704	51,981,704	799,262	56,870,738	0.21	111.84
1999	509,610	28,743,774,007	126,354,852	46,899,852	619,342	78,835,658	0.27	154.70
2000	512,395	30,195,948,585	117,357,868	41,577,868	325,878	75,454,122	0.25	147.26
2001	531,600	31,885,995,512	107,860,867	35,975,867	506,497	71,378,503	0.22	134.27
2002	536,240	33,331,091,987	98,943,780	30,095,000	974,885	67,873,895	0.20	126.57
2003	538,180	34,138,333,652	76,706,606	11,416,606	892,567	64,397,433	0.19	119.66

<sup>1</sup>City of Portland, estimated by Portland State University's Population Research Center.

<sup>2</sup>Represents all General Obligation Debt which includes Water bonds and General Obligation bonds (does not include Urban Renewal and Redevelopment bonds).

<sup>3</sup>Net direct debt less debt service monies available.

Sources:

FY 1994-2003 data from the City's Comprehensive Annual Financial Reports, Assessed and Estimated Value of Taxable Property and Schedule of Bond Principal Transactions. Assessed value data from Multnomah County Tax Supervising and Conservation Commission

City of Portland, Oregon  
 Computation of Legal Debt Margin  
 June 30, 2003  
 (unaudited)

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.

Real market value		\$ 52,662,700,989
Debt limit rate		x .03
Debt limit		<u>1,579,881,030</u>
Total bonded debt principal	\$ 2,077,001,802	
Less legal deductions from debt limit:		
Water bonds	\$ 105,220,000	
Other Water Districts' bonds assumed by annexation	6,606	
Special Assessment bonds	29,650,000	
Urban Renewal and Redevelopment bonds	285,060,000	
Limited Tax Revenue bonds	627,523,249	
Golf Facilities bonds	6,333,333	
Sewage Facilities Revenue bonds	897,700,000	
Arena and Gas Tax bonds	24,043,614	
Parking Facilities bonds	8,435,000	
Hydroelectric Power bonds	<u>27,740,000</u>	
Subtotal	<u>2,011,711,802</u>	
Net direct debt subject to 3% limitation		<u>65,290,000</u>
Legal debt margin - amount available for future indebtedness		<u><u>\$1,514,591,030</u></u>

Source: Schedule of Bond Principal Transactions for fiscal year ended June 30, 2003



City of Portland, Oregon  
 Computation of Overlapping Debt  
 June 30, 2003  
 (unaudited)

Jurisdiction	General Obligation Bonds Outstanding	Percentage within City of Portland	Amount Applicable to City of Portland
Clackamas Community College	\$51,640,000	0.2169 %	\$112,007
Clackamas County School District No. 7J	94,325,000	0.0271	25,562
Clackamas County School District No. 12	102,195,000	0.5798	592,527
Clackamas River Water District	75,000	0.0048	-
Clackamas County	275,000	0.2491	685
Columbia County School District 1J	2,720,000	5.8657	159,547
Metro	260,094,313	40.9737	106,570,264
Mt. Hood Community College	465,000	40.4984	188,318
Multnomah County	134,430,000	82.7625	68,407,344
Multnomah County School District No. 1J	115,630,000	97.2336	112,431,212
Multnomah County School District No. 3	24,580,000	98.2915	24,160,051
Multnomah County School District No. 7	66,570,000	22.5704	15,025,115
Multnomah County School District No. 28J	35,677,543	53.7144	19,163,978
Multnomah County School District No. 40	53,330,000	99.8114	53,229,420
Multnomah County School District No. 51J	9,185,000	4.0224	369,457
Port of Portland	54,753,657	37.4174	20,487,395
Portland Community College	308,983,170	43.5796	82,360,289
Tri-Met	100,750,000	41.1427	41,451,270
Tualatin Hills Park & Recreation District	18,990,000	0.0181	3,437
Tualatin Valley Water District (Wolf Creek)	3,260,000	0.4097	13,356
Tualatin Valley Water District (Metzger)	1,170,000	0.4116	4,816
Washington County	68,198,000	0.2814	189,340
Washington County School District No. 48J	269,025,000	0.3191	858,459
Washington County School District No. 23J	149,295,000	0.1111	165,867
<b>Total</b>			<b>\$545,969,715</b>

Source: Municipal Bond Division of the Treasury Department, State of Oregon

City of Portland, Oregon  
 Schedule of Revenue Bond Coverage  
 Sewer System  
 Last Ten Fiscal Years  
 (unaudited)

Fiscal Year	Gross Revenues*	Direct Operating Expenses*	Net Transfers From (To) Rate Stabilization Fund	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
1994	\$ 71,992,445	\$ 47,925,646	\$ (7,145,000)	\$ 16,921,799	\$ 4,525,000	\$ 7,836,185	\$ 12,361,185	1.37
1995	85,846,202	45,433,029	(5,500,000)	34,913,173	5,280,000	8,569,390	13,849,390	2.52
1996	92,137,676	50,072,145	(4,325,000)	37,740,531	5,595,000	17,355,681	22,950,681	1.64
1997	102,223,475	57,875,170	11,950,000	56,298,305	11,025,000	26,565,632	37,590,632	1.50
1998	118,106,572	59,294,439	4,216,275	63,028,408	17,675,000	24,349,023	42,024,023	1.50
1999	130,025,005	64,249,881	2,175,000	67,950,124	15,515,000	31,362,913	46,877,913	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
2001	146,245,844	68,562,264	3,975,000	81,658,580	21,565,000	34,928,667	56,493,667	1.45
2002	166,061,738	79,276,359	5,275,000	92,060,379	22,675,000	38,704,111	61,379,111	1.50
2003	167,542,932	67,339,793	(5,175,000)	95,028,139	23,805,000	37,580,434	61,385,434	1.55

\* Revenue and expense amounts are based upon the full accrual method of accounting excluding depreciation and amortization expense.

Source: Bureau of Environmental Services

City of Portland, Oregon  
 Schedule of Revenue Bond Coverage  
 Water System  
 Last Ten Fiscal Years  
 (unaudited)  
 (amounts expressed in thousands)

Fiscal Year	Gross Revenues*	Direct Operating Expenses*	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 56,513	\$ 31,441	\$ 25,072	\$ -	\$ 540	\$ 540	46.43
1995	61,039	30,905	30,134	-	1,193	1,193	25.26
1996	62,334	33,688	28,646	860	1,318	2,178	13.15
1997	67,912	39,238	28,674	890	2,168	3,058	9.38
1998	70,505	39,078	31,427	1,450	2,395	3,845	8.17
1999	74,776	43,257	31,519	2,190	3,530	5,720	5.51
2000	76,500	45,758	30,742	2,290	3,434	5,724	5.37
2001	72,061	46,417	25,644	2,390	4,802	7,192	3.57
2002	83,720	47,352	36,368	2,990	5,074	8,064	4.51
2003	89,525	44,986	44,539	3,130	4,932	8,062	5.52

\* Revenue and expense amounts are based upon the full accrual method of accounting excluding depreciation and amortization expense.

Source: Bureau of Water Works

City of Portland, Oregon  
 Schedule of Revenue Bond Coverage  
 Golf System  
 Last Ten Fiscal Years

Fiscal Year	Gross Revenues*	Direct Operating Expenses*	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 5,166,129	\$ 3,896,205	\$ 1,269,924	\$ 190,000	\$ 122,705	\$ 312,705	4.06
1995	4,328,695	3,847,801	480,894	195,000	112,163	307,163	1.57
1996	4,769,553	3,869,609	899,944	205,000	100,758	305,758	2.94
1997	5,387,312	4,134,622	1,252,690	220,000	88,268	308,268	4.06
1998	5,539,480	4,160,428	1,379,052	230,000	74,765	304,765	4.52
1999	5,416,920	4,403,242	1,013,678	245,000	60,274	305,274	3.32
2000	5,361,961	4,496,441	865,520	260,000	59,505	319,505	2.71
2001	6,390,691	4,870,621	1,520,070	341,000	265,226	606,226	2.51
2002	6,074,698	4,857,765	1,216,933	-	141,770	141,770	8.58
2003	6,059,802	5,258,173	801,629	-	71,295	71,295	11.24

\* Revenue and expense amounts are based upon the full accrual method of accounting excluding depreciation and amortization expense.

Source: Portland Parks and Recreation

City of Portland, Oregon  
 Schedule of Revenue Bond Coverage  
 Parking System  
 Last Ten Fiscal Years  
 (unaudited)

Fiscal Year	Gross Revenues*	Direct Operating Expenses*	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1994	\$ 10,050,030	\$ 2,251,534	\$ 7,798,496	\$ 605,000	\$ 811,549	\$ 1,416,549	5.51
1995	10,352,738	2,934,855	7,417,883	635,000	775,696	1,410,696	5.26
1996	11,148,926	2,363,902	8,785,024	680,000	736,681	1,416,681	6.20
1997	11,850,253	2,753,090	9,097,163	720,000	694,345	1,414,345	6.43
1998	12,706,373	2,717,492	9,988,881	765,000	648,944	1,413,944	7.06
1999	13,557,283	3,038,255	10,519,028	810,000	603,041	1,413,041	7.44
2000	14,446,931	3,538,922	10,908,009	860,000	556,635	1,416,635	7.70
2001	15,168,294	3,532,974	11,635,320	910,000	507,061	1,417,061	8.21
2002	23,071,404	10,195,005	12,876,399	385,000	233,510	618,510	20.82
2003	22,094,020	13,933,087	8,160,933	1,380,000	360,413	1,740,413	4.69

\* Revenue and expense amounts are based upon the full accrual method of accounting excluding depreciation and amortization expense.

Source: Office of Management and Finance, Bureau of General Services

City of Portland, Oregon  
Ratio of Annual Debt Service Expenditures  
for General Obligation Bonded Debt  
to Total General Governmental Expenditures  
Last Ten Fiscal Years  
(unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1994	\$ 32,747,814	\$ 9,712,417	\$ 42,460,231	\$ 412,171,850	10.30%
1995	29,409,576	9,447,292	38,856,868	412,938,920	9.41
1996	24,814,598	12,214,192	37,028,790	445,351,800	8.31
1997	116,279,942	14,926,791	131,206,733	584,359,611	22.45
1998	63,106,661	12,042,706	75,149,367	530,272,490	14.17
1999	50,736,928	10,374,985	61,111,913	554,984,399	11.01
2000	117,629,236	13,388,966	131,018,202	1,047,079,337	12.51
2001	68,192,816	22,986,168	91,178,984	980,489,822	9.30
2002	41,174,970	27,519,866	68,694,836	697,029,158	9.86
2003	69,036,388	29,108,817	98,145,205	786,695,809	12.48

Sources:

FY 1994-2002 data from the City's Comprehensive Annual Financial Reports, *Combined Statements of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds* (excluding trust funds and discretely presented component units)

FY 2003 data from the City's Comprehensive Annual Financial Reports, *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*

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

<u>Fiscal Year</u>	<u>Population<sup>1</sup></u>	<u>Per Capita Income<sup>2</sup></u>	<u>Median Age<sup>3</sup></u>	<u>School Enrollment<sup>4</sup></u>	<u>Unemployment Rate<sup>2</sup></u>
1994	471,325	\$22,557	34	56,942	6.0%
1995	495,090	23,614	34	56,899	4.3
1996	497,600	24,991	35	57,266	3.7
1997	503,000	26,157	35	58,022	4.5
1998	508,500	27,555	35	56,583	4.3
1999	509,610	28,700	35	55,831	4.2
2000	512,395	29,594	35	54,746	4.5
2001	531,600	31,801	35	54,361	4.0
2002	536,240	31,971	36	54,150	5.9
2003	538,180	N/A*	N/A*	52,969	7.8

\* Information not yet available

<sup>1</sup>City of Portland, Office of the Auditor

<sup>2</sup>Oregon Employment Department (OED)

U.S. Department of Labor

Portland-Vancouver, OR-WA PMSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties and Clark County in Washington

Calendar year end figure used for following 6/30 fiscal year end, 2002 calendar or 2003 fiscal year figure estimated by OED.

<sup>3</sup>Sales & Marketing Management 2003 Survey of Buying Power, September, 2003

<sup>4</sup>Portland Public Schools, District #1

City of Portland, Oregon  
 Sewer Bond Rate Covenant Coverage Calculation  
 For the Year Ended June 30, 2003  
 (unaudited)

Operating income per operating statement	\$ 68,218,360
Add/(Subtract):	
Adjustments per master bond ordinance:	
System development charges - liens receivable	\$ (21,321)
Interest revenue	1,612,067
Downspout Disconnect Program	917,610
Operating portion of Pension Bond transfer	(765,732)
Bond issuance cost (excluded from operating expenses)	2,957,065
Depreciation and amortization	15,399,382
Utility license fees	11,885,708
Net Rate Stabilization Fund transfer	<u>(5,175,000)</u>
Total adjustments to operating income	<u>26,809,779</u>
Net revenue per bond ordinance	<u><u>\$ 95,028,139</u></u>
Gross bonded debt service payments	<u><u>\$ 61,385,434</u></u>
Actual coverage	1.55
Minimum required coverage	1.20
Sources:	

FY 2003 data from the City's Comprehensive Annual Financial Report, *Combining Statement of Revenues, Expenses and Changes in Retained Earnings* and the Bureau of Environmental Services for the fiscal year ended June 30, 2003



City of Portland, Oregon  
Miscellaneous Statistical Data  
June 30, 2003  
(unaudited)

General:

Date of incorporation	February 8, 1851
Date first charter adopted	1851
Date present charter adopted	1903
Form of government	Commission
Number of employees:	
Merit system	5,096
Exempt (including seasonal and part-time)	<u>2,890</u>
Total	<u><u>7,986</u></u>

Area - square miles for selected years:

Year	Number of Square Miles
1956	71
1966	85
1976-1978	100
1980	110
1985	118
1990-1992	137
1993	141
1994-2003	145

City residents:

Census Year	Number of Residents
1950	373,628
1960	372,676
1970	382,619
1980	370,986
1990	432,175
2000	512,395

Age distribution:

Census Year	Percentage Under 18	Percentage 18 - 64	Percentage Over 65
1950	(Median age 35.8)		11.0
1960	30.0	55.8	14.2
1970	27.8	57.4	14.8
1980	25.9	60.9	13.2
1990	21.9	63.5	14.6
2000	21.1	67.3	11.6

Continued next page

City of Portland, Oregon  
Miscellaneous Statistical Data, Continued  
June 30, 2003  
(unaudited)

General continued:  
Median Income:

Census Year	Classification	Income
1950	Median (male and female)	\$ 3,997
1960	Median family	6,335
1970	Median family	9,799
1980	Median family	19,507
1990	Median family	32,424
2000	Median family	48,733

Retail Sales:

Year	Retail Sales*
1993	\$15,362,788,000
1994	16,601,340,000
1995	17,434,431,000
1996	18,826,688,000
1997	20,049,925,000
1998	21,782,839,000
1999	27,503,867,000
2000	29,021,017,000
2001	28,378,247,000
2002	27,113,736,000

\*Includes Multnomah, Clackamas, Washington, Yamhill and Clark counties

City of Portland's facilities and services:

Fire Protection:

Stations	29
Employees (651 sworn and 88 civilian)	739

Parks and Recreation:

Acres	10,425
Developed Parks	168
Golf courses	4
Swimming pools	14
Community centers	13
Specialty gardens	8
Community gardens	26

Police Protection:

Jail (the City utilizes Multnomah County facilities)	N/A
Vehicular units	645
Stations	5
Employees (1,032 sworn and 252 civilian)	1,284
Arrests	35,391

Sewage Disposal:

Total number of accounts	168,733
Sewage disposal in millions of gallons treated per day	75
Plant capacity in millions of gallons per day	108
Miles of sanitary, storm and combined pipeline	2,330

Street Lighting:

Number of street lights	54,732
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City of Portland, Oregon  
 Miscellaneous Statistical Data, Continued  
 June 30, 2003  
 (unaudited)

City of Portland's facilities and services, continued:

Water:	
Total number of services	166,273
Total consumption in billions of gallons (estimate)	35.9
Plant capacity:	
Watershed storage in billions of gallons	16.7
Local storage in billions of gallons	0.3
Miles of water mains	1,943
Fire hydrants	13,113

Facilities and services not provided by the City of Portland:

Education:	
Schools:	
Elementary	60
Middle	17
High	10
Administrative personnel:	
Principals and vice principals	116
Central office and area administrators	27
Other administrative personnel	52
Teachers	3,173
Students	52,969
Average daily attendance	46,079
Elections:	
Registered voters	356,779
Last special election: September 16, 2003	
Registered voters	361,861
Votes cast	114,983
Percentage of registered voters	31.78%

Sources:

<u>Topic</u>	<u>Source</u>
General	Office of Transportation
Population	US Census Bureau; Portland State University Population Research Center; and <u>City of Portland Service Efforts and Accomplishments: 2002-03</u> , Office of the City Auditor, Portland, OR
Fire Protection	Bureau of Fire, Rescue and Emergency Services
Police Protection	Bureau of Police
Education	Portland Public Schools
Water	Bureau of Water Works
Sewage Disposal	Bureau of Environmental Services
Recreation	Bureau of Parks and Recreation
Street Lighting	Office of Transportation
Elections	Multnomah County Registrar of Elections
City Employees	Office of Management and Finance
Retail Sales	<u>Sales &amp; Marketing Management: 2003 Survey of Buying Power</u> , September, 2003



**ROSE FESTIVAL**

# Audit Comments and Disclosures Required by State Regulations

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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 *GOVERNMENT AUDITING 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, 2003, and have issued our report thereon dated November 3, 2003. 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.

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, grants, including provisions of Oregon Revised Statutes, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The legal requirements relating to debt.
- The legal requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2003 and 2004.
- The legal 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 legal 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 legal requirements pertaining to the awarding of public contracts and the construction of public improvements.

The results of our tests disclosed instances of noncompliance relating to over expenditures of budgeted appropriations that are described in Note 11 B to the City's financial statements.

In addition, non-compliance with the following Oregon Revised Statutes was noted:

- In accordance with ORS 295 the City is required to obtain an adequate amount of collateral pledged by depositories to secure the deposit of public funds. For the sample tested, we noted one instance the City was not fully collateralized.

# MOSS ADAMS LLP

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 *Government Auditing Standards*.

## 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 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 3, 2003



Jessie Bridgham, Partner

For Moss Adams LLP  
Certified Public Accountants  
Eugene, Oregon