

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



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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**FISCAL YEAR ENDED JUNE 30, 2002**

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# CITY OF PORTLAND, OREGON

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## Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2002



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, 2002  
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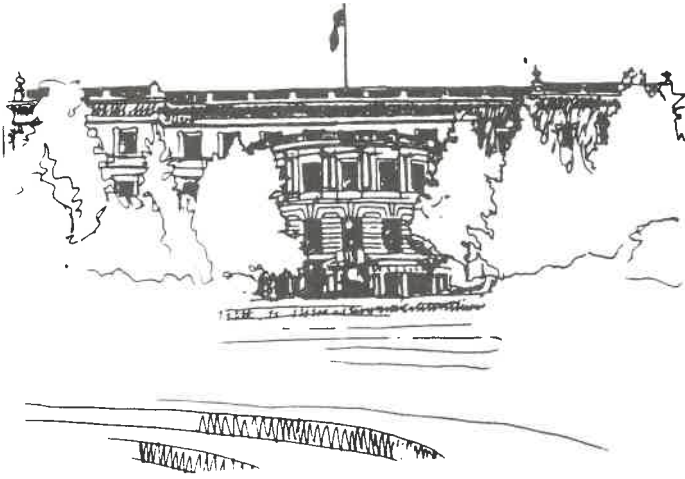
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# INTRODUCTORY SECTION

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Portland City Hall, 1895



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE

**Vera Katz, Mayor**  
**Timothy Grewe, Chief Administrative Officer**

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March 28, 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, 2002.

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. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City management.

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 non-major 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 1.8 million people. The City is also the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.

The City, incorporated in 1851, is a home rule charter city. The City Charter is the basic law under which the City operates and can be amended only by a vote of the people. In 1913, a modified commission was created, which is rare in cities as large as Portland.

The Charter provides for five non-partisan Council members, called Commissioners, including the Mayor. They are elected at-large to four-year terms. The Mayor and Commissioners act as legislators and administrators, with the Commissioners responsible for enacting City laws, enforcing City laws, and administering bureaus under the respective Commissioner's supervision. The Mayor assigns the bureaus to each Commissioner.

The City Auditor is also elected and required by Charter to be a Certified Public Accountant. 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
- 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 slid into recession over the course of FY2001-02. Both the State and regional economies experienced declining employment levels and rising unemployment rates, as did U.S. economy as a whole. The events of September 11, 2001, worsened the situation. The regional economy has been hit hard by the onset of recession. The local area unemployment rate averaged over 8 percent during the first three months of calendar 2002 compared to an unemployment rate averaging well under 5 percent during the first three months of calendar 2001. At the height of the recession, the local area's unemployment rate was among the highest in the nation. Recovery has been slow both for the state and the region. The Portland metro area's unemployment rate registered 7.5 percent for July while Oregon's unemployment rate stood at a seasonally adjusted 7.3 percent. The national unemployment rate stood at about 5.9 percent (seasonally adjusted) this past July. Employment growth in Oregon is still very tentative and July employment numbers show that both the state and region registered employment levels during July that were still slightly below last year levels.

Local area inflation rates remain low. For the 12 months ended June 2002, local area prices increased by about 1.3%. Inflation for the first six months of calendar 2002 was barely positive with the local area price index up about 0.1 percent. Energy and health care continue to be problem areas. Energy prices (natural gas and electricity) rose sharply again last fall as the Oregon Public Utilities Commission (OPUC) granted the local electric utility energy rate increases. Energy rate reductions are expected during the fall of 2002. Medical care costs inflation registered double-digit growth rates last year. First half of calendar 2002 suggests that medical care inflation has slowed to about a 5 percent rate. The recession has helped to reduce inflation, somewhat improving the City's ability to sustain current service levels.

## **B. Outlook**

The economic outlook for FY2002-03 remains clouded. Most economic prognosticators believe that the national economy will begin to grow more briskly during the last six months of calendar 2002. The City's current economic and revenue forecast, completed last fall, was based on both national and state forecasts in which recovery and stronger employment growth begin to take hold. To date, recovery has been very weak with little in the way of employment growth. This downturn has adversely affected cyclical revenues such as transient lodging and business license revenue.

The City reduced current service levels mid-year to bring FY2001-02 expenditures and budgets into line with lower revenue projections. These initial reductions, along with additional service area reductions, brought budgets into line with expected revenues for FY2002-03 as well as the five-year financial plan period ending FY2006-07. The FY2004-2005 two year budget may require further current service level reductions in order to bring expenditures and budgets in line with revenues, if the local area economy does not start to improve during late calendar 2002 and early calendar 2003.

## **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. Some of the City's achievements include the:

- Reduction of internal governmental costs totaling over \$4,700,000, allowing the redirection of funds to service delivery for citizens.
- Increased livability of the city including the completion of the Parks 2020 Vision Plan and the completion of the Eastbank Esplanade. This project created a Steel Bridge walkway above the water that connects an elevated plaza, floating walkway, and a new commercial and recreational boat dock, finally connecting with the Hawthorne Bridge. Since its opening, use of the esplanade has been significant, creating an urban corridor for pedestrians, bicyclists, joggers and sightseers.
- Completion of the remodeling and expansion of the Mt. Scott Community Center by the Parks Bureau.
- Creation of the Office of the Ombudsman and the independent Police Review division within the elected City Auditor's office.
- Accreditation as a national leader in defending against an AT&T lawsuit. This action encouraged 'open access' to the Internet and competitive choices for consumers.
- Accreditation as a national leader in pursuing the successful legal challenge against Qwest. This action resulted in protecting the rights of citizens to charge private companies for use of the public right of ways.
- Continued efforts to encourage livability and sustainability in construction and operation of City owned assets and other construction within the City through the Green Building Initiative.

- Development of Rosemont Commons, which is a new multi-phase housing development in the heart of the historic North Portland Piedmont neighborhood. This development consists of a mix of single family units, senior housing, rentals, and a Head Start facility. The development covers 7.68 acres and has been well received by potential residents.
- Centralization of the human resource and information technology functions, as part of the Administrative Services Review (ASR) efforts. Information Technology will combine with Communications and Networking (ComNet) in FY2002-03.

#### **D. Current Initiatives**

Current initiatives for FY2002-03 include the:

- Water Bureau's continuation of work with the county and Bureau of Housing and Community Development to support lead hazard reduction throughout the community. This program is consistent with Environment Protection Agency (EPA) objectives for removing lead hazards and parallels minimal chemical treatment of Portland's water source to reduce the possibility of home plumbing corrosion.
- Energy Conservation and Electricity Cost Savings (LED traffic signal replacement project). By mid-December 2001 PDOT will have replaced nearly 15,000 incandescent traffic signal light bulbs with LED (Light Emitting Diode) indications. This project will reduce traffic signal energy consumption by 5,525,000 kWh per year, and save \$363,000 annually at the new power rate. Due to energy rebates and a unique leasing method, the project has a payback period of less than 3 years.
- Partnership in the HOPE VI Columbia Villa 2001 Project. In May 2002, the City passed a resolution committing \$20,000,000 over the next few years to help physically revitalize this Portland Housing Authority project. It will create a mixed-income community that better reconnects to the surrounding neighborhood and provides much-needed services to its current low-income residents.
- Continuation of the River Renaissance efforts to support revitalization of the Willamette River. Specific projects include response to the listing of Endangered Species and the Combined Sewer Overflow project. Other tasks proactively address planning and zoning issue that will ensure the health and public access to the river.
- Scheduled completion of Jamison Square, which is the first park in the River District Urban Renewal Area.

#### **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 the actions of other agencies such as the federal government and the State of Oregon, as well as increased pension fund liabilities and citizen based initiatives. 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 provide the historical level of services.
- Reform of the Public Employees Retirement System (PERS) to control costs and reduce future projected deficits.
- Deterioration of the transportation infrastructure system, which remains a significant challenge. Groups inside government and in the business community are discussing ideas and options on how to address the related long-term funding need.
- Acceleration of the Water Bureau's security reinforcement and vulnerabilities mitigation within the water system.

- Discussion on regionalization options for water supply source and management. The City currently provides water to 26 wholesale entities. The wholesale contracts come up for renewal in 2004 and 2005. The City is leading regional discussions of options that would provide shared ownership in the Bull Run water source and distribute regional costs accordingly.
- 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 potential discretionary City general fund resources.
- Launching of the Housing Connections, which is 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 and is anticipated to roll out in late FY2002-03.

## 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 no 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 and; secondly, the evaluation of costs and benefits require estimates and judgments by management.

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, and 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 and improvements, furniture 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 appropriation is 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 \$1,913,943,256 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 12 - 14 and footnote III.G on pages 56 - 65 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, have been audited by the City's independent Certified Public Accountants, KPMG LLP. This audit included the City's Single Audit for FY2001-02 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 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 biennial budget for the biennium beginning July 1, 2000.

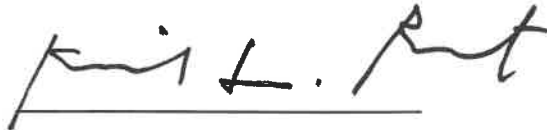
**C. Acknowledgments**

I would like to express my 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**



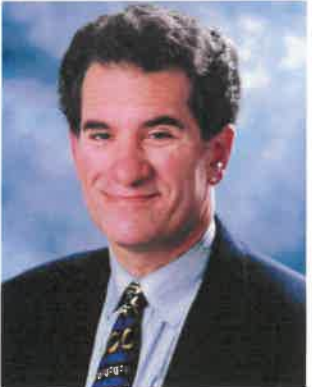
**Charlie Hales  
Commissioner of Public Safety**



**Gary Blackmer  
City Auditor**



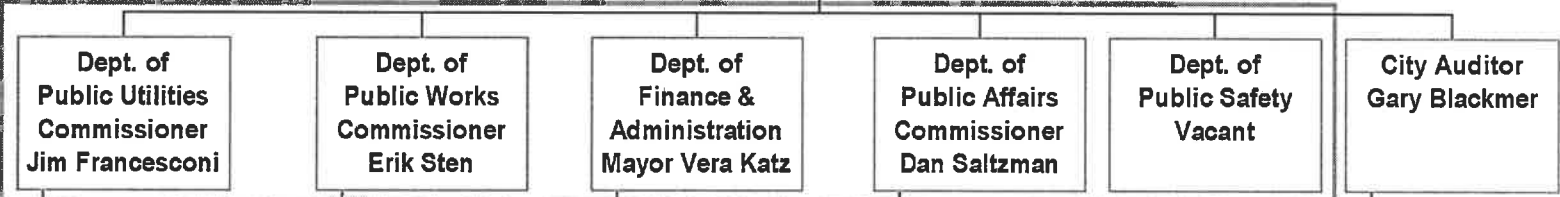
**Erik Sten  
Commissioner of Public Works**



**Jim Francesconi  
Commissioner of Public Utilities**

**Citizens of the  
City of Portland**

City Council



- Bureau of Licenses
- Office of Neighborhood Involvement
- Bureau of Parks and Recreation
- Office of Transportation

- Office of Cable and Franchise Management
- Bureau of Emergency Communications
- Bureau of Fire, Rescue and Emergency Services
- Bureau of Housing and Community Development

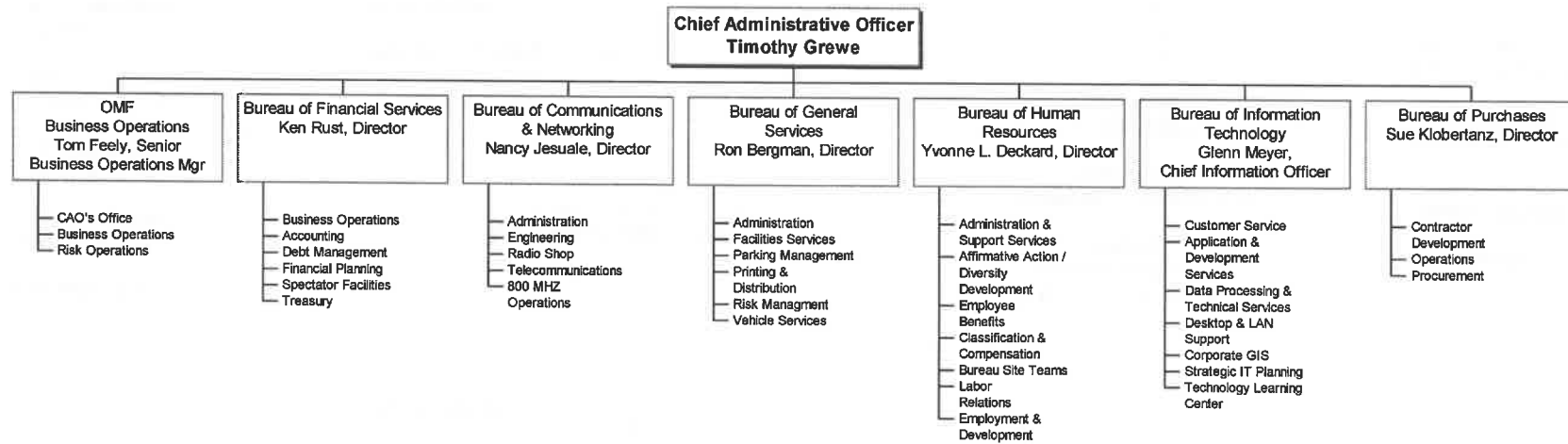
- Office of City Attorney
- Office of Government Relations
- Office of Management and Finance
- Bureau of Planning
- Office of Planning and Development Review
- Bureau of Police
- Portland Development Commission

- Bureau of Environmental Services
- Office of Sustainable Development
- Bureau of Water Works

- Assessments & Liens
- Audit Services
- City Recorder
- Fire & Police Disability & Retirement
- Hearings Office
- Independent Police Review
- Management Services
- Ombudsman
- Progress Board

x

## Office of Management and Finance



**Office of Management and Finance**  
**Accounting Division**  
**FY 2001-2002**

**City Accounting Manager**  
 Lena Ellis

**Administrative Services Manager**  
 Marty Scott

**Processing Services**

**Accounting Supervisor II**  
 Enerosa Cortes

**Admin. Supervisor I**  
 Karen Withers

1 Accountant III  
 Rodrigo Morales

4 Accountant I  
 Rudy Cabilatazan  
 Rene Sison  
 Lisa Yuen  
 Vacant

2 Accounting Technicians  
 Paul R. Hill  
 Mary Jane Todd

1 Office Support Spec III  
 Elsa Kaufman

1 Office Support Spec. II  
 Vivian Andaur

1 Office Support Spec I  
 Jan Clow

**Accounting Supervisor III**  
 Samina Simonis

**Technical Accounting**

4 Accountant III  
 Sherden Pritchett  
 Barbara Roma  
 Norma Romero  
 Patricia Moody (Temp)

1 Accountant II  
 Darrell Gossett

1 Accountant I  
 Devra Stanear

**Accounting Systems Operations & Maintenance**

1 Program Coordinator  
 Will Foster

**Customer Relations, Training, and Quality Assurance**

**Accounting Supervisor III**  
 Dan Green

1 Accountant III  
 Jeff Hunter

3 Accountant II  
 Michelle Meyer  
 Chuck Moffit  
 Donna Shalkowsky

2 Accountant I  
 Felicisimo Judar  
 Michelle Schranz

**Grants**

**Grants Manager**  
 Dennis Rocheck

1 Sr. Financial Analyst  
 Nancy McKinnon

1 Asst Financial Analyst  
 Sheila Black-Craig

# 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, 2001

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.



*William Patrick Harte*

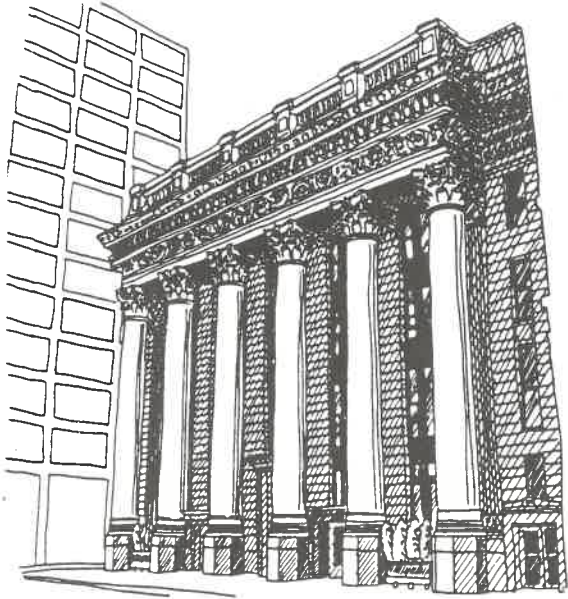
President

*Jeffrey R. Enow*

Executive Director

# FINANCIAL SECTION

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U.S. National Bank, c 1917



## 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, 2002. 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 "i" of this report.

### FINANCIAL HIGHLIGHTS

Following are the financial highlights of the City of Portland for fiscal year ending June 30, 2002:

- The assets of the City exceeded its liabilities at the close of FY2001-02 by \$2,884,284,194 (*net assets*), while *unrestricted net assets* totaled (\$556,168,581). This negative balance is caused by governmental activities and is further discussed in the government-wide financial analysis section of this MD&A found on page 4.
- The City's total net assets decreased by \$58,154,158 from FY2000-01. The majority of this decrease is due to the impact of depreciation for governmental activities totaling \$149,127,176. Of this amount \$132,892,211 is attributed to transportation infrastructure.
- The City's governmental funds reported combined ending fund balances of \$140,738,256, an increase of \$2,671,865 in comparison to FY2000-01. This increase in fund balance was attributed to a decrease of \$5,060,901 resulting from operations and an increase of \$2,757,766 resulting from a current year change in inventories. For additional detail see pages 43-44 for footnote I.D.13. of the basic financial statements. Of the combined ending governmental fund balances, \$89,240,890 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 \$51,408,719 or approximately 14 percent of total general fund expenditures.
- The City's total bonded debt decreased by \$22,724,897 or 2 percent over FY2000-01. The key factors in this net decrease were reductions of \$8,917,087 in general obligation bonds and \$21,459,488 in revenue bonds. Special assessment and limited tax and limited tax revenue bonds also decreased by \$4,710,000 and \$4,696,047, respectively. Urban renewal bonds had a net increase of \$17,057,725.

### 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, 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 19-21 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 of the 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-six 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-four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *nonmajor* governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City's major governmental funds, the General Fund and Transportation Operating Fund, are presented in their respective columns and the remaining funds are combined into a column titled "Other Governmental Funds." For each major fund, a Budgetary Comparison Statement is presented. Information on nonmajor funds can be found in the Combining Schedules of Nonmajor Funds and/or the Supplemental Information-Budgetary Comparison Schedules sections of this report. Completing this document is a series of other financial and statistical schedules as required by statute.

The basic governmental fund financial statements can be found on pages 24-27 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, worker's 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 28-33 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 34-35 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 37-75 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 78-84 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 85-133 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the first year that the City of Portland has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements-and Management's Discussion and Analysis (MD&A)-for State and Local Governments. Because this reporting model changes significantly both the recording and presentation of financial data, the City has not restated prior fiscal years for the purposes of providing comparative information for the MD&A. It should be noted that comparative data has been included for capital assets and debt. See pages 10-14 for this comparative information on capital assets and debt. In future years when prior-year information is available for all City activities, a comparative analysis of government-wide data will be included in this report.

### A. Analysis of Net Assets

**Table 1**  
**City of Portland**  
**Summary of Net Assets**  
**FY 2001-02**

|  | Governmental<br>Activities | Business-type<br>Activities | Total<br>Primary Government |
|--|----------------------------|-----------------------------|-----------------------------|
| Current and other assets                           | \$ 511,226,149             | \$ 254,650,881              | \$ 765,877,030              |
| Capital Assets                                     | 2,709,887,402              | 1,935,597,299               | 4,645,484,701               |
| <i>Total assets</i>                                | <u>\$ 3,221,113,551</u>    | <u>\$ 2,190,248,180</u>     | <u>\$ 5,411,361,731</u>     |
| Long-term liabilities outstanding                  | \$ 1,319,909,684           | \$ 1,026,069,838            | \$ 2,345,979,522            |
| Other liabilities                                  | 113,491,980                | 67,606,035                  | 181,098,015                 |
| <i>Total liabilities</i>                           | <u>\$ 1,433,401,664</u>    | <u>\$ 1,093,675,873</u>     | <u>\$ 2,527,077,537</u>     |
| <b>Net Assets</b>                                  |                            |                             |                             |
| Invested in capital assets, net<br>of related debt | \$ 2,406,449,504           | \$ 982,133,524              | \$ 3,388,583,028            |
| Restricted   | 40,928,166                 | 10,941,581                  | 51,869,747                  |
| Unrestricted                                       | (659,665,783)              | 103,497,202                 | (556,168,581)               |
| <b>Total Net Assets</b>                            | <u>\$ 1,787,711,887</u>    | <u>\$ 1,096,572,307</u>     | <u>\$ 2,884,284,194</u>     |

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceed liabilities by \$2,884,284,194 at the close of the FY2001-02.

The largest portion of the City's net assets reflects an investment of \$3,388,583,028, or 117 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.

An additional portion of the City's net assets \$51,869,747, or approximately 2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance is *unrestricted net assets* totaling (\$556,168,581) or approximately (19) percent.

At the end of FY2001-02, the City is able to report positive balances in two categories of net assets for the government as a whole; *invested in capital assets, net of related debt, and 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 (\$11,500,000), Urban Renewal and Redevelopment Bonds (\$256,634,371), Public Employee Retirement System (PERS) Bonds (\$211,379,554) and a net pension obligation liability for the Fire and Police Disability and Retirement fund (\$465,139,495). Business-type activities have a positive balance for all three categories of net assets.

**B. Analysis of Changes in Net Assets**

**Table 2  
City of Portland  
Summary of Changes in Net Assets  
FY2001-02**

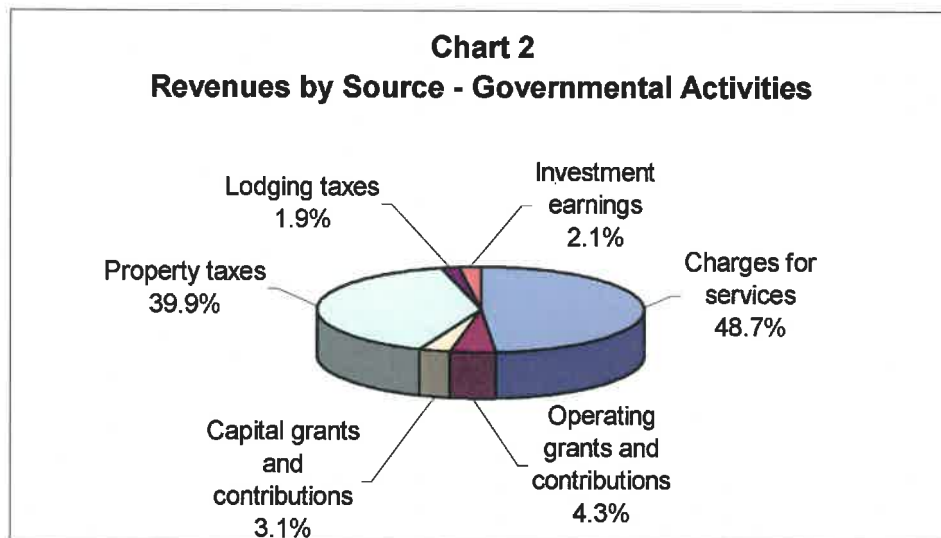
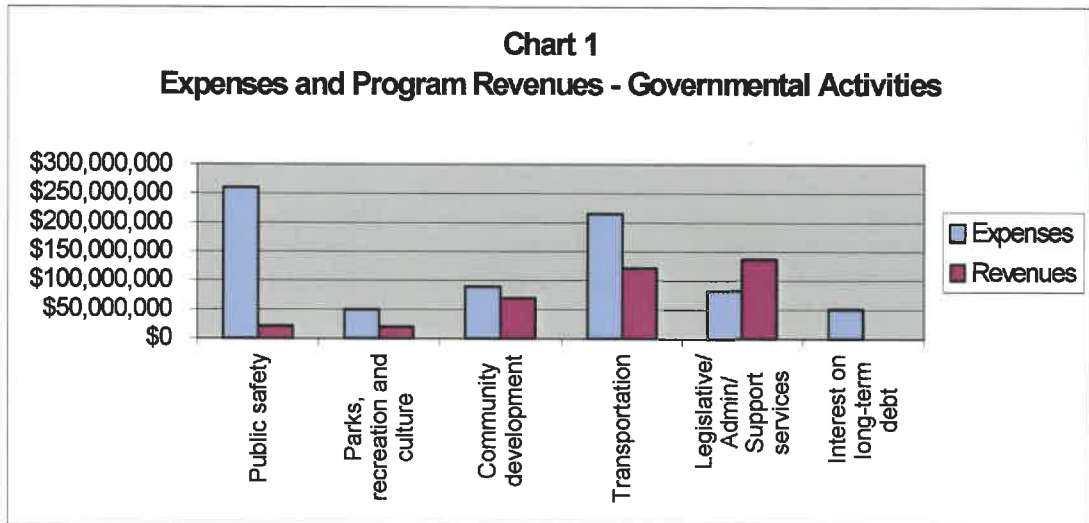
|                                       | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total<br/>Primary Government</u> |
|---------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| <b>Revenues</b>                       |                                    |                                     |                                     |
| <i>Program revenues:</i>              |                                    |                                     |                                     |
| Charges for services                  | \$ 319,106,445                     | \$ 278,741,062                      | \$ 597,847,507                      |
| Operating grants and contributions    | 27,849,940                         | 499,128                             | 28,349,068                          |
| Capital grants and contributions      | 20,577,462                         | 6,152,249                           | 26,729,711                          |
| <i>General revenues:</i>              |                                    |                                     |                                     |
| Property taxes                        | 261,205,959                        |                                     | 261,205,959                         |
| Lodging taxes                         | 12,490,238                         |                                     | 12,490,238                          |
| Investment earnings                   | 13,689,665                         | 7,581,810                           | 21,271,475                          |
| Gain (loss) on sale of capital assets | 94,280                             | (1,373,267)                         | (1,278,987)                         |
| <b>Total revenues</b>                 | <u>\$ 655,013,989</u>              | <u>\$ 291,600,982</u>               | <u>\$ 946,614,971</u>               |
| <b>Expenses</b>                       |                                    |                                     |                                     |
| Public safety                         | \$ 260,264,724                     |                                     | \$ 260,264,724                      |
| Parks, recreation and culture         | 49,992,413                         |                                     | 49,992,413                          |
| Community development                 | 88,823,066                         |                                     | 88,823,066                          |
| Transportation                        | 215,288,385                        |                                     | 215,288,385                         |
| Legislative/Admin/Support services    | 87,831,529                         |                                     | 87,831,529                          |
| Interest on long-term debt            | 50,425,689                         |                                     | 50,425,689                          |
| Environmental services                |                                    | 147,421,274                         | 147,421,274                         |
| Water                                 |                                    | 75,719,077                          | 75,719,077                          |
| Hydroelectric power                   |                                    | 3,218,424                           | 3,218,424                           |
| Parking                               |                                    | 9,428,828                           | 9,428,828                           |
| Golf                                  |                                    | 5,808,633                           | 5,808,633                           |
| Motor sports                          |                                    | 1,225,131                           | 1,225,131                           |
| Spectator facilities                  |                                    | 9,321,956                           | 9,321,956                           |
| <b>Total expenses</b>                 | <u>\$ 752,625,806</u>              | <u>\$ 252,143,323</u>               | <u>\$ 1,004,769,129</u>             |
| Revenues over (under) expenses        | \$ (97,611,817)                    | \$ 39,457,659                       | \$ (58,154,158)                     |
| Transfers                             | 1,821,223                          | (1,821,223)                         | -                                   |
| Change in net assets                  | <u>\$ (95,790,594)</u>             | <u>\$ 37,636,436</u>                | <u>\$ (58,154,158)</u>              |
| <b>Net assets -- beginning</b>        | <u>\$ 1,883,502,481</u>            | <u>\$ 1,058,935,871</u>             | <u>\$ 2,942,438,352</u>             |
| <b>Net assets -- ending</b>           | <u>\$ 1,787,711,887</u>            | <u>\$ 1,096,572,307</u>             | <u>\$ 2,884,284,194</u>             |

As noted above, the City of Portland's overall net assets decreased by \$58,154,158 during FY2001-02. This decrease is explained in the government and business-type activities discussion below.

**Governmental activities.** Governmental activities decreased the City's net assets by \$95,790,594 thereby accounting for (164.7) percent of the decline. The key factor giving rise to this decrease was depreciation expense, which totaled \$149,127,176. Of this amount, the transportation system contributed \$132,892,211 or 89.1 percent 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 (\$7,315,152) was accrued interest on long-term liabilities, which was previously recorded in the general long-term debt account group, and (\$9,263,484) for a reclass of property tax revenue to deferred revenue for property tax collected in excess of the tax levy.

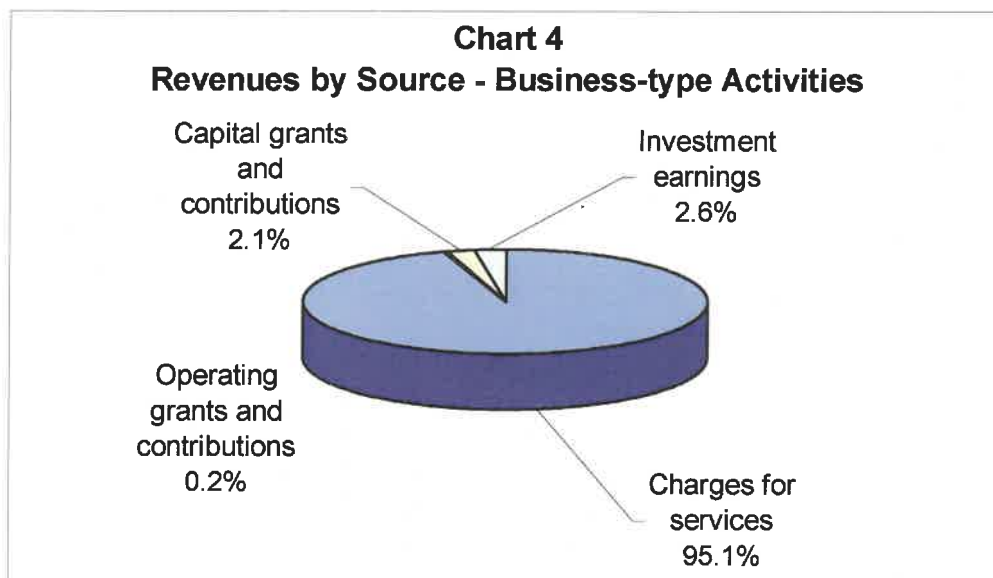
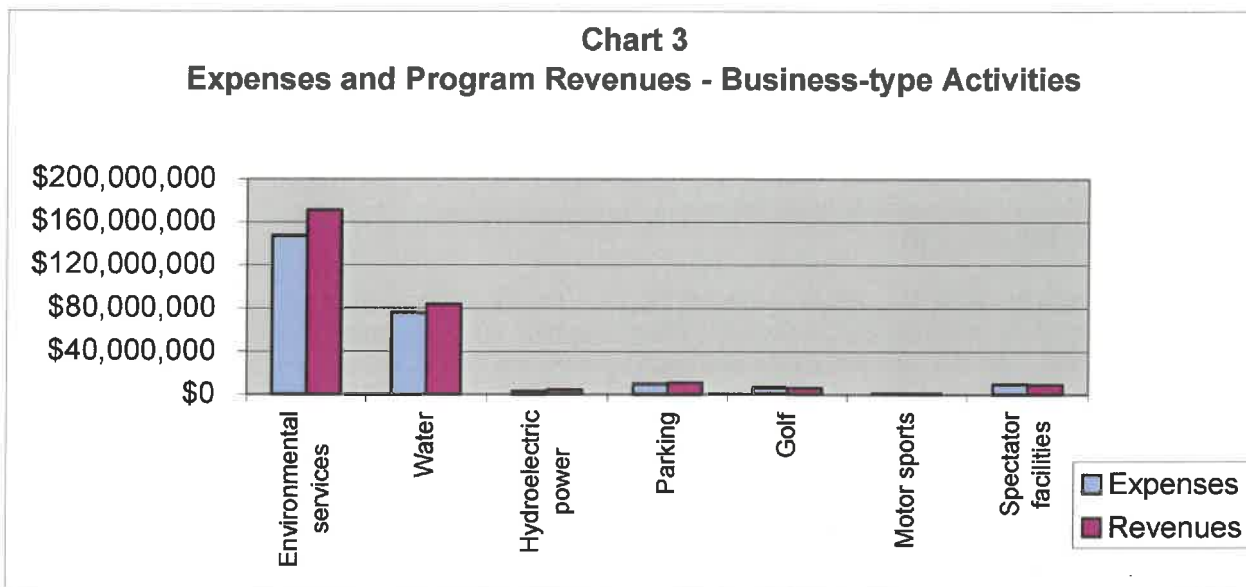
The following graphs provide a visual representation of the expenses and revenues for governmental activities for FY2001-02.



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 \$37,636,436. The key element of this increase is charges for services relating to business-type activities, which increased by \$36,780,250 or 17.3 percent. The water and sewer operations account for a significant portion of this increase, which resulted from an authorized 6.1 percent rate increase for water and a 9.1 percent rate increase for sewer. Both of these rate increases were designed primarily to provide additional resources to meet debt service requirements, capital improvements, and to fund on-going operations and maintenance requirements. Additionally, water and sewer customer base increased approximately 1 percent overall, with sewer connections also increasing.

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 \$140,738,256, an increase of \$2,671,865. Of the combined ending fund balances, \$89,240,890 or 63 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 a permanent fund (\$13,500), 2) for petty cash purposes (\$71,995), 3) as inventory used mainly for repair and maintenance of the City's transportation system (\$1,847,295), 4) as property held for resale (\$8,620,000), and 5) to pay for future debt service payments (\$40,944,576).

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 \$51,408,719, while *total fund balance* reached \$51,803,140. 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, as well as total fund balance, represents 14 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$1,794,306 during FY2001-02. Key factors in this growth are as follows:

- Property tax revenue increased by \$5,345,955 or 2.66 percent. This increase was primarily caused by a 3 percent growth in existing assessed value, along with new construction activity.
- Intergovernmental revenues of the general fund increased as well, by \$1,384,961 or 7.5 percent, as a result of an increase in state shared revenues.
- Utility license fees were up by \$4,292,475 or 8.5 percent. This increase resulted from utility rate increases imposed by Portland General Electric (PGE) and Northwest Natural Gas.

The above-stated revenue increases were offset by increased expenses, netting to the \$1,794,306 increase in fund balance.

See pages 85-107 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 \$82,334,904 and \$19,034,040, respectively. The total growth in net assets for the Sewage Disposal Fund and the Water Fund was \$27,516,468 and \$7,902,945, respectively. A prior period adjustment of (\$15,769,512) for the Sewage Disposal Fund and (\$5,984,259) for the Water Fund impacted ending net assets. For additional details see pages 43-44 for footnote I.D.13 of the basic financial statements.

The unrestricted net assets for other enterprise funds totaled \$20,253,404, while the change in net assets for other enterprise funds equaled (\$318,723). The reallocated share of the PERS bonds for nonmajor proprietary funds totals \$181,985. See Combining Statements on pages 110-129 for details of other proprietary funds. 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 \$4,335,489 and can be briefly summarized as follows:

- \$6,861,176 increase in personal services. This budgetary increase resulted primarily from the City's Budget Monitoring Process (BMP) and included a 1) \$203,782 Planning and Engineering Employees Association (COPPEA) adjustment, 2) \$2,343,836 adjustment for Police Bureau grants, and 3) \$3,053,344 employee cost of living adjustment.
- \$5,927,532 increase in materials and services. This budgetary increase resulted primarily from the City's BMP and included 1) \$400,000 for the Health Care & Job Training Program grant in the Bureau of Housing and Community Development, 2) \$480,000 transfer from the Office of Transportation to the Police Bureau for the Red Light Camera Program, 3) \$598,680 carryover for the Economic-Development Initiative Special Project in the Bureau of Housing and Community Development, and 4) \$1,502,272 carryover for the Economic Development Assessment grant in the Bureau of Housing and Community Development.
- \$160,443 decrease in capital outlay. This budgetary decrease is primarily attributed to an adjustment from Capital Outlay to the Police Bureau for overtime expenses.
- \$6,614,754 decrease in general operating contingencies. This budgetary decrease resulted primarily from the City's BMP and included an adjustment for 1) \$3,184,275 encumbrance carryover, 2) \$1,005,252 for contingency carryover, and 3) \$829,767 overhead true up.
- \$10,349,000 decrease in debt service. This budgetary decrease resulted from the decision not to issue Tax Anticipation Notes for FY2001-02.

Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. During FY2001-02, City revenues exceeded budgetary estimates and expenditures by \$760,394, thus eliminating the need to draw upon existing fund balance. Major factors attributing to this favorable net change are as follows:

- Vacant positions in the General Fund impacted compensation adjustments by \$3,541, 568
- General operating contingencies were less than anticipated by \$1,799,346.
- The Bureau of Fire, Rescue and Emergency Services had less expense than anticipated attributing to a favorable budgetary balance of \$2,140,722. This was primarily due to 1) savings in personal services equaling \$739,177, relating to injured fire fighters who are paid from the Fire & Police Disability and Retirement Fund, 2) unexpended grants for material and services totaling \$729,141, which were carried over to FY2002-03, 3) unexpended funds for a replacement apparatus scheduled for purchase in FY2001-02. This capital outlay appropriation was carried over to FY2002-03.

- The Bureau of Housing & Community Development had lower expenditures compared to appropriations (\$5,265,901) due to delays in contracting and delays in contractors' service delivery.
- Expenditures for the Office of Finance and Management were curtailed or delayed due to financial uncertainties in FY2001-02. Projects that were delayed include reconfiguration of office space, the financial system replacement, E-government implementation, and a variety of other technology enhancements. This resulted in a favorable variance of \$1,512,966.

## **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, 2002, amounts to \$4,645,484,701 (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 decrease in the City's investment in capital assets for the current fiscal year was \$36,780,437 or .79 percent (a 4.1 percent decrease for governmental activities and a 4.25 percent increase for business-type activities).

In previous years, infrastructure for governmental activities was not recorded, but has been added this year as a result of the implementation of GASB 34. See footnote III.D. on page 51-53 for details on GASB 34 and other adjustments impacting ending capital asset balances.

Aside from the GASB 34 impact, major events that affected capital assets for the current fiscal year included the following:

- Transportation infrastructure increased approximately \$17,000,000 due to noncash transactions from developers on 122 street projects that were completed in FY2001-02.
- Work in progress increased due to Transportation, Fire, and Park and Recreation projects. Transportation had a number of street projects in process, including SE Clatsop, Deardorf, 139<sup>th</sup>, and PDX Cascade Station. The Fire Bureau is remodeling three fire stations totaling over \$4,000,000, while Parks and Recreation added in excess of \$6,000,000 for Jamison Square, University Park, and OMSI Springwater, just to name a few of the projects.

The following table provides comparative information on the City's capital assets for FY2000-01 and FY2001-02. It should be noted that, for comparative purposes, FY2000-01 balances have been restated in accordance with GASB 34.

**Table 3**  
**City of Portland**  
**Capital Assets, net of depreciation**  
**For Years as Stated**

| <b>Governmental Activities</b>            |                                |                                |                                |
|---|--------------------------------|--------------------------------|--------------------------------|
| <b>Asset Category</b>                     | <b>FY2000-01</b>               | <b>FY2001-02</b>               | <b>Change</b>                  |
| Land                                      | \$ 53,337,576                  | \$ 58,395,228                  | \$ 5,057,652                   |
| Plant, buildings and improvements         | 341,389,035                    | 323,143,103                    | (18,245,932)                   |
| Equipment                                 | 96,727,690                     | 99,274,217                     | 2,546,527                      |
| Infrastructure                            | 3,885,737,085                  | 3,907,472,594                  | 21,735,509                     |
| Construction in progress                  | 18,299,753                     | 36,579,474                     | 18,279,721                     |
| Capitalized lease                         | 2,794,455                      | 1,859,477                      | (934,978)                      |
| Accumulated depreciation and amortization | <u>(1,572,640,487)</u>         | <u>(1,716,836,691)</u>         | <u>(144,196,204)</u>           |
| <b>Total</b>                              | <b>\$ <u>2,825,645,107</u></b> | <b>\$ <u>2,709,887,402</u></b> | <b>\$ <u>(115,757,705)</u></b> |
| <b>Business-type Activities</b>           |                                |                                |                                |
| <b>Asset Category</b>                     | <b>FY2000-01</b>               | <b>FY2001-02</b>               | <b>Change</b>                  |
| Land                                      | \$ 54,182,101                  | \$ 59,240,511                  | \$ 5,058,410                   |
| Plant, buildings and improvements         | 236,606,122                    | 227,952,712                    | (8,653,410)                    |
| Equipment                                 | 39,224,541                     | 38,968,135                     | (256,406)                      |
| Infrastructure                            | 1,622,233,182                  | 1,747,894,851                  | 125,661,669                    |
| Construction in progress                  | 236,712,137                    | 213,535,539                    | (23,176,598)                   |
| Capitalized lease                         | 7,541,000                      | 7,541,000                      | -                              |
| Accumulated depreciation and amortization | <u>(339,879,052)</u>           | <u>(359,535,449)</u>           | <u>(19,656,397)</u>            |
| <b>Total</b>                              | <b>\$ <u>1,856,620,031</u></b> | <b>\$ <u>1,935,597,299</u></b> | <b>\$ <u>78,977,268</u></b>    |
| <b>Total Net Capital Assets</b>           |                                |                                |                                |
| <b>Asset Category</b>                     | <b>FY2000-01</b>               | <b>FY2001-02</b>               | <b>Change</b>                  |
| Land                                      | \$ 107,519,677                 | \$ 117,635,739                 | \$ 10,116,062                  |
| Plant, buildings and improvements         | 577,995,157                    | 551,095,815                    | (26,899,342)                   |
| Equipment                                 | 135,952,231                    | 138,242,352                    | 2,290,121                      |
| Infrastructure                            | 5,507,970,267                  | 5,655,367,445                  | 147,397,178                    |
| Construction in progress                  | 255,011,890                    | 250,115,013                    | (4,896,877)                    |
| Capitalized lease                         | 10,335,455                     | 9,400,477                      | (934,978)                      |
| Accumulated depreciation and amortization | <u>(1,912,519,539)</u>         | <u>(2,076,372,140)</u>         | <u>(163,852,601)</u>           |
| <b>Total</b>                              | <b>\$ <u>4,682,265,138</u></b> | <b>\$ <u>4,645,484,701</u></b> | <b>\$ <u>(36,780,437)</u></b>  |

Additional information on the City of Portland's capital assets can be found in footnote III.D. on pages 51-53 of this report. See additional capital lease details in footnote III.F. on pages 54-55.

**B. Debt Administration**

As of June 30, 2002, the City had total bonded debt outstanding of \$1,852,972,997. Unamortized premiums and discounts for governmental activities net to \$1,734,293, while premiums and discounts for business type activities net to (\$12,399,449). Of the total bonded debt outstanding, \$98,943,780 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 \$596,946,232 of limited tax revenue bonds outstanding. 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. 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 \$256,634,371 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.

The City had approximately \$11,500,000 of outstanding special assessment bonds as of June 30, 2002. These bonds are repaid from assessment payments from property owners who benefit from local improvements projects.

The remainder of the City's debt, totaling approximately \$888,948,614, represents bonds secured solely by specified revenue sources (i.e. revenue bonds), such as water, sewer, parking, golf and gas tax revenues.

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

| <b>Table 4</b>                            |                        |                        |                       |
|---|------------------------|------------------------|-----------------------|
| <b>City of Portland, Oregon</b>           |                        |                        |                       |
| <b>Outstanding Bonded Debt</b>            |                        |                        |                       |
| <b>For Years as Stated</b>                |                        |                        |                       |
| <b>Governmental Activities</b>            |                        |                        |                       |
|   | <u>FY2000-01</u>       | <u>FY2001-02</u>       | <u>Variance</u>       |
| General Obligation Bonds                  | \$71,885,000           | \$68,840,000           | (\$3,045,000)         |
| Special Assessment Bonds                  | 16,210,000             | 11,500,000             | (4,710,000)           |
| Urban Renewal Bonds                       | 239,576,646            | 256,634,371            | 17,057,725            |
| Limited Tax and Limited Tax Revenue Bonds | 512,167,060            | 444,195,215            | (67,971,845)          |
| Revenue Bonds                             | 8,255,000              | 12,440,512             | 4,185,512             |
| <b>Total</b>                              | <u>\$848,093,706</u>   | <u>\$793,610,098</u>   | <u>(\$54,483,608)</u> |
| <b>Business-type Activities</b>           |                        |                        |                       |
|   | <u>FY2000-01</u>       | <u>FY2001-02</u>       | <u>Variance</u>       |
| General Obligation Bonds                  | \$35,975,867           | \$30,103,780           | (\$5,872,087)         |
| Limited Tax and Limited Tax Revenue Bonds | 89,475,219             | 152,751,017            | 63,275,798            |
| Revenue Bonds                             | 902,153,102            | 876,508,102            | (25,645,000)          |
| <b>Total</b>                              | <u>\$1,027,604,188</u> | <u>\$1,059,362,899</u> | <u>\$31,758,711</u>   |
| <b>Total Outstanding Debt</b>             |                        |                        |                       |
|   | <u>FY2000-01</u>       | <u>FY2001-02</u>       | <u>Variance</u>       |
| General Obligation Bonds                  | \$107,860,867          | \$98,943,780           | (\$8,917,087)         |
| Special Assessment Bonds                  | 16,210,000             | 11,500,000             | (4,710,000)           |
| Urban Renewal Bonds                       | 239,576,646            | 256,634,371            | 17,057,725            |
| Limited Tax and Limited Tax Revenue Bonds | 601,642,279            | 596,946,232            | (4,696,047)           |
| Revenue Bonds                             | 910,408,102            | 888,948,614            | (21,459,488)          |
| <b>Total</b>                              | <u>\$1,875,697,894</u> | <u>\$1,852,972,997</u> | <u>(\$22,724,897)</u> |

The City's total debt decreased by \$22,724,897 (1 percent) during the current fiscal year. Debt for governmental activities decreased by \$54,483,608, while debt for business-type activities increased by \$31,758,711. Other than bond maturities, the key factor attributing to the decrease in debt for governmental activities was the allocation of PERS bonds (\$72,201,017) to the enterprise funds.

The primary cause for the increase in debt relating to business-type activities is the allocation of the PERS bonds, which were previously accounted for in the general long-term debt account group.

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% of the real market value of all taxable property within the City's boundaries. Based on the City's FY 2001-02 real market value, this debt limitation is \$1,510,677,144. The amount of outstanding City debt subject to this limitation is \$68,840,000.
- **Debt Ratings.** The City's unlimited tax general obligation debt is rated "Aaa" by Moody's Investors Service. This rating was confirmed in April of 2002. The various credit ratings of City debt are listed below (rating shown is from Moody's Investors Service unless indicated otherwise):

|  |                 |
|--|-----------------|
| Unlimited Tax General Obligation Bonds               | Aaa             |
| Water Revenue Bonds                                  | Aa1             |
| Limited Tax Revenue Bonds                            | Aa2             |
| Limited Tax Pension Obligation Revenue Bonds         | Aa2             |
| Airport Way Urban Renewal Bonds – Prior Lien         | Aa3             |
| South Park Blocks Urban Renewal Bonds – Prior Lien   | Aa3             |
| 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 - Subord. Lien       | A1              |
| Convention Center Urban Renewal Bonds                | A1              |
| Downtown Waterfront Urban Renewal Bonds              | A1              |
| South Park Blocks Urban Renewal Bonds – Subord. Lien | A1              |
| Hydroelectric Revenue Bonds (PGE)                    | Baa2/BBB+ (S&P) |

**Debt Ratios.** The City's debt ratios, as of June 30, 2002, are shown below:

|                            | <u>Amount</u>    | <u>Per<br/>Capita</u> | <u>Percent of<br/>Real<br/>Market Value</u> |
|----------------------------|------------------|-----------------------|---|
| Population, July 1, 2001   | 536,240          |                       |   |
| 2001-02 Real Market Value  | \$50,355,904,812 | \$93,906              |   |
| Gross Bonded Debt          | \$827,821,548    | \$1,544               | 1.64%                                       |
| Net Direct Debt            | \$68,840,000     | \$128                 | 0.14%                                       |
| Overlapping Debt           | \$598,128,254    | \$1,115               | 1.18%                                       |
| Net Direct and Overlapping | \$666,968,254    | \$1,244               | 1.33%                                       |

Additional information on the City of Portland's long-term debt can be found in footnote III.G. on pages 56-65 of this report.

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

The City of Portland continues to deal with the effects of the tragic events of September 11, 2001, the national and regional recession, and the passage of Measure 50 in the spring of 1997.

Measure 50 was the latest 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 FY2001-02 the City realized growth of 4.52 percent.

The regional impacts of the national recession have resulted in a significant reduction in the elastic revenues in the City. Specifically, business license tax and transient lodging taxes have been severely affected. Business license revenues were down \$6,154,699 during FY2001-02, while transient lodging taxes declined \$744,073. These revenue sources represent 6% of the discretionary General Fund resources.

The City began FY2001-02 by reducing the General Fund discretionary budget by \$4,142,614 to close the gap between lowered resource estimates and increasing expenditure estimates.

Exacerbating this resource problem was the decision by Qwest to withhold \$5,137,300 in franchise fees paid to the city for use of the citizen's right-of-way. This decision was made too late to adjust the initial budget. Although ultimately a one-time reduction due to the City's successful legal challenge, the City reduced budgets in the first quarter of the fiscal year to address loss of revenue for FY2001-02. The legal decision resulted in franchise fees ultimately being paid to the City in July of 2002, accruing back to FY2001-02.

The FY2001-02 budget was reduced again in the second quarter in response to lowered resource estimates driven by the effects of September 11, 2001, and the recession.

Council took several approaches to balancing the General Fund budget. Bureaus were initially allocated a 2.9 percent CPI increase. From this base two sets of reduction packages were constructed.

1. The second year of the Administrative Service Review (ASR) cuts resulted in savings of \$4,457,067 citywide, \$2,353,709 to the General Fund.
2. The second set of packages had the bureaus reduce on-going General Fund Discretionary spending by \$3,296,460 or 1.4 percent.

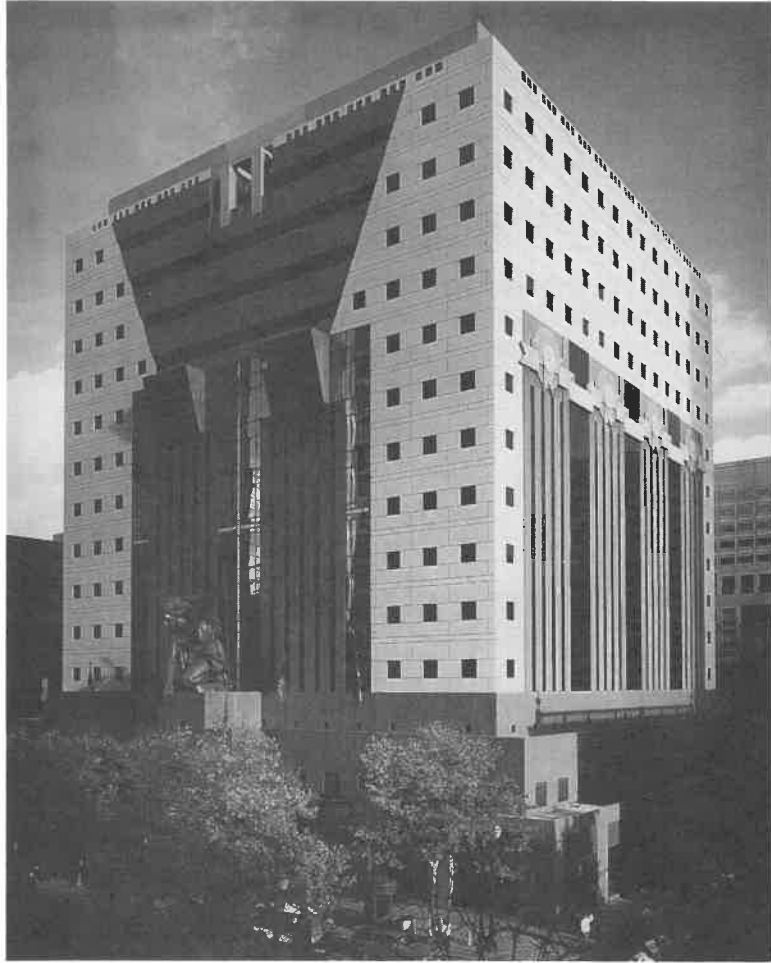
Revenue enhancements were introduced to mitigate the reductions and cover the costs for services.

Highlights of specific decisions and initiatives included in the budget are listed below:

- Council continued support for early childhood programs with an influx of \$920,000 in on going General Fund support and the conversion of one-time allocations to support the SUN schools initiative.
- Parks realized \$2,143,450 in General Fund support for capital projects, for a total of \$10,843,634.
- The Police bureau absorbed the cost of assuming the school police functions. This cost was \$1,274,223 in FY2001-02.
- Council continued support for Transportation including \$5,149,791 for street light operations and maintenance.
- Council has temporarily capped its capital set-aside commitment to ensure adequate funding for higher priority programs and services delivered directly to citizens, specifically police, fire and emergency communications services. In FY2001-02 the capital set aside was \$5,150,950.

#### **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.



**PORTLAND BUILDING**



# Basic Financial Statements

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E.K. Haseltine Residence, 1880



Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

## Report of Independent Auditors

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, (the City) as of and for the year ended June 30, 2002, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Portland Development Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Portland Development Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon, as of June 30, 2002, 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.

As discussed in Note 1, the City implemented a new financial reporting model, as required by the provisions of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, an amendment of GASB Statements No. 21 and No. 34*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of and for the year ended June 30, 2002.



In accordance with Government Auditing Standards, we have also issued our report dated March 27, 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.

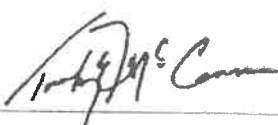
The accompanying management's discussion and analysis on pages 1 through 15, respectively, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The accompanying budgetary comparison information for major funds, on pages 78 through 84, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information for major funds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements, 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 the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, 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.

KPMG LLP

By 

Timothy E. McCann, Partner

March 27, 2003

# Government-wide Financial Statements

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K.A.J. Mackenzie Residence, 1892

City of Portland, Oregon  
Statement of Net Assets  
June 30, 2002

|   | Primary Government |                  |                  | Component Unit                        |
|---|--------------------|------------------|------------------|---------------------------------------|
|   | Governmental       | Business-type    | Total            | Portland<br>Development<br>Commission |
|   | Activities         | Activities       |                  |                                       |
| <b>ASSETS</b>   |                    |                  |                  |                                       |
| Current assets (unrestricted):                          |                    |                  |                  |                                       |
| Cash and investments                                    | \$ 242,660,024     | \$ 134,113,344   | \$ 376,773,368   | \$ 135,109,462                        |
| Receivables:  |                    |                  |                  |                                       |
| Taxes   | 18,143,925         | -                | 18,143,925       | -                                     |
| Accounts, net   | 23,945,370         | 31,853,845       | 55,799,215       | 2,602,318                             |
| Assessments   | 10,047,768         | 163,358          | 10,211,126       | -                                     |
| Loans, net  | -                  | -                | -                | 8,180,935                             |
| Contracts and mortgages                                 | -                  | 578,556          | 578,556          | -                                     |
| Grants  | 10,309,864         | -                | 10,309,864       | -                                     |
| Advances  | 283,499            | 101,995          | 385,494          | -                                     |
| Accrued interest  | 1,235,881          | 643,449          | 1,879,330        | 527,076                               |
| Due from primary government                             | -                  | -                | -                | 811,529                               |
| Internal balances                                       | (1,543,637)        | 1,543,637        | -                | -                                     |
| Internal loans receivable                               | 150,000            | 126,005          | 276,005          | -                                     |
| Inventories   | 2,521,657          | 2,102,205        | 4,623,862        | -                                     |
| Property held for resale                                | 8,620,000          | -                | 8,620,000        | 66,658,374                            |
| Other assets  | -                  | 63,949           | 63,949           | 101,000                               |
| Current assets (restricted):                            |                    |                  |                  |                                       |
| Cash and investments                                    | -                  | 13,172,876       | 13,172,876       | 410,304                               |
| Receivables:  |                    |                  |                  |                                       |
| Accrued interest  | -                  | 27,695           | 27,695           | -                                     |
| Assessments   | -                  | -                | -                | 53,169                                |
| Total current assets                                    | 316,374,351        | 184,490,914      | 500,865,265      | 214,454,167                           |
| Noncurrent assets:                                      |                    |                  |                  |                                       |
| Capital assets:   |                    |                  |                  |                                       |
| Land  | 58,395,228         | 59,240,511       | 117,635,739      | 9,129,868                             |
| Plant, buildings and improvements                       | 323,143,103        | 227,952,712      | 551,095,815      | 3,070,756                             |
| Machinery and equipment                                 | 99,274,217         | 38,968,135       | 138,242,352      | 1,712,407                             |
| Infrastructure  | 3,907,472,594      | 1,747,894,851    | 5,655,367,445    | -                                     |
| Construction in progress                                | 36,579,474         | 213,535,539      | 250,115,013      | -                                     |
| Capitalized leases                                      | 1,859,477          | 7,541,000        | 9,400,477        | -                                     |
| Accumulated depreciation and amortization               | (1,716,836,691)    | (359,535,449)    | (2,076,372,140)  | (1,533,128)                           |
| Net capital assets                                      | 2,709,887,402      | 1,935,597,299    | 4,645,484,701    | 12,379,903                            |
| Receivables:  |                    |                  |                  |                                       |
| Assessments   | 25,608,251         | 4,112,461        | 29,720,712       | -                                     |
| Loans, net  | -                  | -                | -                | 60,925,334                            |
| Prepaid expense   | 169,243,547        | 65,983,706       | 235,227,253      | -                                     |
| Water rights  | -                  | 63,800           | 63,800           | -                                     |
| Total noncurrent assets                                 | 2,904,739,200      | 2,005,757,266    | 4,910,496,466    | 73,305,237                            |
| Total assets  | 3,221,113,551      | 2,190,248,180    | 5,411,361,731    | 287,759,404                           |
| <b>LIABILITIES</b>                                      |                    |                  |                  |                                       |
| Current liabilities (payable from unrestricted assets): |                    |                  |                  |                                       |
| Accounts payable  | 15,085,760         | 9,945,498        | 25,031,258       | 4,089,250                             |
| Self-insurance claims                                   | 9,768,071          | -                | 9,768,071        | -                                     |
| Internal loans payable                                  | 126,005            | 150,000          | 276,005          | -                                     |
| Compensated absences                                    | 29,424,180         | 3,584,910        | 33,009,090       | -                                     |
| Bonds payable   | 19,031,515         | 37,045,000       | 56,076,515       | -                                     |
| Notes and mortgages payable                             | 16,524,705         | 24,507           | 16,549,212       | 1,417,261                             |
| Capital leases payable                                  | 295,895            | 654,325          | 950,220          | -                                     |
| Accrued interest payable                                | 3,662,402          | 9,962,265        | 13,624,667       | -                                     |
| Deferred revenue  | 13,511,191         | 827,801          | 14,338,992       | 26,380,746                            |
| Due to component unit                                   | 811,529            | -                | 811,529          | -                                     |
| Other liabilities                                       | 5,250,727          | 3,153,430        | 8,404,157        | 1,340,067                             |
| Current liabilities (payable from restricted assets):   |                    |                  |                  |                                       |
| Bonds payable   | -                  | 1,750,000        | 1,750,000        | -                                     |
| Accrued interest payable                                | -                  | 508,299          | 508,299          | -                                     |
| Noncurrent liabilities:                                 |                    |                  |                  |                                       |
| Compensated absences                                    | 12,665,802         | 1,536,390        | 14,202,192       | -                                     |
| Bonds payable   | 776,312,876        | 1,008,168,450    | 1,784,481,326    | -                                     |
| Notes and mortgages payable                             | 39,537,294         | 6,935,258        | 46,472,552       | 10,975,903                            |
| Capital leases payable                                  | 1,479,475          | 2,854,493        | 4,333,968        | -                                     |
| Accrued interest payable                                | 10,348,282         | 3,132,297        | 13,480,579       | -                                     |
| Net pension obligation -- pension trust fund            | 465,139,495        | -                | 465,139,495      | -                                     |
| Self-insurance claims                                   | 14,426,460         | -                | 14,426,460       | -                                     |
| Prepaid sewer assessment                                | -                  | 142,950          | 142,950          | -                                     |
| Other liabilities                                       | -                  | 3,300,000        | 3,300,000        | -                                     |
| Total liabilities                                       | 1,433,401,664      | 1,093,675,873    | 2,527,077,537    | 44,183,227                            |
| <b>NET ASSETS</b>                                       |                    |                  |                  |                                       |
| Invested in capital assets, net of related debt         | 2,406,449,504      | 982,133,524      | 3,388,583,028    | 12,379,903                            |
| Restricted for:   |                    |                  |                  |                                       |
| Capital projects  | 3,530,442          | -                | 3,530,442        | 199,607,571                           |
| Debt service  | 37,368,915         | 10,941,581       | 48,310,496       | -                                     |
| Parks Endowment   |                    |                  |                  |                                       |
| Expendable  | 15,309             | -                | 15,309           | -                                     |
| Nonexpendable   | 13,500             | -                | 13,500           | -                                     |
| Unrestricted  | (659,665,783)      | 103,497,202      | (556,168,581)    | 31,588,703                            |
| Total net assets  | \$ 1,787,711,887   | \$ 1,096,572,307 | \$ 2,884,284,194 | \$ 243,576,177                        |

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

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City of Portland, Oregon  
Statement of Activities  
For the Year Ended June 30, 2002

| Functions/Programs                    | Program Revenues |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Assets |                             |                  | Component Unit<br>Portland Development<br>Commission |
|---------------------------------------|------------------|-------------------------|--|--|--|-----------------------------|------------------|--|
|                                       | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                 |                             | Total            |  |
|                                       |                  |                         |  |  | Governmental<br>Activities                         | Business-type<br>Activities |                  |  |
| <b>Primary government:</b>            |                  |                         |  |  |  |                             |                  |  |
| Governmental activities:              |                  |                         |  |  |  |                             |                  |  |
| Public safety                         | \$ 260,264,724   | \$ 14,701,234           | \$ 5,982,070                             | \$ -                                   | \$ (239,581,420)                                   | \$ -                        | \$ (239,581,420) | \$ -   |
| Parks, recreation and culture         | 49,992,413       | 18,909,377              | 226,412                                  | 396,243                                | (30,460,381)                                       | -                           | (30,460,381)     | -  |
| Community development                 | 88,823,066       | 48,998,164              | 20,992,640                               | -                                      | (18,832,262)                                       | -                           | (18,832,262)     | -  |
| Transportation                        | 215,288,385      | 100,385,517             | 414,839                                  | 20,181,219                             | (94,306,810)                                       | -                           | (94,306,810)     | -  |
| Legislative/ Admin/ Support services  | 87,831,529       | 136,112,153             | 233,979                                  | -                                      | 48,514,603   | -                           | 48,514,603       | -  |
| Interest on long-term debt            | 50,425,689       | -                       | -  | -                                      | (50,425,689)                                       | -                           | (50,425,689)     | -  |
| Total governmental activities         | 752,625,806      | 319,106,445             | 27,849,940                               | 20,577,462                             | (385,091,959)                                      | -                           | (385,091,959)    | -  |
| Business-type activities:             |                  |                         |  |  |  |                             |                  |  |
| Environmental Services                | 147,421,274      | 165,677,556             | 479,006                                  | 5,020,601                              | -  | 23,755,889                  | 23,755,889       | -  |
| Water                                 | 75,719,077       | 82,593,123              | 12,523                                   | 1,081,648                              | -  | 7,968,217                   | 7,968,217        | -  |
| Hydroelectric power                   | 3,218,424        | 3,918,689               | -  | -                                      | -  | 700,265                     | 700,265          | -  |
| Parking                               | 9,428,828        | 10,536,010              | -  | -                                      | -  | 1,107,182                   | 1,107,182        | -  |
| Golf                                  | 5,808,633        | 6,038,985               | -  | -                                      | -  | 230,352                     | 230,352          | -  |
| Motor sports                          | 1,225,131        | 1,260,648               | 7,599                                    | 50,000                                 | -  | 93,116                      | 93,116           | -  |
| Spectator facilities                  | 9,321,956        | 8,716,051               | -  | -                                      | -  | (605,905)                   | (605,905)        | -  |
| Total business-type activities:       | 252,143,323      | 278,741,062             | 499,128                                  | 6,152,249                              | -  | 33,249,116                  | 33,249,116       | -  |
| Total primary government              | \$ 1,004,769,129 | \$ 597,847,507          | \$ 28,349,068                            | \$ 26,729,711                          | (385,091,959)                                      | 33,249,116                  | (351,842,843)    | -  |
| <b>Component unit:</b>                |                  |                         |  |  |  |                             |                  |  |
| Portland Development Commission       | \$ 70,680,605    | \$ 9,861,953            | \$ 13,116,244                            | \$ -                                   | -  | -                           | -                | (47,702,408)   |
| General revenues:                     |                  |                         |  |  |  |                             |                  |  |
| Property taxes                        |                  |                         |  |  | 261,205,959  | -                           | 261,205,959      | -  |
| Lodging taxes                         |                  |                         |  |  | 12,490,238   | -                           | 12,490,238       | -  |
| Payments from the City                |                  |                         |  |  | -  | -                           | -                | 35,346,282   |
| Investment earnings                   |                  |                         |  |  | 13,689,665   | 7,581,810                   | 21,271,475       | 5,330,596  |
| Gain (loss) on sale of capital assets |                  |                         |  |  | 94,280   | (1,373,267)                 | (1,278,987)      | -  |
| Miscellaneous                         |                  |                         |  |  | -  | -                           | -                | 3,332,591  |
| Transfers                             |                  |                         |  |  | 1,821,223  | (1,821,223)                 | -                | -  |
| Total general revenues and transfers  |                  |                         |  |  | 289,301,365  | 4,387,320                   | 293,688,685      | 44,009,469   |
| Change in net assets                  |                  |                         |  |  | (95,790,594)                                       | 37,636,436                  | (58,154,158)     | (3,692,939)  |
| Net assets -- beginning, as restated  |                  |                         |  |  | 1,883,502,481                                      | 1,058,935,871               | 2,942,438,352    | 247,269,116  |
| Net assets -- ending                  |                  |                         |  |  | \$ 1,787,711,887                                   | \$ 1,096,572,307            | \$ 2,884,284,194 | \$ 243,576,177                                       |

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

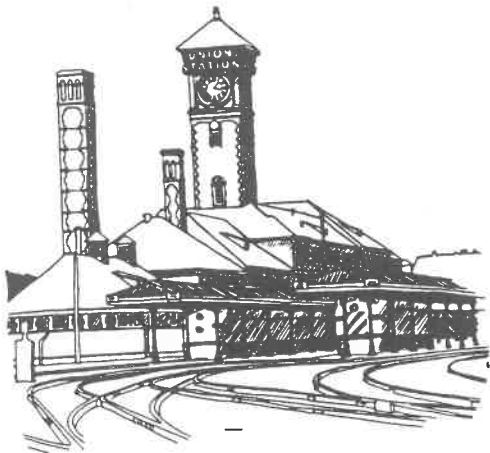


WW II MEMORIAL TO THE 2ND OREGON INFANTRY



# 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, 2002**

|                                      | General              | Transportation<br>Operating | Other<br>Governmental<br>Funds | Total                 |
|--------------------------------------|----------------------|-----------------------------|--------------------------------|-----------------------|
| <b>ASSETS</b>                        |                      |                             |                                |                       |
| Cash and investments                 | \$ 60,812,814        | \$ 2,636,503                | \$ 75,185,462                  | \$ 138,634,779        |
| Receivables:                         |                      |                             |                                |                       |
| Taxes                                | 14,479,097           | 2,127                       | 3,662,701                      | 18,143,925            |
| Accounts                             | 2,549,577            | 14,119,617                  | 6,402,886                      | 23,072,080            |
| Assessments                          | 1,000                | 1,138,309                   | 34,516,710                     | 35,656,019            |
| Grants                               | -                    | -                           | 10,309,864                     | 10,309,864            |
| Advances                             | 283,499              | -                           | -                              | 283,499               |
| Accrued interest                     | 351,310              | 11,159                      | 442,556                        | 805,025               |
| Due from other funds                 | 2,557,009            | 4,039,823                   | 70,000                         | 6,666,832             |
| Internal loans                       | -                    | -                           | 150,000                        | 150,000               |
| Inventories                          | 349,826              | 1,497,469                   | -                              | 1,847,295             |
| Property held for resale             | -                    | -                           | 8,620,000                      | 8,620,000             |
|                                      | <u>\$ 81,384,132</u> | <u>\$ 23,445,007</u>        | <u>\$ 139,360,179</u>          | <u>\$ 244,189,318</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                      |                             |                                |                       |
| Liabilities:                         |                      |                             |                                |                       |
| Accounts payable                     | \$ 5,263,171         | \$ 3,406,764                | \$ 2,589,993                   | \$ 11,259,928         |
| Due to other funds                   | 4,834,193            | -                           | 8,186,545                      | 13,020,738            |
| Due to component unit                | -                    | -                           | 811,529                        | 811,529               |
| Matured interest payable             | -                    | -                           | 19,048                         | 19,048                |
| Internal loans payable               | -                    | -                           | 126,005                        | 126,005               |
| Notes and mortgages payable          | 5,500                | -                           | 12,584,205                     | 12,589,705            |
| Deferred revenue                     | 19,478,128           | 1,076,886                   | 44,549,126                     | 65,104,140            |
| Other accrued liabilities            | -                    | 144,215                     | 375,754                        | 519,969               |
|                                      | <u>29,580,992</u>    | <u>4,627,865</u>            | <u>69,242,205</u>              | <u>103,451,062</u>    |
| Fund Balances (deficits):            |                      |                             |                                |                       |
| Reserved for:                        |                      |                             |                                |                       |
| Petty cash                           | 44,595               | 21,000                      | 6,400                          | 71,995                |
| Inventories                          | 349,826              | 1,497,469                   | -                              | 1,847,295             |
| Property held for resale             | -                    | -                           | 8,620,000                      | 8,620,000             |
| Debt service                         | -                    | -                           | 40,944,576                     | 40,944,576            |
| Permanent fund                       | -                    | -                           | 13,500                         | 13,500                |
| Unreserved, reported in:             |                      |                             |                                |                       |
| Major funds                          | 51,408,719           | 17,298,673                  | -                              | 68,707,392            |
| Special revenue funds                | -                    | -                           | 18,510,278                     | 18,510,278            |
| Capital projects funds               | -                    | -                           | 2,007,911                      | 2,007,911             |
| Permanent fund                       | -                    | -                           | 15,309                         | 15,309                |
|                                      | <u>51,803,140</u>    | <u>18,817,142</u>           | <u>70,117,974</u>              | <u>140,738,256</u>    |
| Total fund balances                  | <u>51,803,140</u>    | <u>18,817,142</u>           | <u>70,117,974</u>              | <u>140,738,256</u>    |
| Total liabilities and fund balances  | <u>\$ 81,384,132</u> | <u>\$ 23,445,007</u>        | <u>\$ 139,360,179</u>          | <u>\$ 244,189,318</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, 2002**

|   |           |                             |
|---|-----------|-----------------------------|
| <b>Fund balances - total governmental funds</b>   | \$        | 140,738,256                 |
| <p>Amounts reported for governmental activities in the statement of net assets are different because:</p>   |           |                             |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   |           | 2,554,923,759               |
| Other long-term assets are prepaid or are not available to pay for current period expenditures and, therefore, are deferred in the fund statements.   |           | 205,536,378                 |
| 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. |           | 141,262,565                 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.  |           | (1,254,749,071)             |
| <b>Net assets of governmental activities</b>  | <b>\$</b> | <u><u>1,787,711,887</u></u> |

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

**City of Portland, Oregon**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2002**

|   | General              | Transportation<br>Operating | Other<br>Governmental<br>Funds | Total                 |
|---|----------------------|-----------------------------|--------------------------------|-----------------------|
| <b>REVENUES</b>                               |                      |                             |                                |                       |
| Taxes:  |                      |                             |                                |                       |
| Property                                      | \$ 206,167,525       | \$ 223                      | \$ 54,302,166                  | \$ 260,469,914        |
| Lodging                                       | 10,408,531           | -                           | 2,081,707                      | 12,490,238            |
| Charges for services                          | 50,461,451           | 43,628,734                  | 11,552,684                     | 105,642,869           |
| Licenses and fees                             | 87,625,667           | 1,029,739                   | 21,946,027                     | 110,601,433           |
| Concessions                                   | 7,688                | -                           | 46,211                         | 53,899                |
| Miscellaneous service charges                 | 5,576,006            | 3,662,739                   | 9,997,760                      | 19,236,505            |
| Intergovernmental                             | 19,926,294           | 51,589,669                  | 34,264,722                     | 105,780,685           |
| Investment earnings                           | 2,807,023            | 261,214                     | 6,514,760                      | 9,582,997             |
| Assessments                                   | 1,000                | 1,156,848                   | 13,999,538                     | 15,157,386            |
| Loan collections                              | 22,846               | -                           | 7,960,384                      | 7,983,230             |
| Other miscellaneous                           | 277,265              | -                           | -                              | 277,265               |
| <b>Total revenues</b>                         | <b>383,281,296</b>   | <b>101,329,166</b>          | <b>162,665,959</b>             | <b>647,276,421</b>    |
| <b>EXPENDITURES</b>                           |                      |                             |                                |                       |
| Public safety                                 | 242,380,376          | -                           | 17,033,180                     | 259,413,556           |
| Parks, recreation and culture                 | 45,027,462           | -                           | 2,386,221                      | 47,413,683            |
| Community development                         | 25,891,173           | -                           | 67,153,971                     | 93,045,144            |
| Transportation and parking                    | -                    | 84,254,784                  | -                              | 84,254,784            |
| Legislative/ Admin/ Support services          | 43,460,216           | -                           | 36,334,671                     | 79,794,887            |
| Capital outlay                                | 1,444,136            | 27,171,108                  | 16,827,156                     | 45,442,400            |
| Debt Service:                                 |                      |                             |                                |                       |
| Principal                                     | -                    | -                           | 49,302,719                     | 49,302,719            |
| Interest                                      | -                    | -                           | 38,361,985                     | 38,361,985            |
| <b>Total expenditures</b>                     | <b>358,203,363</b>   | <b>111,425,892</b>          | <b>227,399,903</b>             | <b>697,029,158</b>    |
| <b>Revenues over (under) expenditures</b>     | <b>25,077,933</b>    | <b>(10,096,726)</b>         | <b>(64,733,944)</b>            | <b>(49,752,737)</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                      |                             |                                |                       |
| Transfers in                                  | 10,610,557           | 9,948,053                   | 29,591,596                     | 50,150,206            |
| Transfers out                                 | (33,894,184)         | (1,940,967)                 | (19,497,704)                   | (55,332,855)          |
| Proceeds from sale of capital assets          | -                    | -                           | 94,280                         | 94,280                |
| Bonds and notes issued                        | -                    | 5,597,407                   | 72,364,106                     | 77,961,513            |
| Bond and note premium                         | -                    | 11,105                      | 192,587                        | 203,692               |
| Loan proceeds                                 | -                    | -                           | 120,000                        | 120,000               |
| Payment to refunding escrow agent             | -                    | -                           | (28,505,000)                   | (28,505,000)          |
| <b>Total other financing sources and uses</b> | <b>(23,283,627)</b>  | <b>13,615,598</b>           | <b>54,359,865</b>              | <b>44,691,836</b>     |
| <b>Net change in fund balances</b>            | <b>1,794,306</b>     | <b>3,518,872</b>            | <b>(10,374,079)</b>            | <b>(5,060,901)</b>    |
| Fund balances – beginning, as restated        | 50,016,695           | 15,242,643                  | 77,782,053                     | 143,041,391           |
| Change in inventory                           | (7,861)              | 55,627                      | 2,710,000                      | 2,757,766             |
| <b>Fund balances – ending</b>                 | <b>\$ 51,803,140</b> | <b>\$ 18,817,142</b>        | <b>\$ 70,117,974</b>           | <b>\$ 140,738,256</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, 2002**

|  |           |                     |
|--|-----------|---------------------|
| <b>Net change in fund balances-total governmental funds</b>  | <b>\$</b> | <b>(5,060,901)</b>  |
| Amounts reported for governmental activities in the statement of activities are different because:   |           |                     |
| Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of these assets is depreciated over their useful life.  |           | (139,370,769)       |
| The net effect of various miscellaneous transactions involving capital assets is to increase net assets.   |           | 62,653,394          |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |           | (9,263,484)         |
| 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, however, has any effect on net assets. This is the amount by which bond proceeds exceeded principal retirement in the current period. |           | (357,485)           |
| 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.  |           | (13,550,033)        |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is allocated to governmental and business-type activities   |           | 9,158,684           |
| <b>Net change in net assets - governmental activities</b>  | <b>\$</b> | <b>(95,790,594)</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, 2002**

|  | <b>Business-type Activities - Enterprise Funds</b> |                    |                    |                      | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|--|--|--------------------|--------------------|----------------------|---|
|  | <b>Sewage Disposal</b>                             | <b>Water</b>       | <b>Other Funds</b> | <b>Total</b>         |   |
| <b>ASSETS</b>  |  |                    |                    |                      |   |
| <b>Current assets (unrestricted):</b>                                      |  |                    |                    |                      |   |
| Cash and investments   | \$ 79,272,550                                      | \$ 32,595,161      | \$ 22,245,633      | \$ 134,113,344       | \$ 104,025,245  |
| Receivables:   |  |                    |                    |                      |   |
| Accounts, net  | 20,179,570   | 10,485,653         | 1,188,622          | 31,853,845           | 873,290   |
| Assessments  | 163,358  | -                  | -                  | 163,358              | -   |
| Contracts and mortgages  | -  | -                  | 578,556            | 578,556              | -   |
| Advances   | -  | -                  | 101,995            | 101,995              | -   |
| Accrued interest   | 402,295  | 141,982            | 99,172             | 643,449              | 430,856   |
| Due from other funds   | 13,293,343   | 323,822            | 109,669            | 13,726,834           | 485,575   |
| Internal loans   | -  | 126,005            | -                  | 126,005              | -   |
| Inventories  | 852,148  | 1,250,057          | -                  | 2,102,205            | 674,362   |
| Other assets   | 10,946   | -                  | 53,003             | 63,949               | -   |
| <b>Total current assets (unrestricted)</b>                                 | <b>114,174,210</b>                                 | <b>44,922,680</b>  | <b>24,376,650</b>  | <b>183,473,540</b>   | <b>106,489,328</b>  |
| <b>Current assets (restricted):</b>  |  |                    |                    |                      |   |
| Cash and investments   | -  | -                  | 13,172,876         | 13,172,876           | -   |
| Receivables:   |  |                    |                    |                      |   |
| Accrued interest   | -  | -                  | 27,695             | 27,695               | -   |
| <b>Total current assets (restricted)</b>                                   | <b>-</b>   | <b>-</b>           | <b>13,200,571</b>  | <b>13,200,571</b>    | <b>-</b>  |
| <b>Total current assets</b>  | <b>114,174,210</b>                                 | <b>44,922,680</b>  | <b>37,577,221</b>  | <b>196,674,111</b>   | <b>106,489,328</b>  |
| <b>Noncurrent assets:</b>  |  |                    |                    |                      |   |
| <b>Capital assets:</b>   |  |                    |                    |                      |   |
| Land   | 27,754,287   | 14,336,436         | 17,149,788         | 59,240,511           | 4,896,479   |
| Plant, buildings and improvements  | 14,454,050   | 17,939,933         | 195,558,729        | 227,952,712          | 137,291,680   |
| Machinery and equipment  | 15,041,630   | 19,706,323         | 4,220,182          | 38,968,135           | 65,540,871  |
| Infrastructure   | 1,246,574,502                                      | 501,320,349        | -                  | 1,747,894,851        | -   |
| Construction in progress   | 191,601,040  | 15,862,134         | 6,072,365          | 213,535,539          | 5,618,761   |
| Capitalized lease  | 3,836,353  | 3,134,128          | 570,519            | 7,541,000            | 84,107  |
| Accumulated depreciation and amortization                                  | (126,058,761)                                      | (182,295,758)      | (51,180,930)       | (359,535,449)        | (58,468,254)  |
| <b>Capital assets net of accumulated<br/>depreciation and amortization</b> | <b>1,373,203,101</b>                               | <b>390,003,545</b> | <b>172,390,653</b> | <b>1,935,597,299</b> | <b>154,963,644</b>  |
| Assessments receivable   | 4,112,461  | -                  | -                  | 4,112,461            | -   |
| Prepaid expense  | 30,821,262   | 32,011,224         | 3,151,220          | 65,983,706           | 15,300,118  |
| Water rights   | -  | 63,800             | -                  | 63,800               | -   |
| <b>Total noncurrent assets</b>   | <b>1,408,136,824</b>                               | <b>422,078,569</b> | <b>175,541,873</b> | <b>2,005,757,266</b> | <b>170,263,762</b>  |
| <b>Total assets</b>  | <b>1,522,311,034</b>                               | <b>467,001,249</b> | <b>213,119,094</b> | <b>2,202,431,377</b> | <b>276,753,090</b>  |

Continued next page

**City of Portland, Oregon  
Statement of Net Assets  
Proprietary Funds, Continued  
June 30, 2002**

|   | <b>Business-type Activities - Enterprise Funds</b> |                       |                      |                         | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|---|--|-----------------------|----------------------|-------------------------|---|
|   | <u>Sewage Disposal</u>                             | <u>Water</u>          | <u>Other Funds</u>   | <u>Total</u>            |   |
| <b>LIABILITIES</b>                                      |  |                       |                      |                         |   |
| Current liabilities (payable from unrestricted assets): |  |                       |                      |                         |   |
| Accounts payable  | 6,146,434  | 2,695,910             | 1,103,154            | 9,945,498               | 3,825,832   |
| Due to other funds                                      | -  | 12,183,197            | -                    | 12,183,197              | -   |
| Compensated absences                                    | 1,605,178  | 1,766,078             | 213,654              | 3,584,910               | 1,022,805   |
| Self-insurance claims - current                         | -  | -                     | -                    | -                       | 9,768,071   |
| Notes payable - current                                 | -  | -                     | -                    | -                       | 3,935,000   |
| Capital leases payable - current                        | 391,015  | 151,803               | 111,507              | 654,325                 | -   |
| Internal loans payable                                  | -  | -                     | 150,000              | 150,000                 | -   |
| Deferred revenue  | -  | 827,801               | -                    | 827,801                 | -   |
| General obligation bonds payable - current              | -  | 6,080,000             | -                    | 6,080,000               | -   |
| Revenue bonds payable - current                         | 23,805,000   | 3,130,000             | 4,030,000            | 30,965,000              | 3,654,315   |
| Notes payable - current                                 | 24,507   | -                     | -                    | 24,507                  | -   |
| Accrued interest payable                                | 6,667,028  | 2,539,666             | 755,571              | 9,962,265               | 919,905   |
| Other liabilities - current                             | 881,120  | 2,166,642             | 105,668              | 3,153,430               | 406,064   |
| <b>Total current liabilities (unrestricted)</b>         | <b>39,520,282</b>                                  | <b>31,541,097</b>     | <b>6,469,554</b>     | <b>77,530,933</b>       | <b>23,531,992</b>   |
| Current liabilities (payable from restricted assets):   |  |                       |                      |                         |   |
| Revenue bonds payable - current                         | -  | -                     | 1,750,000            | 1,750,000               | -   |
| Accrued interest payable                                | -  | -                     | 508,299              | 508,299                 | -   |
| <b>Total current liabilities (restricted)</b>           | <b>-</b>   | <b>-</b>              | <b>2,258,299</b>     | <b>2,258,299</b>        | <b>-</b>  |
| Noncurrent liabilities:                                 |  |                       |                      |                         |   |
| Compensated absences                                    | 687,934  | 756,890               | 91,566               | 1,536,390               | 438,345   |
| General obligation bonds payable                        | -  | 23,772,018            | -                    | 23,772,018              | -   |
| Revenue bonds payable                                   | 724,179,067  | 127,874,814           | 132,342,551          | 984,396,432             | 76,905,538  |
| Notes and mortgages payable                             | 579,204  | 6,356,054             | -                    | 6,935,258               | 20,188,190  |
| Capital leases payable                                  | 1,828,012  | 743,843               | 282,638              | 2,854,493               | -   |
| Accrued interest payable                                | -  | -                     | 3,132,297            | 3,132,297               | -   |
| Self-insurance claims                                   | -  | -                     | -                    | -                       | 14,426,460  |
| Other liabilities                                       | 3,300,000  | -                     | -                    | 3,300,000               | -   |
| Prepaid sewer assessment                                | 142,950  | -                     | -                    | 142,950                 | -   |
| <b>Total noncurrent liabilities</b>                     | <b>730,717,167</b>                                 | <b>159,503,619</b>    | <b>135,849,052</b>   | <b>1,026,069,838</b>    | <b>111,958,533</b>  |
| <b>Total liabilities</b>                                | <b>770,237,449</b>                                 | <b>191,044,716</b>    | <b>144,576,905</b>   | <b>1,105,859,070</b>    | <b>135,490,525</b>  |
| <b>NET ASSETS</b>                                       |  |                       |                      |                         |   |
| Invested in capital assets, net of related debt         | 669,738,681  | 256,922,493           | 37,347,204           | 964,008,378             | 74,313,683  |
| Restricted for debt service                             | -  | -                     | 10,941,581           | 10,941,581              | -   |
| Unrestricted  | 82,334,904   | 19,034,040            | 20,253,404           | 121,622,348             | 66,948,882  |
| <b>Total net assets</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>   |

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, 2002**

|   | <b>Business-type Activities - Enterprise Funds</b> |                       |                      |                         | <b>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</b> |
|---|--|-----------------------|----------------------|-------------------------|---|
|   | <b>Sewage Disposal</b>                             | <b>Water</b>          | <b>Other Funds</b>   | <b>Total</b>            |   |
| <b>Operating revenues:</b>                              |  |                       |                      |                         |   |
| Service charges and fees                                | \$ 159,700,889                                     | \$ 81,391,003         | \$ 7,861,432         | \$ 248,953,324          | \$ 112,056,355  |
| Licenses and permits                                    | 391,832  | -                     | 1,582,535            | 1,974,367               | -   |
| Rents and reimbursements                                | 123,607  | -                     | 7,932,557            | 8,056,164               | 1,603,648   |
| Concessions   | -  | -                     | 397,606              | 397,606                 | -   |
| Parking fees  | -  | -                     | 9,940,279            | 9,940,279               | 254,276   |
| Miscellaneous   | 1,950,683  | -                     | 6,229,883            | 8,180,566               | 3,839,352   |
| <b>Total operating revenues</b>                         | <b>162,167,011</b>                                 | <b>81,391,003</b>     | <b>33,944,292</b>    | <b>277,502,306</b>      | <b>117,753,631</b>  |
| <b>Operating expenses:</b>                              |  |                       |                      |                         |   |
| Salaries and wages                                      | 22,239,314   | 25,655,661            | 4,032,189            | 51,927,164              | 24,804,550  |
| Operating supplies                                      | 2,628,479  | 4,332,236             | 788,043              | 7,748,758               | 6,920,406   |
| Professional services                                   | 30,252,701   | 10,160,025            | 9,599,015            | 50,011,741              | 20,318,439  |
| Utilities   | 5,044,392  | 1,747,315             | 256,626              | 7,048,333               | 2,729,377   |
| Claims  | -  | -                     | -                    | -                       | 29,361,711  |
| Miscellaneous   | 3,138,410  | 5,302,302             | 4,624,565            | 13,065,277              | 24,210,566  |
| Utility license fees                                    | 11,048,119   | 3,574,748             | -                    | 14,622,867              | -   |
| Bad debt expense  | 15,202,047   | 3,869,673             | -                    | 19,071,720              | -   |
| Downspout disconnect program expense                    | 3,522,412  | -                     | -                    | 3,522,412               | -   |
| Depreciation expense                                    | 14,793,040   | 14,144,261            | 4,562,771            | 33,500,072              | 8,496,706   |
| <b>Total operating expenses</b>                         | <b>107,868,914</b>                                 | <b>68,786,221</b>     | <b>23,863,209</b>    | <b>200,518,344</b>      | <b>116,841,755</b>  |
| <b>Operating income (loss)</b>                          | <b>54,298,097</b>                                  | <b>12,604,782</b>     | <b>10,081,083</b>    | <b>76,983,962</b>       | <b>911,876</b>  |
| <b>Nonoperating revenues (expenses):</b>                |  |                       |                      |                         |   |
| Gain (loss) on sale of fixed assets                     | (71,584)   | (56,995)              | (1,244,688)          | (1,373,267)             | (23,793)  |
| Investment earnings                                     | 4,640,418  | 1,241,214             | 1,700,178            | 7,581,810               | 4,106,668   |
| Interest expense  | (35,816,838)                                       | (6,733,768)           | (8,969,135)          | (51,519,741)            | (4,883,985)   |
| Miscellaneous   | 1,875,701  | (112,861)             | (114,938)            | 1,647,902               | 4,638,290   |
| <b>Total nonoperating revenues (expenses)</b>           | <b>(29,372,303)</b>                                | <b>(5,662,410)</b>    | <b>(8,628,583)</b>   | <b>(43,663,296)</b>     | <b>3,837,180</b>  |
| <b>Income (loss) before contributions and transfers</b> | <b>24,925,794</b>                                  | <b>6,942,372</b>      | <b>1,452,500</b>     | <b>33,320,666</b>       | <b>4,749,056</b>  |
| Transfers in  | -  | -                     | -                    | -                       | 7,037,172   |
| Transfers out   | -  | -                     | (1,821,223)          | (1,821,223)             | (91,800)  |
| Capital contributions                                   | 2,590,674  | 960,573               | 50,000               | 3,601,247               | -   |
| <b>Change in net assets</b>                             | <b>27,516,468</b>                                  | <b>7,902,945</b>      | <b>(318,723)</b>     | <b>35,100,690</b>       | <b>11,694,428</b>   |
| <b>Total net assets -- beginning, as restated</b>       | <b>724,557,117</b>                                 | <b>268,053,588</b>    | <b>68,860,912</b>    | <b>1,061,471,617</b>    | <b>129,568,137</b>  |
| <b>Total net assets -- ending</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>   |

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

**City of Portland, Oregon**  
**Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**of Enterprise Funds to the Statement of Activities**  
**For the Year Ended June 30, 2002**

**Change in net assets -- total enterprise funds** \$ 35,100,690

Amounts reported for business-type activities in the statement of activities  
are different because:

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 2,535,746

**Change in net assets -- business-type activities** \$ 37,636,436

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

City of Portland, Oregon  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2002

|  | Business activities - Enterprise Funds |                      |                      |                       | Governmental<br>Activities -<br>Internal Service<br>Funds |
|--|--|----------------------|----------------------|-----------------------|---|
|  | Sewage<br>Disposal                     | Water                | Other<br>Funds       | Total                 |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                     |  |                      |                      |                       |   |
| Receipts from customers and users                                | \$ 176,453,341                         | \$ 74,340,764        | \$ 32,822,883        | \$ 283,616,988        | \$ 43,674,124   |
| Receipts from interfund services provided                        | 1,654,721                              | 8,276,766            | 974,751              | 10,906,238            | 75,325,863  |
| Payments to suppliers  | (50,167,297)                           | (8,236,405)          | (10,530,701)         | (68,934,403)          | (41,191,359)  |
| Payments to employees  | (22,304,684)                           | (25,901,335)         | (4,021,347)          | (52,227,366)          | (24,420,647)  |
| Payments for interfund services used                             | (21,236,647)                           | (9,132,259)          | (4,864,557)          | (35,233,463)          | (11,862,174)  |
| Other receipts (payments)  | 280,527                                | (4,706,680)          | (494,435)            | (4,920,588)           | (691,973)   |
| Claims paid  | -                                      | -                    | -                    | -                     | (31,932,918)  |
| Net cash provided by (used in) operating activities              | <u>84,679,961</u>                      | <u>34,640,851</u>    | <u>13,886,594</u>    | <u>133,207,406</u>    | <u>8,900,916</u>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>          |  |                      |                      |                       |   |
| Miscellaneous and reimbursements from other water districts      | 2,999,881                              | 1,054,723            | -                    | 4,054,604             | 5,196,349   |
| Transfers in   | -                                      | -                    | -                    | -                     | 7,037,172   |
| Transfers out  | -                                      | -                    | (1,821,223)          | (1,821,223)           | (33,300)  |
| Net cash provided by (used for) noncapital financing activities  | <u>2,999,881</u>                       | <u>1,054,723</u>     | <u>(1,821,223)</u>   | <u>2,233,381</u>      | <u>12,200,221</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b> |  |                      |                      |                       |   |
| Proceeds from sale of bonds and notes                            | -                                      | 6,356,054            | 12,350,615           | 18,706,669            | 8,015,000   |
| Premium on bonds and notes issued                                | -                                      | -                    | 66,082               | 66,082                | 46,784  |
| Proceeds from sale of fixed assets                               | 76,900                                 | 197,136              | 22,624               | 296,660               | 1,041,153   |
| Acquisition of fixed assets                                      | (85,327,229)                           | (21,702,211)         | (3,516,575)          | (110,546,015)         | (16,903,786)  |
| Principal paid on bonds, notes and capital leases                | (23,072,975)                           | (9,002,275)          | (25,261,967)         | (57,337,217)          | (7,338,527)   |
| Interest paid on bonds, notes and capital leases                 | (34,519,751)                           | (6,622,407)          | (8,541,481)          | (49,683,639)          | (4,833,077)   |
| Net cash used for capital and related financing activities       | <u>(142,843,055)</u>                   | <u>(30,773,703)</u>  | <u>(24,880,702)</u>  | <u>(198,497,460)</u>  | <u>(19,972,453)</u>                                       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                     |  |                      |                      |                       |   |
| Interest on investments  | 6,081,167                              | 1,464,370            | 2,376,892            | 9,922,429             | 4,843,364   |
| Net increase (decrease) in cash and cash equivalents             | (49,082,046)                           | 6,386,241            | (10,438,439)         | (53,134,244)          | 5,972,048   |
| <b>CASH AND CASH EQUIVALENTS, July 1, 2001</b>                   | <u>128,354,596</u>                     | <u>26,208,920</u>    | <u>45,856,948</u>    | <u>200,420,464</u>    | <u>98,053,197</u>   |
| <b>CASH AND CASH EQUIVALENTS, June 30, 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>Noncash investing, capital, and financing activities:</b>     |  |                      |                      |                       |   |
| Noncash capital contributions                                    | 2,590,674                              | 960,573              | 50,000               | 3,601,247             | -   |
| Noncash allocation of PERS bond principal                        | 33,725,394                             | 35,027,480           | 3,448,143            | 72,201,017            | 16,741,773  |

City of Portland, Oregon  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2002

**Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:**

|   |                      |                      |                      |                       |                     |
|---|----------------------|----------------------|----------------------|-----------------------|---------------------|
| Operating income (loss)   | \$ 54,298,097        | \$ 12,604,782        | \$ 10,081,083        | \$ 76,983,962         | \$ 911,876          |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities: |                      |                      |                      |                       |                     |
| Depreciation and amortization of fixed assets   | 14,793,040           | 14,144,261           | 4,562,771            | 33,500,072            | 8,496,706           |
| Provision for uncollectible accounts  | 15,202,047           | 3,869,673            | -                    | 19,071,720            | -                   |
| Change in assets and liabilities:   |                      |                      |                      |                       |                     |
| Accounts, contracts receivable, advances and assessments  | 1,978,524            | (564,880)            | (288,531)            | 1,125,113             | 649,014             |
| Inventories   | (53,854)             | 58,618               | -                    | 4,764                 | 38,180              |
| Due (from) to other funds   | (919,467)            | 5,089,419            | (89,134)             | 4,080,818             | 455,620             |
| Internal loans receivable   | -                    | 29,166               | -                    | 29,166                | -                   |
| Other assets  | (10,946)             | -                    | (42,294)             | (53,240)              | -                   |
| Checks and accounts payable   | (3,456,845)          | (557,548)            | (360,164)            | (4,374,557)           | (568,709)           |
| Accrued compensated absences  | (65,369)             | (245,675)            | 10,842               | (300,202)             | 383,903             |
| Other accrued liabilities   | 2,914,734            | (614,766)            | 12,021               | 2,311,989             | 132,291             |
| Deferred revenue  | -                    | 827,801              | -                    | 827,801               | -                   |
| Accrued claims  | -                    | -                    | -                    | -                     | (1,597,965)         |
| Net cash provided by (used in) operating activities:  | <u>\$ 84,679,961</u> | <u>\$ 34,640,851</u> | <u>\$ 13,886,594</u> | <u>\$ 133,207,406</u> | <u>\$ 8,900,916</u> |

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

**City of Portland, Oregon**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2002**

|   | Pension Trust | Agency        |
|---|---------------|---------------|
| <b>ASSETS</b>                                   |               |               |
| Current assets (unrestricted):                  |               |               |
| Cash and investments                            | \$ 9,714,601  | \$ 30,896,868 |
| Receivables:                                    |               |               |
| Due from other funds                            | 4,324,694     | -             |
| Accrued interest                                | 94,818        | 12,529        |
| Other assets                                    | 480,708       | -             |
| Capital assets:                                 |               |               |
| Machinery and equipment                         | 46,846        | -             |
| Accumulated depreciation and amortization       | (18,150)      | -             |
| Total assets                                    | 14,643,517    | \$ 30,909,397 |
| <b>LIABILITIES</b>                              |               |               |
| Accounts payable                                | 5,286,110     | \$ 9,684,233  |
| Salaries and withholding taxes                  | -             | 12,581,431    |
| Interest payable                                | 2,030         | -             |
| Other liabilities - current                     | 358,000       | 8,643,733     |
| Revenue bonds payable                           | 526,002       | -             |
| Total liabilities                               | 6,172,142     | \$ 30,909,397 |
| <b>NET ASSETS</b>                               |               |               |
| Invested in capital assets, net of related debt | 28,696        |               |
| Held in trust for pension benefits              | 8,442,679     |               |
| Total net assets                                | \$ 8,471,375  |               |

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, 2002**

|   |    | <u>Pension Trust</u>    |
|---|----|-------------------------|
| <b>ADDITIONS</b>  |    |                         |
| Contributions:  |    |                         |
| Employer contributions                                      | \$ | 59,957,248              |
| Plan member   |    | 2,281                   |
| Other   |    | 58,949                  |
| Total contributions   |    | <u>60,018,478</u>       |
| Investment earnings   |    | <u>900,488</u>          |
| Total additions   |    | <u>60,918,966</u>       |
| <b>DEDUCTIONS</b>   |    |                         |
| Benefits and refunds paid to plan members and beneficiaries |    | 64,228,786              |
| Administrative expenses                                     |    | 1,658,861               |
| Interest expense  |    | 303,568                 |
| Depreciation expense  |    | 5,572                   |
| Total deductions  |    | <u>66,196,787</u>       |
| Change in net assets  |    | (5,277,821)             |
| Net assets - beginning, as restated                         |    | <u>13,749,196</u>       |
| Net assets - ending   | \$ | <u><u>8,471,375</u></u> |

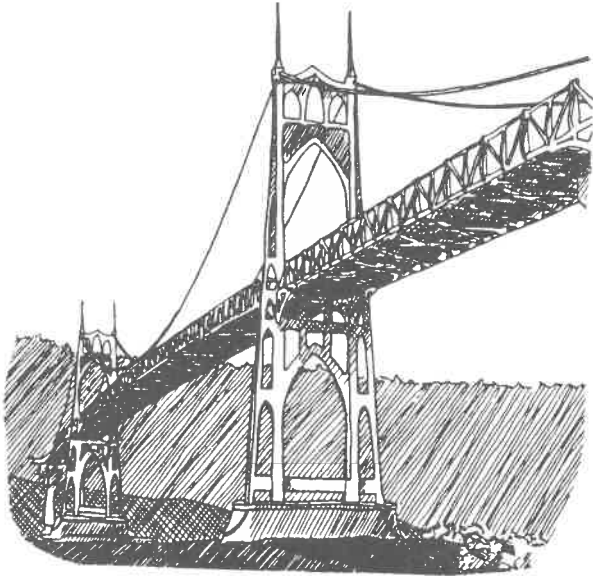
The accompanying notes are an integral part of the basic financial statements.



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, 2002

**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 (the Fund) 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 Fund 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 Fund's Board of Trustees also administers a Reserve Fund authorized under a provision of Chapter 5 (Section 5-104) of the Charter of the City of Portland. The Reserve Fund provides for advances to the 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 Fund 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 units

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 or expenditures 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, 2002

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

**A. Reporting entity, Continued:**

Discretely presented component units, Continued:

Hospital Facilities Authority of the City of Portland, Oregon

The Hospital Facilities Authority of the City of Portland was dissolved on August 29, 2001, therefore it is no longer reported as a component unit of the City of Portland.

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

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

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

Significant revenues, measurable and available for the fiscal year ended June 30, 2002, 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, as under accrual accounting. Exceptions are:

- Claims and judgments
- Interfund transactions for services which are recorded on the accrual basis
- Interest expenditures on general long-term debt which are recorded when due
- Earned but unpaid vacations which are recorded as expenditures to the extent they are expected to be liquidated with expendable, available financial resources

The City reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Transportation Operating Fund** accounts for activities associated with the City's transportation system.

The City reports the following major proprietary funds:

The **Sewage Disposal Fund** accounts for the activities associated with 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 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

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

Proprietary funds apply all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements. The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America (GAAP).

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.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included as program revenues are reported instead as *general revenues*.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges for customer services including water and sewer charges, printing fees, telecommunication charges, vehicle use and maintenance fees, insurance fees, facility rents and information system support charges. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted assets, 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.

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 and applicable rebates for non-timely billings.

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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

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

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 these funds when inventories are purchased. Inventories of proprietary funds are expensed as used. Land held for resale is recorded at the lower of cost or estimated market value.

3. Other assets

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

4. Restricted assets and liabilities

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 fund balance sheet.

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 2002 were \$57,874,229, of which \$6,354,488 was capitalized.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

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

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.

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.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 permanent 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

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

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 expenditures during the reporting period. Actual results could differ from those estimates.

13. Restatements of beginning net assets

During 2002, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statements Nos. 34, 37, 38 and Interpretation No. 6. GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, which establish new requirements and a new reporting model for the annual financial reports of state and local governments. In accordance with GASB Statement No. 34 the City has recorded capital and certain other long-term assets and liabilities in the statement of net assets, reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities, and used the direct method of reporting cash flows. Implementation of GASB Statement No. 34 resulted in a restatement of beginning net assets. GASB Statement No. 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus*, amends GASB Statement No. 34 and provides additional clarification related to some of the provisions in GASB Statement No. 34. The City considered the effects of this statement when adopting the provisions of GASB Statement No. 34. GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, modifies, establishes, and rescinds certain financial disclosure requirements. The City revised some footnotes to conform to the provisions of GASB Statement No. 38. Liabilities and expenditures were accrued in governmental funds based on GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The City's beginning net assets have been restated to reflect the cumulative effect of the implementation of GASB Statement No. 34. The impact of GASB Statement No. 34 on the City's accounting and financial reporting practices was to (1) classify certain activities as governmental that were previously reported as fiduciary, (2) report the residual balances of certain internal activities within the net assets of governmental activities, (3) report all long-term assets, including capital assets and infrastructure, and long-term liabilities in the statement of net assets, and (4) report all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. These restatements reflect a change in beginning net assets of \$1,608,357,207.

The City of Portland financed the estimated unfunded actuarial accrued liability (UAAL) of the City of Portland with the State of Oregon Public Employees Retirement System (PERS) and paid costs related to the financing of the UAAL in November 1999. Beginning in fiscal year 2002, in accordance with GAAP, the financing of the UAAL has been allocated to the general government, internal service funds, enterprise funds, and the pension trust fund. This resulted in a prepaid pension asset of \$159,558,387 for governmental funds, \$15,858,178 for internal service funds, \$68,390,407 for enterprise funds. Because substantially all employees of the pension trust fund are participants of PERS, this results in a proportional allocation of the prepaid pension asset of \$526,002 to the pension trust fund. The prepaid pension asset is being amortized on a straight-line basis over 30 years. The beginning net assets balance of the City was decreased by \$4,694,205 and the pension trust fund by \$27,761, due to the amortization of the prepaid pension asset from November 1999, through June 2001.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

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

**13. Restatements of beginning net assets, Continued:**

The Sewage Disposal fund originally accrued a 20% sewer credit for \$4,135,586 during fiscal year 2001. However, the payment of this liability was determined to be the responsibility of the Water enterprise fund and should have been established as due to the Sewage Disposal fund and a due from the Water enterprise fund for the same amount. This resulted in a prior period adjustment that is now properly recorded as a commitment of the Water enterprise fund. The beginning net assets of the Sewage Disposal fund increased by \$4,135,586 and the Water enterprise fund decreased by \$4,135,586.

Additionally, the beginning fund balance for the Sewage Disposal fund is also restated by a decrease of \$18,125,146 for capitalized interest earnings on unspent tax exempt debt proceeds during construction periods.

Property held for resale was understated in the Housing Investment fund, a non-major special revenue fund by \$4,975,000. This was due to the omission of two transactions at the time the property was purchased: the Fairfield Hotel for \$1,475,000 and the Fountain Place Apartments for \$3,500,000. This is shown as a prior period adjustment.

Prior period adjustments are reflected in the following reconciliation of the beginning fund balances to the beginning net assets as restated as of June 30, 2001:

|  | Governmental Activities |                                  |                   |                     | Business-type Activities |                    |               |                   |                 |
|--|-------------------------|----------------------------------|-------------------|---------------------|--------------------------|--------------------|---------------|-------------------|-----------------|
|  | General                 | Trans-<br>portation<br>Operating | Nonmajor<br>Funds | Internal<br>Service | Total                    | Sewage<br>Disposal | Water         | Nonmajor<br>funds | Total           |
| Fund Balance,<br>June 30, 2001                 | \$50,016,695            | \$15,242,643                     | \$72,807,053      | \$130,451,732       | \$268,518,123            | \$740,326,629      | \$274,037,847 | \$69,042,897      | \$1,083,407,373 |
| Allocation of<br>PERS debt                     | -                       | -                                | -                 | (883,595)           | (883,595)                | (1,779,952)        | (1,848,673)   | (181,985)         | (3,810,610)     |
| 20% Sewer<br>credit                            | -                       | -                                | -                 | -                   | -                        | 4,135,586          | (4,135,586)   | -                 | -               |
| Capitalized<br>interest                        | -                       | -                                | -                 | -                   | -                        | (18,125,146)       | -             | -                 | (18,125,146)    |
| Property held<br>for resale                    | -                       | -                                | 4,975,000         | -                   | 4,975,000                | -                  | -             | -                 | -               |
| Fund Balance,<br>June 30, 2001,<br>as restated | \$50,016,695            | \$15,242,643                     | \$77,782,053      | \$129,568,137       | \$272,609,528            | \$724,557,117      | \$268,053,588 | \$68,860,912      | \$1,061,471,617 |

Effects of GASB Statement No. 34

\$1,610,892,953

\$(2,535,746)

**14. Reclassifications**

Certain reclassifications have been made to prior year financial statements for comparative purpose to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

**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 material and services, capital outlay, and other expenditures). Appropriations lapse at fiscal year's end. Volumes 1 and 2 of the Adopted Budget contain detailed information for the above mentioned expenditure categories.



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

**A. Budgetary information, Continued:**

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, 2002.

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

Oregon state law requires fund disclosure of expenditures in excess of budgeted appropriations. For the fiscal year ended June 30, 2002, the following funds had expenditures in excess of budgeted appropriations:

|                                   |           |
|-----------------------------------|-----------|
| <u>Special Revenue Funds:</u>     |           |
| Emergency Communication:          |           |
| General Operating Contingency     | \$2,296   |
| Public Safety:                    |           |
| Personal Services                 | 5,275     |
| Cable:                            |           |
| Materials and Services            | 21,970    |
| <br><u>Capital Projects Fund:</u> |           |
| Parks Construction                |           |
| Interest                          | 17,538    |
| <br><u>Permanent Fund:</u>        |           |
| Parks Endowment:                  |           |
| Materials and Services            | 584       |
| <br><u>Enterprise Funds:</u>      |           |
| Sewer System Operating:           |           |
| Principal                         | 142,300   |
| Interest                          | 1,124,883 |
| Water:                            |           |
| Interest                          | 405,693   |
| Hydroelectric Power Operating:    |           |
| Interest                          | 8,372     |
| Portland International Raceway:   |           |
| Interest                          | 13,630    |
| Solid Waste Management:           |           |
| Interest                          | 22,939    |
| Environmental Remediation:        |           |
| Interest                          | 474       |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

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

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

Internal Service Funds:

|   |         |
|---|---------|
| Health Insurance Operating:                     |         |
| Interest  | 12,876  |
| Facilities Services Operating:                  |         |
| Overhead Charges                                | 306     |
| Interest  | 22,797  |
| Fleet Services Operating:                       |         |
| Interest  | 168,402 |
| Printing and Distribution Services Operating:   |         |
| Interest  | 64,578  |
| Insurance and Claims Operating:                 |         |
| Interest  | 29,225  |
| Workers' Compensation Self-Insurance Operating: |         |
| Interest  | 29,275  |
| Information Technology:                         |         |
| Interest  | 358,811 |

Component Unit - Portland Development Commission:

General Fund:

|                   |          |
|-------------------|----------|
| Personal Services | \$18,838 |
|-------------------|----------|

Capital Projects Funds:

|   |        |
|---|--------|
| Downtown Waterfront Urban Renewal Fund: |        |
| Financial Assistance                    | 39,546 |
| Interstate Corridor Urban Renewal Fund: |        |
| Capital Outlay                          | 101    |
| Financial Assistance                    | 750    |

Enterprise Fund:

|                        |        |
|------------------------|--------|
| Enterprise Loans Fund: |        |
| Materials and Services | 88,892 |

All expenditures in excess of budgeted appropriations in the current fiscal year are incorporated in the subsequent year's budget.

**C. Deficit fund equity:**

Oregon state law requires fund disclosure of deficit fund balances/total net assets. At June 30, 2002, the following funds had deficits:

Primary government:

Capital Projects Funds:

|   |             |
|---|-------------|
| Local Improvement District Construction | \$9,983,442 |
| Parks Bond Construction                 | 141,146     |

Future resources will be used to clear all fund deficits.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**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 blended component units. Cash and Investments are presented on the balance sheet in the basic financial statements at fair market value in accordance with GASBS 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 \$389.9 million for City operations and \$40.6 million for the City's fiduciary operations. The City's component unit's cash and investments are comprised of \$135.6 million for its operations and \$0.2 million for its fiduciary operations.

Commencing fiscal year 2001-2002, City Treasury began assessing a Treasury management fee that is deducted from investment income before distributions to all City funds. This fee is based on City Treasury's net operating expenses and totaled \$583,658 for fiscal year ended June 30, 2002.

Cash and investments for the primary government are comprised of governmental and business-type activities and fiduciary funds. The balances at June 30, 2002 are:

|   | Primary<br>Government | Component<br>Unit (PDC) | Reporting<br>Entity Total |
|---|-----------------------|-------------------------|---------------------------|
| Cash on hand                            | \$138,544             | \$1,500                 | \$140,044                 |
| Deposits with<br>financial institutions | 4,563,497             | 248,246                 | 4,811,743                 |
| Investments                             | 425,855,672           | 135,538,069             | 561,393,741               |
|   | <u>\$430,557,713</u>  | <u>\$135,787,815</u>    | <u>\$566,345,528</u>      |

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

|              | Primary<br>Government | Component<br>Unit (PDC) | Reporting<br>Entity Total |
|--------------|-----------------------|-------------------------|---------------------------|
| Unrestricted | \$417,384,837         | \$135,377,511           | \$552,762,348             |
| Restricted   | 13,172,876            | 410,304                 | 13,583,180                |
|              | <u>\$430,557,713</u>  | <u>\$135,787,815</u>    | <u>\$566,345,528</u>      |

**Deposits**

At June 30, 2002 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 Portland Development Commission (PDC) was \$248,246 of which \$155,169 was covered by federal depository insurance; \$93,077 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% of outstanding certificates. The uncollateralized amount of \$93,077 of the component unit represents funds in excess of the portion required to be collateralized under Oregon Law.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Investments

Primary government

State statutes authorize the City 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.

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's investments are categorized below to give an indication of the level of custodial credit risk assumed by the City at June 30, 2002. 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, 2002, 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        | \$374,349,867        | \$ -        | \$ -        | \$374,349,867        |
| Bankers' Acceptances              | 18,582,606           | -           | -           | 18,582,606           |
| Commercial Paper                  | -                    | -           | -           | -                    |
|                                   | <u>\$392,932,473</u> | <u>\$ -</u> | <u>\$ -</u> | <u>392,932,473</u>   |
| State Treasurer's Investment Pool |                      |             |             | <u>32,923,199</u>    |
| Total Investments                 |                      |             |             | <u>\$425,855,672</u> |

Component unit

Portland Development Commission – State statutes authorize Oregon municipalities 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, certain commercial paper, and the State Treasurer's and City of Portland's investment pool, among others. PDC's investments consist of funds 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 the PDC at June 30, 2002. Category 1 includes investments that are insured or registered, or for which the City of Portland, or its agents in the City's name, hold securities.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

Component unit, Continued:

|                                      | <u>Category 1</u> | <u>Fair Value</u>    |
|--------------------------------------|-------------------|----------------------|
| Deposits with trustees               | \$195,077         | \$195,077            |
| Bank demand deposits                 | 53,169            | 53,169               |
|                                      | <u>\$248,246</u>  | <u>248,246</u>       |
| <br>City of Portland Investment Pool |                   | <u>135,538,069</u>   |
| Total deposits and investments       |                   | <u>\$135,786,315</u> |

**B. Receivables and payables:**

The City reports the general, transportation operating, sewer disposal and water funds as major funds. The allowance for doubtful accounts for governmental funds is immaterial for disclosures. Special assessments are the only receivables not expected to be collected within one year.

Receivables as of June 30, 2002, were as follows:

|   | Governmental Activities |                                  |                     |                     | Business-type Activities |                     |                     |                    |                     |
|---|-------------------------|----------------------------------|---------------------|---------------------|--------------------------|---------------------|---------------------|--------------------|---------------------|
|   | General                 | Trans-<br>portation<br>Operating | Nonmajor<br>Funds   | Internal<br>Service | Total                    | Sewage<br>Disposal  | Water               | Nonmajor<br>funds  | Total               |
| Taxes   | \$14,479,097            | \$2,127                          | \$ 3,662,701        | \$ -                | \$18,143,925             | \$ -                | \$ -                | \$ -               | \$ -                |
| Accounts  | 2,549,577               | 14,119,617                       | 6,402,886           | 873,290             | 23,945,370               | 37,368,280          | 15,935,796          | 1,198,793          | 54,502,869          |
| Assessments   | 1,000                   | 1,138,309                        | 34,516,710          | -                   | 35,656,019               | 4,275,819           | -                   | -                  | 4,275,819           |
| Contracts   | -                       | -                                | -                   | -                   | -                        | -                   | -                   | 578,556            | 578,556             |
| Grants  | -                       | -                                | 10,309,864          | -                   | 10,309,864               | -                   | -                   | -                  | -                   |
| Advances  | 283,499                 | -                                | -                   | -                   | 283,499                  | -                   | -                   | 101,995            | 101,995             |
| Interest  | 351,310                 | 11,159                           | 442,556             | 430,856             | 1,235,881                | 402,295             | 141,982             | 126,867            | 671,144             |
| <b>Total<br/>receivables</b>  | <b>17,664,483</b>       | <b>15,271,212</b>                | <b>55,334,717</b>   | <b>1,304,146</b>    | <b>89,574,558</b>        | <b>42,046,394</b>   | <b>16,077,778</b>   | <b>2,006,211</b>   | <b>60,130,383</b>   |
| Allowance for<br>doubtful<br>accounts                               | -                       | -                                | -                   | -                   | -                        | (17,188,710)        | (5,450,143)         | (10,171)           | (22,649,024)        |
| <b>Receivables,<br/>net</b>   | <b>\$17,664,483</b>     | <b>\$15,271,212</b>              | <b>\$55,334,717</b> | <b>\$ 1,304,146</b> | <b>\$89,574,558</b>      | <b>\$24,857,684</b> | <b>\$10,627,635</b> | <b>\$1,996,040</b> | <b>\$37,481,359</b> |
| Not scheduled<br>for collection<br>during the<br>subsequent<br>year | \$ -                    | \$746,741                        | \$24,861,510        | \$ -                | \$25,608,251             | \$ 4,112,461        | \$ -                | \$ -               | \$ 4,112,461        |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

**B. Receivables and payables:**

Payables at June 30, 2002, were as follows:

|                                       | Governmental Activities |                                  |                   |                     |                     | Business-type Activities |                  |                   |                     |
|---------------------------------------|-------------------------|----------------------------------|-------------------|---------------------|---------------------|--------------------------|------------------|-------------------|---------------------|
|                                       | General                 | Trans-<br>portation<br>Operating | Nonmajor<br>Funds | Internal<br>Service | Total               | Sewage<br>Disposal       | Water            | Nonmajor<br>funds | Total               |
| Accounts to vendors and contractors   | \$5,263,171             | \$3,550,979                      | \$2,965,747       | \$4,231,896         | \$16,011,793        | \$10,327,554             | \$4,862,552      | \$1,208,822       | \$16,398,928        |
| Compensated absences                  | -                       | -                                | -                 | 1,461,150           | 1,461,150           | 2,293,112                | 2,522,968        | 305,220           | 5,121,300           |
| Interest on bonds and notes           | -                       | -                                | 19,048            | 919,905             | 938,953             | 6,667,028                | 2,539,666        | 4,396,167         | 13,602,861          |
| <b>Total fund level payables</b>      | <b>5,263,171</b>        | <b>3,550,979</b>                 | <b>2,984,795</b>  | <b>6,612,951</b>    | <b>18,411,896</b>   | <b>19,287,694</b>        | <b>9,925,186</b> | <b>5,910,209</b>  | <b>35,123,089</b>   |
| <b>Reconciliation:</b>                |                         |                                  |                   |                     |                     |                          |                  |                   |                     |
| Compensated absences                  |                         |                                  |                   |                     | 40,628,832          |                          |                  |                   | -                   |
| Interest on bonds and notes           |                         |                                  |                   |                     | 13,071,731          |                          |                  |                   | -                   |
| Fire and Police contribution          |                         |                                  |                   |                     | 4,324,694           |                          |                  |                   | -                   |
| <b>Total government-wide payables</b> |                         |                                  |                   |                     | <b>\$76,437,153</b> |                          |                  |                   | <b>\$35,123,089</b> |

**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, 2002, all deferred revenue for the primary government is attributed to the following:

|  | Governmental Activities |                                  |                    |                     |                     | Business-type Activities |                  |                   |                  |
|--|-------------------------|----------------------------------|--------------------|---------------------|---------------------|--------------------------|------------------|-------------------|------------------|
|  | General                 | Trans-<br>portation<br>Operating | Nonmajor<br>Funds  | Internal<br>Service | Total               | Sewage<br>Disposal       | Water            | Nonmajor<br>funds | Total            |
| Accounts   | \$204,658               | \$-                              | \$-                | \$-                 | \$204,658           | \$-                      | \$827,801        | \$-               | \$827,801        |
| Local Improvement District   | -                       | -                                | 5,037,815          | -                   | 5,037,815           | -                        | -                | -                 | -                |
| Liens  | 1,000                   | 1,074,865                        | 34,516,710         | -                   | 35,592,575          | -                        | -                | -                 | -                |
| Taxes  | 7,902,704               | 2,021                            | 2,853,176          | -                   | 10,757,901          | -                        | -                | -                 | -                |
| License Tax Prepayments  | 11,369,766              | -                                | -                  | -                   | 11,369,766          | -                        | -                | -                 | -                |
| Grants   | -                       | -                                | 2,141,425          | -                   | 2,141,425           | -                        | -                | -                 | -                |
| <b>Total fund level deferred revenue</b>   | <b>19,478,128</b>       | <b>1,076,886</b>                 | <b>44,549,126</b>  | <b>-</b>            | <b>65,104,140</b>   | <b>-</b>                 | <b>\$827,801</b> | <b>-</b>          | <b>827,801</b>   |
| Eliminations of deferred items at fund level not deferred at government-wide level | (8,108,362)             | (1,076,886)                      | (42,407,701)       | -                   | (52,592,949)        | -                        | -                | -                 | -                |
| <b>Net government-wide deferred revenue</b>  | <b>\$11,369,766</b>     | <b>\$-</b>                       | <b>\$2,141,425</b> | <b>\$-</b>          | <b>\$13,511,191</b> | <b>\$-</b>               | <b>\$827,801</b> | <b>\$-</b>        | <b>\$827,801</b> |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

**D. Capital assets:**

Beginning balances of capital asset activities are shown along with the effects of implementing GASB Statement No. 34. This facilitates understanding and results in a restated beginning balance. Capital asset activity for primary government for the year ended June 30, 2002, was as follows:

|   | Beginning<br>Balance | Effects of<br>GASB 34 | Restated<br>Beginning<br>Balance | Increases      | Decreases    | Ending<br>Balance |
|---|----------------------|-----------------------|----------------------------------|----------------|--------------|-------------------|
| <b>Governmental activities:</b>               |                      |                       |                                  |                |              |                   |
| <u>Capital Assets, not being depreciated:</u> |                      |                       |                                  |                |              |                   |
| Land  | \$53,337,576         | \$ -                  | \$53,337,576                     | \$5,302,305    | \$244,653    | \$58,395,228      |
| Construction in Progress                      | 9,207,305            | 9,092,448             | 18,299,753                       | 21,456,483     | 3,176,762    | 36,579,474        |
| Total capital assets, not being depreciated   | 62,544,881           | 9,092,448             | 71,637,329                       | 26,758,788     | 3,421,415    | 94,974,702        |
| <u>Capital Assets, being depreciated:</u>     |                      |                       |                                  |                |              |                   |
| Buildings                                     | 173,104,414          | 3,744,434             | 176,848,848                      | 8,829,278      | 3,054,821    | 182,623,305       |
| Improvements                                  | 278,607,909          | (114,067,722)         | 164,540,187                      | 2,023,408      | 26,043,797   | 140,519,798       |
| Infrastructure                                | -                    | 3,885,737,085         | 3,885,737,085                    | 21,735,509     | -            | 3,907,472,594     |
| Machinery & Equipment                         | 96,727,690           | -                     | 96,727,690                       | 9,006,415      | 6,459,888    | 99,274,217        |
| Capitalized leases                            | 2,794,455            | -                     | 2,794,455                        | 1,775,370      | 2,710,348    | 1,859,477         |
| Total capital assets being depreciated        | 551,234,468          | 3,775,413,797         | 4,326,648,265                    | 43,369,980     | 38,268,854   | 4,331,749,391     |
| <u>Less accumulated depreciation for:</u>     |                      |                       |                                  |                |              |                   |
| Buildings                                     | 21,220,434           | 9,508,698             | 30,729,132                       | 3,133,396      | -            | 33,862,528        |
| Improvements                                  | 1,640,280            | 30,646,870            | 32,287,150                       | 5,007,554      | -            | 37,294,704        |
| Infrastructure                                | -                    | 1,461,814,292         | 1,461,814,292                    | 132,892,211    | -            | 1,594,706,503     |
| Machinery & Equipment                         | 30,698,002           | 17,027,804            | 47,725,806                       | 8,094,015      | 4,930,972    | 50,888,849        |
| Capitalized leases                            | 84,107               | -                     | 84,107                           | -              | -            | 84,107            |
| Total accumulated depreciation                | 53,642,823           | 1,518,997,664         | 1,572,640,487                    | 149,127,176    | 4,930,972    | 1,716,836,691     |
| Total capital assets, being depreciated, net  | 497,591,645          | 2,256,416,133         | 2,754,007,778                    | (105,757,196)  | 33,337,882   | 2,614,912,700     |
| Governmental activities capital assets, net   | \$560,136,526        | \$2,265,508,581       | \$2,825,645,107                  | \$(78,998,408) | \$36,759,297 | \$2,709,887,402   |
| <b>Business-type activities:</b>              |                      |                       |                                  |                |              |                   |
| <u>Capital Assets, not being depreciated:</u> |                      |                       |                                  |                |              |                   |
| Land  | \$54,182,101         | \$ -                  | \$54,182,101                     | \$5,058,410    | \$ -         | \$59,240,511      |
| Construction in Progress                      | 235,976,469          | 735,668               | 236,712,137                      | 95,188,461     | 118,365,059  | 213,535,539       |
| Total capital assets, not being depreciated   | 290,158,570          | 735,668               | 290,894,238                      | 100,246,871    | 118,365,059  | 272,776,050       |
| <u>Capital Assets, being depreciated:</u>     |                      |                       |                                  |                |              |                   |
| Buildings                                     | 149,901,698          | 28,442,049            | 178,343,747                      | 2,104,771      | 10,488,997   | 169,959,521       |
| Improvements                                  | 1,728,031,604        | (1,669,769,229)       | 58,262,375                       | 1,101,403      | 1,370,587    | 57,993,191        |
| Infrastructure                                | -                    | 1,622,233,182         | 1,622,233,182                    | 126,495,547    | 833,878      | 1,747,894,851     |
| Machinery & Equipment                         | 39,253,523           | (28,982)              | 39,224,541                       | 2,563,731      | 2,820,137    | 38,968,135        |
| Capitalized leases                            | 7,541,000            | -                     | 7,541,000                        | -              | -            | 7,541,000         |
| Total capital assets being depreciated        | 1,924,727,825        | (19,122,980)          | 1,905,604,845                    | 132,265,452    | 15,513,599   | 2,022,356,698     |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

**D. Capital assets, Continued:**

|  | Beginning Balance | Effects of GASB 34 | Restated Beginning Balance | Increases     | Decreases     | Ending Balance  |
|--|-------------------|--------------------|----------------------------|---------------|---------------|-----------------|
| <b>Business-type activities, Continued:</b>  |                   |                    |                            |               |               |                 |
| <u>Less accumulated depreciation for:</u>    |                   |                    |                            |               |               |                 |
| Buildings                                    | 41,992,037        | 1,737,525          | 43,729,562                 | 4,417,686     | 9,440,096     | 38,707,152      |
| Improvements                                 | 280,985,262       | (262,300,094)      | 18,685,168                 | 858,354       | 1,233,531     | 18,309,991      |
| Infrastructure                               | -                 | 259,311,418        | 259,311,418                | 25,125,019    | 810,661       | 283,625,776     |
| Machinery & Equipment                        | 15,840,782        | (832,062)          | 15,008,720                 | 2,877,009     | 2,359,387     | 15,526,342      |
| Capitalized leases                           | 1,323,137         | 1,821,047          | 3,144,184                  | 222,004       | -             | 3,366,188       |
| Total accumulated depreciation               | 340,141,218       | (262,166)          | 339,879,052                | 33,500,072    | 13,843,675    | 359,535,449     |
| Total capital assets, being depreciated, net | 1,584,586,607     | (18,860,814)       | 1,565,725,793              | 98,765,380    | 1,669,924     | 1,662,821,249   |
| Business-type activities capital assets, net | \$1,874,745,177   | \$(18,125,146)     | \$1,856,620,031            | \$199,012,251 | \$120,034,983 | \$1,935,597,299 |

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

**Governmental activities:**

|  |                       |
|--|-----------------------|
| Public safety  | \$ 1,811,040          |
| Parks, recreation and culture                        | 3,670,344             |
| Community development                                | 41,546                |
| Transportation                                       | 133,299,045           |
| Legislative/Admin/Support services                   | 1,029,989             |
| Other  | 778,506               |
| Internal service funds                               | 8,496,706             |
| Total depreciation expense – governmental activities | <u>\$ 149,127,176</u> |

**Business-type activities:**

|   |                      |
|---|----------------------|
| Environmental services                                | \$ 14,826,378        |
| Water   | 14,144,261           |
| Hydroelectric power                                   | 672,374              |
| Parking   | 976,171              |
| Golf  | 473,306              |
| Motor sports  | 33,973               |
| Spectator facilities                                  | 2,373,609            |
| Total depreciation expense – business type activities | <u>\$ 33,500,072</u> |

**Construction commitments**

The government has active construction projects as of June 30, 2002. The projects include fire facilities projects, transportation projects, parks improvement projects, general services projects, plus water and sewer infrastructure projects. The City's commitments to contractors at fiscal year end are as follows:

| Project          | Spent-to-date         | Estimated Completion Costs | Financing Source   |
|------------------|-----------------------|----------------------------|--|
| Fire facilities  | \$ 5,588,072          | \$ 35,741,327              | GO Bond obligations  |
| Transportation   | 15,440,233            | 133,627,385                | Intergovernmental Revenues/Grants/System Development charges |
| Parks            | 16,004,773            | 24,011,491                 | Tax increment/Grants/General fund discretionary              |
| Sewer            | 191,601,040           | 1,043,223,371              | Revenue bonds/sewer rate revenues                            |
| Water            | 15,862,134            | 118,470,000                | Revenue bonds/water rate revenues/project reimbursements     |
| General Services | 5,618,761             | 5,187,511                  | GO Bond Obligations/fund balance                             |
| <b>Total</b>     | <u>\$ 250,115,013</u> | <u>\$ 1,360,261,085</u>    |  |



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

**D. Capital assets, Continued:**

Discretely presented component unit

Activity for Portland Development Commission for the year ended June 30, 2002, was as follows:

|   | Beginning<br>Balances | Increases         | Decreases   | Ending<br>Balances   |
|---|-----------------------|-------------------|-------------|----------------------|
| <u>Capital Assets, not being depreciated:</u> |                       |                   |             |                      |
| Land  | \$ 9,129,868          | \$ -              | \$ -        | \$ 9,129,868         |
| Total capital assets, not being depreciated   | 9,129,868             | -                 | -           | 9,129,868            |
| <u>Capital assets, being depreciated:</u>     |                       |                   |             |                      |
| Buildings & improvements                      | 2,707,441             | -                 | -           | 2,707,441            |
| Leasehold improvements                        | -                     | 363,315           | -           | 363,315              |
| Furniture and equipment                       | 1,543,590             | 168,817           | -           | 1,712,407            |
| Total capital assets being depreciated        | 4,251,031             | 532,132           | -           | 4,783,163            |
| <u>Less accumulated depreciation for:</u>     |                       |                   |             |                      |
| Buildings & improvements                      | 703,935               | 54,149            | -           | 758,084              |
| Furniture & equipment                         | 502,844               | 272,200           | -           | 775,044              |
| Total accumulated depreciation                | 1,206,779             | 326,349           | -           | 1,533,128            |
| Total capital assets, being depreciated, net  | 3,044,252             | 205,783           | -           | 3,250,035            |
| Governmental activities capital assets, net   | <u>\$ 12,174,120</u>  | <u>\$ 205,783</u> | <u>\$ -</u> | <u>\$ 12,379,903</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 enterprise 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, 2002, is as follows:

Primary Government:

|                               | General            | Transportation<br>operating | Non-major<br>governmental | Internal<br>service | Sewage<br>disposal  | Water            | Non-major<br>business<br>types | Fiduciary<br>Fund  | Total<br>Due To<br>Other<br>Funds |
|-------------------------------|--------------------|-----------------------------|---------------------------|---------------------|---------------------|------------------|--------------------------------|--------------------|-----------------------------------|
| General                       | \$ -               | -                           | -                         | \$ - \$485,575      | \$23,924            | -                | -                              | \$4,324,694        | \$4,834,193                       |
| Nonmajor<br>governmental      | 2,557,009          | 4,039,823                   | 70,000                    | -                   | 1,086,222           | 323,822          | 109,669                        | -                  | 8,186,545                         |
| Water enterprise              | -                  | -                           | -                         | -                   | 12,183,197          | -                | -                              | -                  | 12,183,197                        |
| Total Due From<br>Other Funds | <u>\$2,557,009</u> | <u>\$4,039,823</u>          | <u>\$70,000</u>           | <u>\$485,575</u>    | <u>\$13,293,343</u> | <u>\$323,822</u> | <u>\$109,669</u>               | <u>\$4,324,694</u> | <u>\$25,203,935</u>               |

Component Unit - Portland Development Commission:

Nonmajor Governmental Funds \$ 811,529

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**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 Transportation are for street lighting. The General fund transfers to nonmajor governmental funds are for various programs including: emergency communications, nuisance control and other neighborhood programs, General fund's portion of the PERS debt, capital construction in the parks program, facilities debt service of City Hall, and various borrowings. General fund transfers to internal service funds represent financial commitments to fund operating improvements. 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, 2002, consisted of the following:

|                          | General       | Transportation<br>Operating | Nonmajor<br>Governmental | Internal<br>Service | Total<br>Transfers<br>Out |
|--------------------------|---------------|-----------------------------|--------------------------|---------------------|---------------------------|
| General                  | \$ -          | \$ 6,526,974                | \$ 20,647,019            | \$ 6,720,192        | \$ 33,894,184             |
| Transportation operating | -             | -                           | 1,940,967                | -                   | 1,940,967                 |
| Nonmajor governmental    | 9,722,042     | 3,421,079                   | 6,037,603                | 316,980             | 19,497,704                |
| Internal service         | 33,300        | -                           | -                        | -                   | 33,300                    |
| Nonmajor enterprise      | 855,215       | -                           | 966,007                  | -                   | 1,821,223                 |
| Total Transfers In       | \$ 10,610,557 | \$ 9,948,053                | \$ 29,591,596            | \$ 7,037,172        | \$ 57,187,378             |

**F. Leases:**

Capital leases

The City has entered into capital lease agreements as lessee 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. These leases range from five to thirteen years in length. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the lesser of present value of minimum lease payments or fair value of the leased property at inception. The assets acquired through capital leases are as follows:

|                                | Governmental<br>Activities | Business-type<br>Activities | Total        |
|--------------------------------|----------------------------|-----------------------------|--------------|
| <u>Assets:</u>                 |                            |                             |              |
| Building leaseholds            | \$ -                       | \$ 6,235,096                | \$ 6,235,096 |
| Less: accumulated depreciation | -                          | (3,152,807)                 | (3,152,807)  |
| Building leaseholds, net       | -                          | 3,082,289                   | 3,082,289    |
| Equipment                      | 1,859,477                  | 1,305,904                   | 3,165,381    |
| Less: accumulated depreciation | (84,107)                   | (213,381)                   | (297,488)    |
| Equipment, net                 | 1,775,370                  | 1,092,523                   | 2,867,893    |
| Total                          | \$ 1,775,370               | \$ 4,174,812                | \$ 5,950,182 |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

**F. Leases, Continued:**

The future minimum capital lease obligations and the net present value of these minimum lease payments as of June 30, 2002, were as follows:

| Year Ending<br>June 30,   | Governmental<br>Activities | Business-type<br>Activities | Total               |
|---|----------------------------|-----------------------------|---------------------|
| 2003  | \$ 295,895                 | \$ 880,494                  | \$ 1,176,389        |
| 2004  | 355,074                    | 880,494                     | 1,235,568           |
| 2005  | 355,074                    | 838,700                     | 1,193,774           |
| 2006  | 355,074                    | 663,467                     | 1,018,541           |
| 2007  | 355,074                    | 621,225                     | 976,299             |
| 2008-2012   | 59,179                     | 394,621                     | 453,800             |
| Total minimum lease payments  | <u>1,775,370</u>           | <u>4,279,001</u>            | <u>6,054,371</u>    |
| Less amount representing interest<br>(stated interest rates range: 4.95% to 8.285%) | -                          | (770,183)                   | (770,183)           |
| Present value of minimum lease payments<br>(capital lease obligations)              | <u>\$ 1,775,370</u>        | <u>\$ 3,508,818</u>         | <u>\$ 5,284,188</u> |

**Operating leases**

The City leases land, buildings and equipment under noncancelable operating leases. Operating leases for governmental type activities were \$1,569,147 and for business-type activities \$1,060,464. Total costs for such leases were \$2,629,611 for the year ended June 30, 2002. The future minimum lease payments for these leases are as follows:

| Year Ending<br>June 30, | Governmental<br>Activities | Business-type<br>Activities | Total               |
|-------------------------|----------------------------|-----------------------------|---------------------|
| 2003                    | \$ 1,478,946               | \$ 938,806                  | \$ 2,417,752        |
| 2004                    | 1,021,291                  | 498,638                     | 1,519,929           |
| 2005                    | 535,841                    | 77,606                      | 613,447             |
| 2006                    | 315,693                    | 75,398                      | 391,091             |
| 2007                    | 158,665                    | 46,549                      | 205,214             |
| 2008-2012               | 101,014                    | -                           | 101,014             |
| 2013-2017               | 36,005                     | -                           | 36,005              |
| Total:                  | <u>\$ 3,647,455</u>        | <u>\$ 1,636,997</u>         | <u>\$ 5,284,452</u> |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

**F. Leases, Continued:**

Lease receivables

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 contractually due as follows as of June 30, 2002:

| Year Ending<br>June 30, | Governmental<br>Activities | Business-type<br>Activities | Total        |
|-------------------------|----------------------------|-----------------------------|--------------|
| 2003                    | \$ 1,743,544               | \$ 1,668,842                | \$ 3,412,386 |
| 2004                    | 1,238,233                  | 1,493,211                   | 2,731,444    |
| 2005                    | 679,739                    | 1,155,876                   | 1,835,615    |
| 2006                    | 207,616                    | 645,077                     | 852,693      |
| 2007                    | 188,607                    | 464,319                     | 652,926      |
| 2008-2012               | 150,049                    | 141,990                     | 292,039      |
| Total:                  | \$ 4,207,788               | \$ 5,569,315                | \$ 9,777,103 |

Future minimum rental payments to be received do not include contingent rentals that may be received under certain leases if sales or variable expenses exceed specified levels. Contingent rentals were not significant in fiscal year 2002.

**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, 2002.

General obligation bonds

The City has \$68.84 million of outstanding self-supporting general obligation bonds for governmental activities. These bonds were originally issued for the purpose of funding 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 provide funds 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 \$76.3 million of governmental bonds for governmental activities and \$68.7 million for business-type activities. During the fiscal year, general obligation bonds totaling \$29.8 million were issued to refund a portion of the parks general obligation serial bonds.

Business activities include \$30.1 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% 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, 2002.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

General obligation bonds, Continued:

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% 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 \$110,981 during fiscal year 2002. 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 \$5.7 million outstanding as of June 30, 2002.

General obligation bonds currently outstanding are as follows:

| <u>Purpose</u>                        | <u>Interest Rates</u> | <u>Amount</u>        |
|---------------------------------------|-----------------------|----------------------|
| Governmental activities               | 4.50 – 5.75%          | \$ 39,265,000        |
| Governmental activities --- refunding | 3.00 – 5.00           | 29,575,000           |
| Business-type activities              | 3.80 – 5.40           | 30,103,780           |
| Total                                 |                       | <u>\$ 98,943,780</u> |

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

| <u>Year Ending<br/>June 30,</u> | <u>Governmental Activities</u> |                      | <u>Business-type Activities</u> |                     |
|---------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|
|                                 | <u>Principal</u>               | <u>Interest</u>      | <u>Principal</u>                | <u>Interest</u>     |
| 2003                            | \$ 3,550,000                   | \$ 3,354,991         | \$ 6,080,000                    | \$ 1,260,294        |
| 2004                            | 3,710,000                      | 3,180,122            | 6,312,381                       | 988,982             |
| 2005                            | 3,895,000                      | 2,995,603            | 6,007,244                       | 701,716             |
| 2006                            | 4,090,000                      | 2,800,142            | 4,170,000                       | 470,710             |
| 2007                            | 4,285,000                      | 2,594,663            | 1,362,155                       | 343,001             |
| 2008-2012                       | 24,725,000                     | 9,613,636            | 6,170,000                       | 645,294             |
| 2013-2017                       | 20,985,000                     | 3,425,127            | -                               | -                   |
| 2018-2022                       | 3,600,000                      | 279,312              | -                               | -                   |
| Total                           | <u>\$ 68,840,000</u>           | <u>\$ 28,243,596</u> | <u>\$ 30,103,780</u>            | <u>\$ 4,409,997</u> |

Special assessment bonds

The City has \$10.7 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 4.05% to 5.75%.

The City has sold special assessment bonds to the Oregon Department of Environmental Quality to finance certain local sewer improvement projects in Mid-Multnomah County. These bonds are currently outstanding in the amount of \$770,000. The bonds are secured solely by the assessment payments received from benefiting property owners as well as a subordinated pledge of revenues of the City's sewer system. The interest rates on the outstanding bonds range from 6.00% to 7.15%.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Special assessment bonds, Continued:

Annual debt service requirements to maturity for special assessment bonds are as follows:

| Year Ending<br>June 30, | Governmental Activities |              |
|-------------------------|-------------------------|--------------|
|                         | Principal               | Interest     |
| 2003                    | \$ 975,000              | \$ 595,526   |
| 2004                    | 450,000                 | 550,871      |
| 2005                    | -                       | 527,247      |
| 2006                    | -                       | 527,246      |
| 2007                    | -                       | 527,246      |
| 2008-2012               | 155,000                 | 2,619,607    |
| 2013-2017               | 4,435,000               | 2,111,049    |
| 2018-2022               | 5,485,000               | 445,575      |
| Total                   | \$ 11,500,000           | \$ 7,904,367 |

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 the tax increment revenues generated from the respective urban renewal areas. Both are self-supporting and paid for by tax increment revenues of the urban renewal area.

The City has \$28.6 million of outstanding urban renewal bonds that are self-supporting yet additionally secured by the General Fund. Since fiscal year 1996-1997, the City has paid these outstanding urban renewal bonds from tax increment revenues rather than from the General fund and expects to do the same for the foreseeable future. The interest rates on the outstanding bonds range from 4.60% to 7.25%.

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, and Downtown Waterfront. The \$197.4 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 5.00% to 7.75%.

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, 2002, the City has \$30.7 million outstanding on lines of credit 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. Variable interest rates as of June 30, 2002 on the outstanding lines of credit ranged 1.83% to 2.3%. 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 sinking 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 \$25.1 million du Jour bonds in fiscal year 2002 and paid the issued amounts off within five days. At June 30, 2002, there were no outstanding du Jour bonds.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Urban renewal and redevelopment bonds

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

| Year Ending<br>June 30, | Governmental Activities |                |
|-------------------------|-------------------------|----------------|
|                         | Principal               | Interest       |
| 2003                    | \$ 6,885,137            | \$ 14,407,470  |
| 2004                    | 37,909,740              | 14,743,000     |
| 2005                    | 7,627,658               | 13,667,790     |
| 2006                    | 8,042,093               | 13,259,152     |
| 2007                    | 8,466,521               | 12,826,087     |
| 2008-2012               | 53,998,222              | 52,469,103     |
| 2013-2017               | 76,415,000              | 30,036,658     |
| 2018-2022               | 57,290,000              | 6,586,315      |
| Total                   | \$ 256,634,371          | \$ 157,995,575 |

Limited tax and limited tax revenue bonds

The City has issued limited tax and limited tax revenue bonds to finance local and public improvement projects and to finance the City's December 31, 1997 unfunded actuarial accrued pension liability with the State of Oregon Public Employees Retirement System (PERS). These bond issues include non self-supporting General fund obligations and self-supporting General fund obligations.

Non self-supporting General fund obligations

*Limited Tax Revenue Bonds/Full Faith and Credit Obligations.* As of June 30, 2002, the City had \$78.3 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 3.00% to 8.75%.

*Limited Tax Revenue Bonds (Interstate MAX Project).* The City has \$35.7 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 4.25%. 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 PERS. 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 7.70%. 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 Funds          | .5 million      |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Non self-supporting General fund obligations, Continued:

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 General fund Obligations" below). As of June 30, 2002, approximately \$111.6 million of outstanding principal remained on the portion of the bonds projected to be repaid with General fund resources.

Self-supporting General fund obligations

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

Limited tax and limited tax revenue bonds, Continued:

*Limited Tax Revenue Bonds (Central City Streetcar Project).* The City has \$27.9 million outstanding limited tax revenue bonds for the Central City Streetcar Project. These bonds are ultimately secured by the City's General fund but the City expects to pay the debt service on these bonds with revenues from the City's parking facilities and parking meter revenues. The interest rates on the outstanding bonds range from 3.50% to 4.40%.

*Limited Tax Revenue Bonds (Visitor Development Initiative).* The City has issued bonds pursuant to an intergovernmental agreement know 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, 2002, the City had \$100 million of outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project, \$34.4 million of outstanding bonds for the Civic Stadium Project, and \$2.04 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 5.50%. For the other bonds issued listed above, Civic Stadium Project and the PCPA, the interest rates range from 4.00% to 7.00%.

*Arena Limited Tax Revenue Bonds.* The City has \$9.8 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 4.65% to 8.05%.

*Arena Limited Tax Bonds.* The City has \$8.4 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 6.70% to 7.75%.



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Self-supporting General fund obligations, Continued:

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

| Year Ending<br>June 30, | Governmental Activities |                       | Business-type Activities |                      |
|-------------------------|-------------------------|-----------------------|--------------------------|----------------------|
|                         | Principal               | Interest              | Principal                | Interest             |
| 2003                    | \$ 6,105,000            | \$ 39,687,244         | \$ 2,340,000             | \$ 4,904,185         |
| 2004                    | 6,065,000               | 31,070,653            | 2,580,000                | 4,768,915            |
| 2005                    | 43,525,000              | 30,353,105            | 2,820,000                | 4,620,570            |
| 2006                    | 6,300,000               | 29,576,409            | 2,980,000                | 4,459,003            |
| 2007                    | 8,108,729               | 29,686,330            | 3,226,775                | 4,287,130            |
| 2008-2012               | 61,268,277              | 148,295,006           | 26,851,667               | 18,538,938           |
| 2013-2017               | 89,152,258              | 147,300,283           | 41,672,321               | 12,230,137           |
| 2018-2022               | 129,800,647             | 137,422,116           | 52,836,593               | 5,892,440            |
| 2023-2027               | 59,024,824              | 85,631,161            | 16,235,411               | 725,400              |
| 2028-2032               | 34,845,480              | 13,658,778            | 1,208,250                | -                    |
| <b>Total</b>            | <b>\$ 444,195,215</b>   | <b>\$ 692,681,085</b> | <b>\$ 152,751,017</b>    | <b>\$ 60,426,718</b> |

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 2002, the City issued \$10.2 million Parking Revenue Bonds to refund the outstanding Parking Revenue Bonds, series 1977A, 1977B, and Refunding Bonds series 1992.

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 104% 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, 2002.

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, 2002

**III. Detailed notes, Continued:**

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

Revenue bonds, Continued:

Revenue bonds outstanding at June 30, 2002 are as follows:

| <u>Purpose</u>   | <u>Interest Rates</u> | <u>Principal Outstanding</u> |
|--|-----------------------|------------------------------|
| Gas Tax Revenue Bonds ---<br>Public street improvements  | 4.75 – 5.80%          | \$ 12,440,512                |
| Sewage Disposal ---<br>Sewer improvement and maintenance   | 3.70 – 7.00%          | 724,370,000                  |
| Water Operating ---<br>Water lines improvement and maintenance   | 4.30 – 5.50%          | 96,940,000                   |
| Hydroelectric Power ---<br>Electrical power generating plant   | 5.90 – 7.00%          | 29,490,000                   |
| Golf Operations ---<br>Golf courses improvement and maintenance  | 2.69%                 | 3,600,000                    |
| Parking Facilities ---<br>City owned parking structures and maintenance  | 3.00 – 4.25%          | 9,815,000                    |
| Arena ---<br>Public improvements including road and infrastructure<br>improvements that serve The Oregon Arena Project | 4.75 – 6.30%          | <u>12,293,102</u>            |
| <b>Total</b>   |                       | <b><u>\$888,948,614</u></b>  |

Revenue bond debt service requirements to maturity are as follows:

| Year Ending<br>June 30, | <u>Governmental Activities</u> |                            | <u>Business-type Activities</u> |                              |
|-------------------------|--------------------------------|----------------------------|---------------------------------|------------------------------|
|                         | <u>Principal</u>               | <u>Interest</u>            | <u>Principal</u>                | <u>Interest</u>              |
| 2003                    | \$ 1,516,378                   | \$ 548,916                 | \$ 30,375,000                   | \$ 45,107,933                |
| 2004                    | 1,531,378                      | 543,897                    | 35,550,000                      | 43,741,570                   |
| 2005                    | 1,556,378                      | 494,685                    | 33,340,000                      | 41,961,864                   |
| 2006                    | 1,571,378                      | 418,023                    | 33,430,000                      | 40,285,308                   |
| 2007                    | 460,000                        | 336,590                    | 35,305,000                      | 38,497,726                   |
| 2008-2012               | 2,655,000                      | 1,302,392                  | 199,884,386                     | 166,214,181                  |
| 2013-2017               | 2,910,000                      | 656,720                    | 285,358,413                     | 108,196,689                  |
| 2018-2022               | 240,000                        | 12,000                     | 223,265,303                     | 34,191,421                   |
| <b>Total</b>            | <b><u>\$ 12,440,512</u></b>    | <b><u>\$ 4,313,223</u></b> | <b><u>\$ 876,508,102</u></b>    | <b><u>\$ 518,196,692</u></b> |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Advance and current refundings

On July 10, 2001, the City issued \$29.8 million of parks general obligation refunding bonds. 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 of, and interest on the \$28.5 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 12 years by \$2.04 million and resulted in an economic gain of \$1.5 million.

In addition, the City issued \$10.2 million of parking system refunding bonds on August 15, 2001, for a current refunding of \$7.95 million Parking System revenue bonds and \$3.9 million note. The refunding was undertaken to reduce total future debt service payments of \$1.71 million and resulted in an economic gain of \$691.3 thousand.

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 other funds 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 account principles. The total outstanding principal of these bonds as of June 30, 2002, is \$122.3 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 \$37.3 million remains outstanding.

Notes and loans payable

The City has issued \$62.1 in notes to fund the following:

- \$31.8 million for equipment acquisitions and improvements including streets and sidewalks;
- \$12.6 million for interim financing for local improvement district improvements; and
- \$17.7 million to provide interim financing of urban renewal plans.

Interest rates on the \$62.1 million of notes outstanding on June 30, 2002 ranged from 2.156% to 6.5%. Included in the \$31.8 million for equipment acquisitions and improvements including streets and sidewalks are \$24.3 million of outstanding *full faith and credit obligations*. These are Non Self-Supporting General Fund Obligations that are also paid in whole or in part from resources of the City's General Fund.

The City has entered into various loan arrangements for the purpose of financing energy and housing renovations. The unpaid principal on these loans on June 30, 2002, is \$1.1 million. Interest rates vary from 6% to 8% with maturities to fiscal year 2005.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Notes and loans payable, Continued:

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

| Year Ending<br>June 30, | Governmental Activities |                     | Business-type Activities |                   |
|-------------------------|-------------------------|---------------------|--------------------------|-------------------|
|                         | Principal               | Interest            | Principal                | Interest          |
| 2003                    | \$ 16,524,705           | \$ 1,378,577        | \$ 24,507                | \$ 29,317         |
| 2004                    | 23,020,878              | 1,452,357           | 6,380,754                | 165,118           |
| 2005                    | 4,362,135               | 788,276             | 29,906                   | 27,177            |
| 2006                    | 3,060,670               | 582,791             | 30,124                   | 25,847            |
| 2007                    | 3,194,595               | 438,482             | 30,355                   | 24,492            |
| 2008-2012               | 5,595,827               | 568,774             | 180,798                  | 99,320            |
| 2013-2017               | 460,000                 | 21,278              | 229,248                  | 49,359            |
| 2018-2022               | -                       | -                   | 54,073                   | 2,757             |
| <b>Total</b>            | <b>\$ 56,218,810</b>    | <b>\$ 5,230,535</b> | <b>\$ 6,959,765</b>      | <b>\$ 423,387</b> |

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, 2002, internal service funds had \$80.6 million bonds outstanding and \$24.3 million notes outstanding.

When debt service payments become due, funds are 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 2002, 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.

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 shown below, the long-term portion of compensated absences for governmental activities and business-type activities is \$12.7 million and \$1.5 million respectively at June 30, 2002. 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 proprietary funds for which the employees who earned the compensated absences were assigned. The total amount outstanding at June 30, 2002, was \$42.1 million for governmental activities and \$5.1 million for business type-activities.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**III. Detailed notes, Continued:**

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

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2002, was as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>      | <u>Reductions</u>     | <u>Ending Balance</u>   | <u>Due Within<br/>One Year</u> |
|---|------------------------------|-----------------------|-----------------------|-------------------------|--------------------------------|
| <b>Governmental Activities:</b>                                   |                              |                       |                       |                         |                                |
| Bonds payable:  |                              |                       |                       |                         |                                |
| General obligation bonds  | \$ 71,885,000                | \$ 29,810,000         | \$ 32,855,000         | \$ 68,840,000           | \$ 3,550,000                   |
| Special assessment bonds<br>with government commitment            |                              |                       |                       |                         |                                |
| Payable from assessment payments                                  | 13,730,000                   | -                     | 3,000,000             | 10,730,000              | 975,000                        |
| with subordinate pledge of revenues<br>of the City's sewer system | 2,480,000                    | -                     | 1,710,000             | 770,000                 | -                              |
| Urban renewal and redevelopment bonds                             | 239,576,646                  | 58,301,000            | 41,243,275            | 256,634,371             | 6,885,137                      |
| Limited tax and limited tax revenue bonds                         | 512,167,060                  | 28,061,773            | 96,033,618            | 444,195,215             | 6,105,000                      |
| Revenue bonds   | 8,255,000                    | 4,545,512             | 360,000               | 12,440,512              | 1,516,378                      |
| Unamortized premium and discounts                                 | -                            | 1,734,293             | -                     | 1,734,293               | -                              |
| Total bonds payable   | <u>848,093,706</u>           | <u>122,452,578</u>    | <u>175,201,893</u>    | <u>795,344,391</u>      | <u>19,031,515</u>              |
| Notes and loans payable   | 77,662,074                   | 10,073,298            | 31,516,562            | 56,218,810              | 16,524,705                     |
| Unamortized premium and discounts                                 | -                            | -                     | 156,811               | (156,811)               | -                              |
| Self insurance claims   | 25,792,494                   | 27,763,748            | 29,361,711            | 24,194,531              | 9,768,071                      |
| Compensated absences  | 41,012,221                   | 29,404,096            | 28,326,335            | 42,089,982              | 29,424,180                     |
| Capital leases  | 76,430                       | 1,775,370             | 76,430                | 1,775,370               | 295,895                        |
| Governmental activity long-term liabilities                       | <u>\$ 992,636,925</u>        | <u>\$ 191,469,090</u> | <u>\$ 264,639,742</u> | <u>\$ 919,466,273</u>   | <u>\$ 75,044,366</u>           |
| <b>Business-type activities:</b>                                  |                              |                       |                       |                         |                                |
| Bonds payable:  |                              |                       |                       |                         |                                |
| General obligation bonds  | \$ 35,975,867                | -                     | \$ 5,872,087          | \$ 30,103,780           | \$ 6,080,000                   |
| Limited tax and limited tax revenue bonds                         | 89,475,219                   | 74,351,631            | 11,075,833            | 152,751,017             | 2,340,000                      |
| Revenue bonds   | 902,153,102                  | 10,200,000            | 35,845,000            | 876,508,102             | 30,375,000                     |
| Unamortized premium and discounts                                 | -                            | -                     | 12,399,449            | (12,399,449)            | -                              |
| Total bonds payable   | <u>1,027,604,188</u>         | <u>84,551,631</u>     | <u>65,192,369</u>     | <u>1,046,963,450</u>    | <u>38,795,000</u>              |
| Notes and loans payable   | 4,528,034                    | 6,356,054             | 3,924,323             | 6,959,765               | 24,507                         |
| Compensated absences  | 5,421,500                    | 3,494,850             | 3,795,050             | 5,121,300               | 3,584,910                      |
| Capital leases  | 4,128,789                    | -                     | 619,971               | 3,508,818               | 654,325                        |
| Business-type activity long-term liabilities                      | <u>\$ 1,041,682,511</u>      | <u>\$ 94,402,535</u>  | <u>\$ 73,531,713</u>  | <u>\$ 1,062,553,333</u> | <u>\$ 43,058,742</u>           |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**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 and 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, 2002, the expected rate of return was 3.69%. 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 of the fund are reported 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. Changes in the balances of claims liabilities during the past two years are as follows:

|                                   | Year ended<br><u>6/30/02</u> | Year ended<br><u>6/30/01</u> |
|-----------------------------------|------------------------------|------------------------------|
| Balance, beginning of fiscal year | \$25,792,494                 | \$23,989,376                 |
| Incurred claims and adjustments   | 27,763,748                   | 33,881,365                   |
| Claim payments                    | <u>(29,361,711)</u>          | <u>(32,078,247)</u>          |
| Unpaid claims, end of fiscal year | <u>\$24,194,531</u>          | <u>\$25,792,494</u>          |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**IV. Other Information, Continued:**

**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 operations of City funds. Claims not covered by the City's self-insurance service funds 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 \$30,103,780 at June 30, 2002. 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 \$11,500,000 at June 30, 2002, only to the extent that liens foreclosed against properties involved in the assessment districts and collections of related assessments and interest are insufficient to retire outstanding bonds and pay bond interest.

Contractual commitments

Contractual commitments in governmental activities at June 30, 2002, amounted to \$141,885,653. Contractual commitments in business-type activities at June 30, 2002, totaled \$51,046,342. The majority of these amounts represent multi-year construction contracts, which are incomplete as of June 30, 2002. Also included in these amounts are uncompleted balances of professional service contracts and intergovernmental agreements.

Tax increment financing

The City, the Portland Development Commission, and Multnomah County were named as defendants in a lawsuit filed in 1998 challenging the method for categorizing under the state constitution the taxes that are divided for urban renewal purposes and demanding a refund for that tax year. The Supreme Court has ruled that the methodology for categorization directed under state law was incorrect. The case has been remanded to the Tax Court and a ruling is expected in the mid year 2003. The plaintiff's individual refund amount is claimed to be \$6,184. The plaintiff has also asked the court to certify a class of taxpayers in urban renewal areas in Portland. If a class is certified, the refund amount for 1998 is claimed to be \$7,586,244. The court has not settled the issue of class certification. The probability of class certification is not determinable.

Sewer credits

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

Because the credit is 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 the cost of providing the credit to sewer customers.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**IV. Other Information, Continued:**

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

Sewer credits, Continued:

The language of PCC §17.36.130 is not clearly worded and is ambiguous as to how the 20 percent credit should be calculated. Varying interpretations could result in an increase in credits due. The City believes that the \$7.2 million sewer credit shown in the financial statements for the year ending June 30, 2002, is the lower end of the potential cost and is reasonable based on information that is currently available. The City believes that an estimate of the maximum exposure of the sewer credit cannot currently be made but, depending on final interpretation of the language in PCC §17.36.130, could be material to the period in which it is determined and recorded.

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, focused on concerns for the environmental health of the Portland Harbor and to work 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 fund 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%. 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 funded 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). A portion of the funding is coming from the City's Environmental Remediation Fund, which received revenues from hazardous waste fee charges to residential and commercial solid waste ratepayers and other sources associated with remediation at a former municipal solid waste incinerator and landfill. The accompanying financial statements include accruals for the estimated future costs of \$3.3 million associated with the RI/FS activities that may span over a three to five year period. The City believes that an estimate of the maximum exposure of the Portland harbor clean up cannot be made but could be material to the period in which it is recorded.

Portland harbor

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 a material amount.



City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**IV. Other Information, Continued:**

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

State of Oregon Public Employees Retirement System

*Plan description.* Substantially all civilian City employees and 85 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.

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% 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% 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 fund its December 31, 1997, UAAL of \$257,917,529 to receive a lower employer contribution rate of 8.56% 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 funded 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

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**IV. Other Information, Continued:**

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

State of Oregon Public Employees Retirement System, Continued:

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% 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.

*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 2002, the City's annual pension cost of \$27,285,916 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 8% per annum compounded annually, (b) projected salary increases at 4.25% 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% 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<br>Ending June 30 | Annual<br>Pension<br>Cost (APC) | Percentage<br>Of APC<br>Contributed | Net<br>Pension<br>Obligation |
|-------------------------------|---------------------------------|-------------------------------------|------------------------------|
| 2000                          | \$ 28,125,050                   | 100%                                | \$ -                         |
| 2001                          | 28,430,283                      | 100%                                | -                            |
| 2002                          | 27,285,916                      | 100%                                | -                            |

**Schedule of Funding Progress**

| Actuarial<br>Valuation<br>Date | Actuarial Value<br>of Assets | Actuarial<br>Accrued<br>Liability (AAL)<br>Attained Age | Unfunded<br>AAL (UAAL) | Funded<br>Ratio | Covered<br>Payroll | UAAL as a<br>Percentage<br>of Covered<br>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, 2002

**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. The report may be obtained by writing to:

City of Portland, Oregon  
Fire and Police Disability and Retirement Board  
Suite 450, Harrison Square Building  
1800 SW 1<sup>st</sup> Avenue  
Portland, Oregon 97201

There are 1,136 vested and 459 non-vested active working fire and police personnel that are participants in the Fire and Police Disability and Retirement Plan. Of these members, 58 are on short-term disability at June 30, 2002. In addition, there are 1,639 retirees and beneficiaries currently receiving pension and long-term disability benefits and 28 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% of salary for the first year of disability with 25% to 75% 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% 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2002

**IV. Other Information, Continued:**

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

Fire and Police Disability and Retirement Plan , Continued:

*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, 2002.

In accordance with Charter provisions, there are no requirements to fund 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 fund 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 (the Fund). 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 Fund could receive advances from the Fire and Police Disability and Retirement Reserve Fund first, and other City funds second, to make up the difference. Repayment of advances, if any, would be made from the special property tax levy in the succeeding year. In the event that the special property tax levy is insufficient to pay benefits because benefits paid exceed the two and eighth-tenth mills limit, then other City funds would be required to make up the difference. For fiscal year ended June 30, 2002, the weighted levy rate per \$1,000 of real market value under the special property tax levy was \$1.23.

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, 2002, there were 1,030 members and beneficiaries that fall under the provisions of the Plan as constituted prior to July 1, 1990, and 2,232 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, 2002, consisted of the special property tax levy of \$60,033,329, which is 59.00% of the annual covered payroll of \$101,753,148. The City has recognized a net pension obligation of \$465,139,495. 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, 2002

**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 |
|--------------------------|---------------------------|-----------------------------------|---------------------|--------------|-----------------|---|
| 06/30/00                 | \$10,473,733              | \$986,777,774                     | \$976,304,041       | 1.06%        | \$89,071,103    | 1096.10%                                |
| 06/30/01                 | 13,678,637                | 1,027,697,000                     | 1,014,018,363       | 1.33%        | 93,446,926      | 1085.13%                                |
| 06/30/02                 | 8,376,357                 | 1,132,146,000                     | 1,123,769,643       | 0.74%        | 101,753,148     | 1104.41%                                |

**SCHEDULE OF ANNUAL PENSION COST**

| Fiscal Year Ending June 30 | Annual Pension Percentage of APC |             | Net Pension Obligation |
|----------------------------|----------------------------------|-------------|------------------------|
|                            | Cost (APC)                       | Contributed |                        |
| 2000                       | \$97,590,417                     | 57.65%      | \$379,817,333          |
| 2001                       | 100,492,896                      | 62.05%      | 419,741,444            |
| 2002                       | 105,431,380                      | 56.94%      | 465,139,495            |

**NET PENSION OBLIGATION**

| <u>Net Pension Obligation:</u>              | Fiscal Year Ending<br>June 30, 2002 |
|---|-------------------------------------|
| Annual Required Contribution                | \$ 106,374,801                      |
| Interest on Net Pension Obligation          | 33,579,315                          |
| Adjustment of Annual Required Contribution  | <u>(34,522,736)</u>                 |
| Annual Pension Cost                         | 105,431,380                         |
| Contributions Made                          | <u>(60,033,329)</u>                 |
| Increase in Net Pension Obligation          | 45,398,051                          |
| Net Pension Obligation at Beginning of Year | <u>419,741,444</u>                  |
| Net Pension Obligation at End of Year       | <u>\$ 465,139,495</u>               |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2002

**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 and redeemed the following debt:

Debt issued:

| Bonds and Terms  | Principal    | Length in Years | Interest Rate |
|--|--------------|-----------------|---------------|
| Downtown Waterfront Urban Renewal and Redevelopment Refunding Bonds, Series A (Tax Exempt), dated September 15, 2002. Beginning December 1, 2002, interest payable semi-annually on June 1 and December 1.     | \$ 3,765,000 | 5               | 2.50 - 3.00%  |
| Downtown Waterfront Urban Renewal and Redevelopment Refunding Bonds, Series B (Non-Tax Exempt), dated September 15, 2002. Beginning December 1, 2002, interest payable semi-annually on June 1 and December 1. | 13,050,000   | 6               | 2.00 - 3.50%  |
| Airport Way Urban Renewal and Redevelopment Refunding Bonds, Series A (Tax Exempt), dated October 1, 2002. Beginning December 15, 2002, interest payable semi-annually on June 15 and December 15.             | 13,500,000   | 8               | 2.00 - 5.00%  |
| Interstate MAX Light Rail Limited Tax Revenue Refunding Bonds, Series B (Tax Exempt), dated September 15, 2002. Beginning June 15, 2003, interest payable semi-annually on June 15 and December 15.            | 32,750,000   | 2               | 3.00%         |

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Year Ended June 30, 2002

**IV. Other Information, Continued:**

**D. Subsequent events**

Debt issued, Continued:

| Bonds and Terms   | Principal  | Length in Years | Interest Rate |
|---|------------|-----------------|---------------|
| Limited Tax Revenue Refunding Bonds, Series A (Tax Exempt), dated January 15, 2003. Beginning October 1, 2003, interest payable semi-annually on April 1 and October 1. | 20,185,000 | 10              | 2.00 - 4.00%  |

| Notes, Loans, and Lines of Credit         | Principal     | Length in Years | Interest Rate |
|---|---------------|-----------------|---------------|
| Draws on open lines of credit:            |               |                 |               |
| Gateway Urban Renewal District            | \$ 1,000,000  | 5               | 1.77%         |
| Parks Service Development Charges         | 1,000,000     | 2               | 1.33 - 1.35%  |
| Local Improvement District                | 13,914,375    | 1               | 1.76%         |
| Water Operations                          | 12,259,064    | 1               | 1.79 - 1.82%  |
| Golf System                               | 2,733,333     | 10              | 2.49 - 5.26%  |
| Tax Anticipation Note, dated July 2, 2002 | \$ 17,750,000 | 1               | 2.50%         |

Debt redeemed:

|   |              |
|---|--------------|
| Downtown Waterfront Urban Renewal and Redevelopment Bonds, 1988 Series J, defeased September 30, 2002.<br>This resulted in an estimated economic gain of \$776,027.   | \$ 2,649,933 |
| Downtown Waterfront Urban Renewal and Redevelopment Bonds, 1992 Series L, defeased September 30, 2002.<br>This resulted in an estimated economic gain of \$1,193,253. | 11,560,000   |
| Interstate Max Light Rail Limited Tax Revenue Bonds, 2000 Series A, defeased October 3, 2002.<br>This resulted in an estimated economic gain of \$1,621,655.          | 35,700,000   |
| Airport Way Urban Renewal and Redevelopment Bonds, 1994 Series C, defeased October 8, 2002.<br>This resulted in an estimated economic gain of \$1,266,284.            | 12,225,000   |
| Full Faith and Credit Refunding Obligations, 1993 Series A, defeased February 5, 2003.<br>This resulted in an estimated economic gain of \$1,024,085.                 | 17,620,000   |
| Full Faith and Credit Obligations, 1993 Series B, defeased February 5, 2003.<br>This resulted in an estimated economic gain of \$389,989.                             | 6,710,000    |

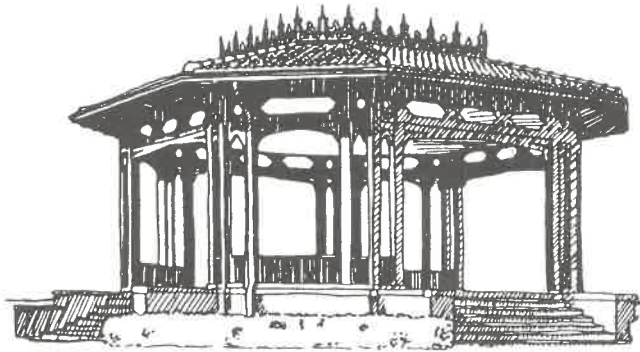


**UMBRELLA MAN AT PIONEER SQUARE**



# Required Supplementary Information

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Peninsula Park Bandstand, 1913



PITTOCK MANSION

**City of Portland, Oregon  
General Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES</b>                         |                         |                    |                           |   |
| Taxes:                                  |                         |                    |                           |   |
| Current year property taxes             | \$ 141,066,594          | \$ 141,066,594     | \$ 141,000,455            | \$ (66,139)   |
| Prior year property taxes               | 3,922,235               | 3,922,235          | 4,132,263                 | 210,028   |
| Payment in lieu of taxes                | 494,318                 | 494,318            | 1,001,478                 | 507,160   |
| Lodging taxes                           | 11,518,217              | 11,268,217         | 10,408,531                | (859,686)   |
| <b>Total taxes</b>                      | <b>157,001,364</b>      | <b>156,751,364</b> | <b>156,542,727</b>        | <b>(208,637)</b>  |
| Licenses and permits:                   |                         |                    |                           |   |
| Business licenses                       | 52,937,681              | 50,284,160         | 45,941,414                | (4,342,746)   |
| Public utility licenses                 | 38,341,190              | 32,712,009         | 39,991,182                | 7,279,173   |
| Construction permits                    | 1,044,570               | 1,044,570          | 1,004,227                 | (40,343)  |
| Other permits                           | 1,330,360               | 1,355,070          | 689,720                   | (665,350)   |
| <b>Total licenses and permits</b>       | <b>93,653,801</b>       | <b>85,395,809</b>  | <b>87,626,543</b>         | <b>2,230,734</b>  |
| Intergovernmental revenues:             |                         |                    |                           |   |
| State cost sharing                      | 25,000                  | 25,000             | 56,595                    | 31,595  |
| State revenue sharing                   | 7,993,053               | 8,804,053          | 9,641,014                 | 836,961   |
| Local shared revenues                   | 2,492,543               | 2,881,543          | 2,797,361                 | (84,182)  |
| Local administered Federal funds        | 123,978                 | 123,978            | 128,056                   | 4,078   |
| PDC - Overhead charges                  | 212,358                 | 228,937            | 220,922                   | (8,015)   |
| Multnomah County cost sharing           | 1,506,384               | 1,515,388          | 1,443,374                 | (72,014)  |
| Local cost sharing                      | 4,898,930               | 4,804,065          | 5,649,391                 | 845,326   |
| <b>Total intergovernmental revenues</b> | <b>17,252,246</b>       | <b>18,382,964</b>  | <b>19,936,713</b>         | <b>1,553,749</b>  |
| Service charges and fees:               |                         |                    |                           |   |
| Inspection fees                         | 1,100,000               | 920,000            | 904,644                   | (15,356)  |
| Concessions                             | 41,000                  | 41,000             | 7,688                     | (33,312)  |
| Parks and recreation facilities fees    | 7,912,497               | 7,094,283          | 6,927,789                 | (166,494)   |
| Miscellaneous service charges           | 2,359,310               | 2,371,310          | 1,836,780                 | (534,530)   |
| Rents and reimbursements                | 995,614                 | 1,728,278          | 2,105,729                 | 377,451   |
| <b>Total service charges and fees</b>   | <b>12,408,421</b>       | <b>12,154,871</b>  | <b>11,782,630</b>         | <b>(372,241)</b>  |
| Billings to other funds for services:   |                         |                    |                           |   |
| Transportation Operating                | 1,830,104               | 2,366,104          | 2,067,592                 | (298,512)   |
| Emergency Communication                 | 129,291                 | 129,291            | 127,672                   | (1,619)   |
| Planning and Development Operating      | 508,390                 | 533,390            | 511,145                   | (22,245)  |
| Public Safety                           | -                       | 18,148             | 18,148                    | -   |
| Cable                                   | 302,821                 | 368,546            | 372,512                   | 3,966   |
| Sewer System Operating                  | 2,378,164               | 2,605,622          | 2,482,407                 | (123,215)   |
| Hydroelectric Power Operating           | 25,668                  | 25,668             | 30,087                    | 4,419   |

Continued next page

**City of Portland, Oregon**  
**General Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES, continued:</b>                               |                         |                   |                           |   |
| Billings to other funds for services, continued:          |                         |                   |                           |   |
| Water   | 1,623,972               | 1,751,341         | 1,681,572                 | (69,769)  |
| Golf  | 487,065                 | 487,065           | 501,599                   | 14,534  |
| Portland International Raceway                            | 64,502                  | 141,502           | 146,356                   | 4,854   |
| Solid Waste Management                                    | 378,592                 | 401,464           | 365,514                   | (35,950)  |
| Parking Facilities  | 331,288                 | 331,288           | 315,774                   | (15,514)  |
| Spectator Facilities Operating                            | 315,365                 | 315,365           | 312,546                   | (2,819)   |
| Environmental Remediation                                 | 10,500                  | 10,500            | -                         | (10,500)  |
| Convention and Tourism                                    | 56,850                  | 98,243            | 56,850                    | (41,393)  |
| Housing and Community Development                         | 1,537,056               | 1,705,634         | 1,613,326                 | (92,308)  |
| Home Grant  | 359,153                 | 359,153           | 389,986                   | 30,833  |
| FRES Facilities Bond Construction                         | -                       | 70,950            | 35,475                    | (35,475)  |
| Local Improvement District Construction                   | 1,281,396               | 1,281,396         | 983,097                   | (298,299)   |
| Parks Construction  | 303,068                 | 368,145           | 335,054                   | (33,091)  |
| Portland Parks Memorial Trust                             | 589,637                 | 786,512           | 667,331                   | (119,181)   |
| Fire and Police Disability and Retirement                 | 861,625                 | 951,142           | 912,747                   | (38,395)  |
| Health Insurance Operating                                | 215,044                 | 215,044           | 213,098                   | (1,946)   |
| Facilities Services Operating                             | 708,396                 | 708,396           | 672,496                   | (35,900)  |
| Fleet Services Operating                                  | 365,618                 | 365,618           | 349,628                   | (15,990)  |
| Printing and Distribution Services Operating              | 199,838                 | 199,838           | 188,124                   | (11,714)  |
| Communication Services Operating                          | 403,303                 | 403,303           | 393,050                   | (10,253)  |
| Insurance and Claims Operating                            | 1,418,616               | 1,421,609         | 1,385,413                 | (36,196)  |
| Workers' Compensation Self-insurance Operating            | 601,012                 | 601,012           | 565,133                   | (35,879)  |
| Information Technology                                    | 100,013                 | 100,013           | 97,323                    | (2,690)   |
| <b>Total billings to other funds for services</b>         | <b>17,386,347</b>       | <b>19,121,302</b> | <b>17,791,055</b>         | <b>(1,330,247)</b>  |
| Billings to other funds for general and overhead charges: |                         |                   |                           |   |
| Transportation Operating                                  | 2,502,755               | 1,944,153         | 1,944,153                 | -   |
| Assessment Collections                                    | 130                     | -                 | -                         | -   |
| Emergency Communication                                   | 214,363                 | 216,659           | 216,659                   | -   |
| Planning and Development Operating                        | 648,044                 | 630,048           | 630,048                   | -   |
| Public Safety   | 7,187                   | 6,513             | 6,513                     | -   |
| Cable Fund  | 13,078                  | 7,377             | 7,377                     | -   |
| Sewer System Operating                                    | 1,883,975               | 1,495,879         | 1,495,879                 | -   |
| Hydroelectric Power Operating                             | 52,139                  | 47,819            | 47,819                    | -   |
| Water   | 1,910,288               | 1,778,621         | 1,778,621                 | -   |
| Golf  | 137,430                 | 86,429            | 86,429                    | -   |
| Portland International Raceway                            | 20,996                  | 5,512             | 5,512                     | -   |
| Solid Waste Management                                    | 125,104                 | 137,373           | 137,373                   | -   |
| Parking Facilities  | 84,175                  | 65,929            | 65,929                    | -   |
| Spectator Facilities Operating                            | 268,575                 | 390,993           | 390,993                   | -   |
| Environmental Remediation                                 | 2,618                   | -                 | -                         | -   |
| Convention and Tourism                                    | 5,808                   | 271               | 271                       | -   |
| FRES Facilities Bond Construction                         | 51,909                  | 55,694            | 55,694                    | -   |

Continued next page

**City of Portland, Oregon**  
**General Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget -</u><br><u>Positive</u><br><u>(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                              | 150,883                 | 135,037             | 135,037                         | -   |
| Parks Construction   | 86,722                  | 137,590             | 137,590                         | -   |
| Fire and Police Disability and Retirement                            | 63,752                  | 69,974              | 69,974                          | -   |
| Health Insurance Operating   | 181,357                 | 174,237             | 174,237                         | -   |
| Facilities Services Operating  | 831,782                 | 937,088             | 937,088                         | -   |
| Fleet Services Operating   | 555,907                 | 591,376             | 591,376                         | -   |
| Printing and Distribution Services Operating                         | 228,723                 | 209,384             | 209,384                         | -   |
| Communication Services Operating                                     | 237,278                 | 258,237             | 258,237                         | -   |
| Insurance and Claims Operating                                       | 147,119                 | 124,306             | 124,306                         | -   |
| Workers' Compensation Self-insurance Operating                       | 115,534                 | 114,426             | 114,426                         | -   |
| Information Technology   | 154,756                 | 215,116             | 215,116                         | -   |
|  | <u>10,682,387</u>       | <u>9,836,041</u>    | <u>9,836,041</u>                | <u>-</u>  |
| Total billings to other funds for general and overhead charges:      |                         |                     |                                 |   |
| Miscellaneous:   |                         |                     |                                 |   |
| Loan repayments  | -                       | -                   | 22,846                          | 22,846  |
| Assessments  | -                       | -                   | 1,000                           | 1,000   |
| Sales - other  | 20,700                  | 20,700              | 50,395                          | 29,695  |
| Refunds  | 254,222                 | 254,222             | 76,328                          | (177,894)   |
| Private grants and donations   | 104,000                 | 190,720             | 100,279                         | (90,441)  |
| Investment earnings  | 2,283,181               | 2,283,181           | 1,311,665                       | (971,516)   |
| Other interest income  | 494,959                 | 494,959             | 1,151                           | (493,808)   |
| Miscellaneous  | 2,052,979               | 1,092,314           | 1,720,397                       | 628,083   |
| General Fund intrafund revenue                                       | 6,368,351               | 6,837,319           | 6,539,710                       | (297,609)   |
|  | <u>11,578,392</u>       | <u>11,173,415</u>   | <u>9,823,771</u>                | <u>(1,349,644)</u>  |
| Total miscellaneous  |                         |                     |                                 |   |
| <b>Total revenues</b>  | <u>319,962,958</u>      | <u>312,815,766</u>  | <u>313,339,480</u>              | <u>523,714</u>  |
| <b>EXPENDITURES</b>  |                         |                     |                                 |   |
| Personal services  | 210,015,767             | 216,876,943         | 213,292,361                     | 3,584,582   |
| Materials and services   | 101,143,025             | 107,070,557         | 91,684,807                      | 15,385,750  |
| Capital outlay   | 2,382,113               | 2,221,670           | 1,444,136                       | 777,534   |
| General operating contingencies                                      | 8,788,817               | 2,174,063           | -                               | 2,174,063   |
| Debt service:  |                         |                     |                                 |   |
| Principal  | 10,000,000              | -                   | -                               | -   |
| Interest   | 349,589                 | 589                 | -                               | 589   |
|  | <u>332,679,311</u>      | <u>328,343,822</u>  | <u>306,421,304</u>              | <u>21,922,518</u>   |
| Total expenditures   |                         |                     |                                 |   |
| Revenues over (under) expenditures                                   | <u>(12,716,353)</u>     | <u>(15,528,056)</u> | <u>6,918,176</u>                | <u>22,446,232</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, 2002**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                         |                   |                           |   |
| Transfers from other funds:                  |                         |                   |                           |   |
| Sewer System Operating                       | 9,750,000               | 9,750,000         | 11,048,119                | 1,298,119   |
| Hydroelectric Power Operating                | 150,000                 | 150,000           | 150,000                   | -   |
| Water  | 3,717,679               | 3,717,679         | 3,740,457                 | 22,778  |
| Solid Waste Management                       | 1,071,155               | 1,283,424         | 705,215                   | (578,209)   |
| Parking Facilities                           | 196,130                 | 196,130           | 196,130                   | -   |
| General Reserve                              | 460,296                 | 460,296           | 460,296                   | -   |
| Housing and Community Development            | 96,515                  | 96,515            | 131,445                   | 34,930  |
| Portland Parks Memorial Trust                | 40,000                  | 40,000            | 40,000                    | -   |
| Communication Services Operating             | -                       | 33,300            | 33,300                    | -   |
| Federal Grants                               | 8,312,011               | 18,245,085        | 9,550,597                 | (8,694,488)   |
| Transfers to other funds:                    |                         |                   |                           |   |
| Transportation Operating                     | (6,532,076)             | (6,526,974)       | (6,526,974)               | -   |
| Emergency Communication                      | (8,512,523)             | (8,064,535)       | (8,064,535)               | -   |
| Planning and Development Operating           | (3,383,891)             | (3,329,443)       | (3,329,443)               | -   |
| Sewer System Operating                       | -                       | (222,000)         | (222,000)                 | -   |
| Parking Facilities                           | (13,283)                | -                 | -                         | -   |
| Housing Investment                           | (493,000)               | (485,068)         | (485,068)                 | -   |
| Pension Debt Redemption                      | (3,904,191)             | (2,928,143)       | (2,928,143)               | -   |
| Parks Construction                           | (2,143,450)             | (2,133,450)       | (2,143,450)               | (10,000)  |
| Governmental Bond Redemption                 | (3,809,720)             | (3,809,720)       | (3,696,379)               | 113,341   |
| Facilities Services Operating                | (3,389,350)             | (3,444,050)       | (3,447,046)               | (2,996)   |
| Fleet Services Operating                     | (250,000)               | (749,724)         | (674,557)                 | 75,167  |
| Printing and Distribution Services Operating | -                       | (141,800)         | (132,230)                 | 9,570   |
| Communication Services Operating             | -                       | (227,547)         | (175,264)                 | 52,283  |
| Information Technology                       | (388,252)               | (388,252)         | (388,252)                 | -   |
| Bonds and notes issued                       | 10,000,000              | -                 | -                         | -   |
|  | <u>974,050</u>          | <u>1,521,723</u>  | <u>(6,157,782)</u>        | <u>(7,679,505)</u>  |
| Total other financing sources and uses       |                         |                   |                           |   |
| Net change in fund balances                  | (11,742,303)            | (14,006,333)      | 760,394                   | 14,766,727  |
| Fund balances -- beginning                   | <u>11,742,303</u>       | <u>14,006,333</u> | <u>14,002,370</u>         | <u>(3,963)</u>  |
| Fund balances -- ending                      | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ 14,762,764</u>      | <u>\$ 14,762,764</u>  |

**City of Portland, Oregon**  
**Transportation Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                         |                         |                   |                           |   |
| Prior years' property taxes             | \$ -                    | \$ -              | \$ 223                    | \$ 223  |
| Licenses and fees:                      |                         |                   |                           |   |
| Construction permits                    | 1,060,000               | 1,060,000         | 965,555                   | (94,445)  |
| Other permits                           | 107,500                 | 107,500           | 64,184                    | (43,316)  |
| Total licenses and fees                 | <u>1,167,500</u>        | <u>1,167,500</u>  | <u>1,029,739</u>          | <u>(137,761)</u>  |
| Intergovernmental revenues:             |                         |                   |                           |   |
| State cost sharing                      | 210,000                 | 210,000           | 1,061,275                 | 851,275   |
| State revenue sharing                   | 22,581,326              | 22,581,326        | 22,027,438                | (553,888)   |
| Local government sources:               |                         |                   |                           |   |
| Multnomah County cost sharing           | 20,591,397              | 20,591,397        | 20,857,687                | 266,290   |
| Local cost sharing                      | 13,232,210              | 11,572,693        | 15,089,791                | 3,517,098   |
| Total intergovernmental revenues        | <u>56,614,933</u>       | <u>54,955,416</u> | <u>59,036,191</u>         | <u>4,080,775</u>  |
| Service charges and fees:               |                         |                   |                           |   |
| Public works and utility charges        | 8,529,223               | 8,529,223         | 4,226,342                 | (4,302,881)   |
| Washington Co. traffic impact fees      | -                       | -                 | 10,790                    | 10,790  |
| Inspection fees                         | 185,000                 | 185,000           | 210,949                   | 25,949  |
| Parking fees                            | 12,836,000              | 12,836,000        | 12,309,600                | (526,400)   |
| Parks and recreation facilities fees    | -                       | -                 | 25                        | 25  |
| Miscellaneous service charges           | 508,346                 | 508,346           | 769,570                   | 261,224   |
| Rents and reimbursements                | -                       | -                 | 981                       | 981   |
| Total service charges and fees          | <u>22,058,569</u>       | <u>22,058,569</u> | <u>17,528,257</u>         | <u>(4,530,312)</u>  |
| Billings for interfund services:        |                         |                   |                           |   |
| General                                 | 40,000                  | 40,000            | 85,693                    | 45,693  |
| Planning and Development Operating      | 284,600                 | 284,600           | 284,600                   | -   |
| Sewer System Operating                  | 13,498,927              | 14,726,951        | 14,109,015                | (617,936)   |
| Water                                   | 1,133,160               | 1,133,160         | 1,093,494                 | (39,666)  |
| Golf                                    | -                       | -                 | 483                       | 483   |
| Portland International Raceway          | 8,000                   | -                 | -                         | -   |
| Solid Waste Management                  | 330,000                 | 345,000           | 152,862                   | (192,138)   |
| Housing and Community Development       | 634,535                 | 634,535           | 348,100                   | (286,435)   |
| FRES Facilities Bond Construction       | -                       | -                 | 161,893                   | 161,893   |
| Local Improvement District Construction | 4,472,629               | 4,472,629         | 2,127,028                 | (2,345,601)   |
| Parks Construction                      | 30,400                  | 125,851           | 99,803                    | (26,048)  |
| Portland Parks Memorial Trust           | -                       | 32,000            | 28,599                    | (3,401)   |
| Facilities Services Operating           | -                       | -                 | 28,001                    | 28,001  |
| Fleet Services Operating                | 5,000                   | 5,000             | -                         | (5,000)   |
| Information Technology                  | 144,775                 | 144,775           | 134,383                   | (10,392)  |
| Total billings for interfund services   | <u>20,582,026</u>       | <u>21,944,501</u> | <u>18,653,954</u>         | <u>(3,290,547)</u>  |

Continued next page

**City of Portland, Oregon**  
**Transportation Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| Miscellaneous and interest:               |                         |                     |                           |   |
| Assessments                               | 600,000                 | 600,000             | 1,156,848                 | 556,848   |
| Sales - other                             | 165,000                 | 165,000             | 114,344                   | (50,656)  |
| Refunds                                   | 5,000                   | 5,000               | 57,687                    | 52,687  |
| Private grants and donations              | 531,345                 | 531,345             | 1,085,002                 | 553,657   |
| Investment earnings                       | 500,000                 | 100,000             | 86,240                    | (13,760)  |
| Other interest income                     | 100,000                 | 100,000             | 139,264                   | 39,264  |
| Miscellaneous                             | 1,000,100               | 131,567             | 1,064,022                 | 932,455   |
|   | <u>2,901,445</u>        | <u>1,632,912</u>    | <u>3,703,407</u>          | <u>2,070,495</u>  |
| Total miscellaneous and interest revenues |                         |                     |                           |   |
|   | 2,901,445               | 1,632,912           | 3,703,407                 | 2,070,495   |
| Total revenues                            | <u>103,324,473</u>      | <u>101,758,898</u>  | <u>99,951,771</u>         | <u>(1,807,127)</u>  |
| <b>EXPENDITURES</b>                       |                         |                     |                           |   |
| Personal services                         | 48,602,166              | 50,814,182          | 48,505,085                | 2,309,097   |
| Materials and services                    | 44,017,623              | 49,348,561          | 43,962,080                | 5,386,481   |
| Capital outlay                            | 17,744,562              | 17,072,929          | 16,736,756                | 336,173   |
| General operating contingencies           | 14,149,467              | 7,274,321           | -                         | 7,274,321   |
| Overhead charges - General Fund           | 2,502,755               | 1,944,153           | 1,944,153                 | -   |
| Inventory increase                        | 100,000                 | -                   | -                         | -   |
|   | <u>127,116,573</u>      | <u>126,454,146</u>  | <u>111,148,074</u>        | <u>15,306,072</u>   |
| Total expenditures                        |                         |                     |                           |   |
|   | 127,116,573             | 126,454,146         | 111,148,074               | 15,306,072  |
| Revenues over (under) expenditures        | <u>(23,792,100)</u>     | <u>(24,695,248)</u> | <u>(11,196,303)</u>       | <u>13,498,945</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                         |                     |                           |   |
| Transfers from other funds:               |                         |                     |                           |   |
| General                                   | 6,532,076               | 6,526,974           | 6,526,974                 | -   |
| Parking Facilities                        | 1,341,684               | 1,341,684           | 1,341,684                 | -   |
| Housing and Community Development         | 36,015                  | 36,015              | 36,015                    | -   |
| Federal Grants                            | 4,442,242               | 5,235,012           | 3,385,064                 | (1,849,948)   |
| Transfers to other funds:                 |                         |                     |                           |   |
| Pension Debt Redemption                   | (1,878,425)             | (1,408,819)         | (1,408,819)               | -   |
| Gas Tax Bond Redemption                   | (525,782)               | (525,782)           | (525,782)                 | -   |
| Local Improvement District Construction   | (6,366)                 | (6,366)             | (6,366)                   | -   |
| Fleet Services Operating                  | -                       | (322,426)           | (262,997)                 | 59,429  |
| Communication Services Operating          | -                       | (31,700)            | (14,820)                  | 16,880  |
| Bonds and notes issued                    | -                       | -                   | 5,597,407                 | 5,597,407   |
| Bond and note premium                     | -                       | -                   | 11,105                    | 11,105  |
|   | <u>9,941,444</u>        | <u>10,844,592</u>   | <u>14,679,465</u>         | <u>3,834,873</u>  |
| Total other financing sources (uses)      |                         |                     |                           |   |
|   | 9,941,444               | 10,844,592          | 14,679,465                | 3,834,873   |
| Net change in fund balances               | <u>(13,850,656)</u>     | <u>(13,850,656)</u> | <u>3,483,162</u>          | <u>17,333,818</u>   |
| Fund balances -- beginning                | <u>13,850,656</u>       | <u>13,850,656</u>   | <u>13,169,296</u>         | <u>(681,360)</u>  |
| Fund balances -- ending                   | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 16,652,458</u>      | <u>\$ 16,652,458</u>  |



City of Portland, Oregon  
 Note to the Required Supplementary Information  
 For the Fiscal Year Ended June 30, 2002

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

Fund balances as of June 30, 2002, on a budgetary basis are reconciled to fund balances on a GAAP basis as follows:

|   | General Fund | Transportation<br>Operating Fund |
|---|--------------|----------------------------------|
| Fund balances at 6/30/02 – budgetary basis      | \$14,762,764 | \$16,652,458                     |
| Reserve funds budgeted as separate funds        | 36,058,962   | 662,582                          |
| Unrealized gain (loss) on investments – GASB 31 | 610,708      | (16,367)                         |
| Resources not available for spending            | 370,706      | 1,518,469                        |
| Fund balances at 6/30/02 – GAAP basis           | \$51,803,140 | \$18,817,142                     |

# 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 reporting government's programs, that is, for the benefit of the government or its citizenry.

City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2002

| ASSETS                                     | Special Revenue<br>Funds | Debt Service<br>Funds | Capital Projects<br>Funds | Permanent Fund   | Total                 |
|--|--------------------------|-----------------------|---------------------------|------------------|-----------------------|
| Cash and investments                       | \$ 20,446,477            | \$ 39,870,964         | \$ 14,838,790             | \$ 29,231        | \$ 75,185,462         |
| Receivables:                               |                          |                       |                           |                  |                       |
| Taxes                                      | (100)                    | 3,682,801             | -                         | -                | 3,682,701             |
| Accounts                                   | 680,781                  | -                     | 5,722,105                 | -                | 6,402,886             |
| Assessments                                | 6,428,085                | 20,412,184            | 7,676,441                 | -                | 34,516,710            |
| Grants                                     | 10,309,864               | -                     | -                         | -                | 10,309,864            |
| Accrued interest                           | 83,702                   | 283,220               | 75,634                    | -                | 442,556               |
| Due from other funds                       | -                        | -                     | 70,000                    | -                | 70,000                |
| Internal loans                             | 150,000                  | -                     | -                         | -                | 150,000               |
| Property held for resale                   | 8,620,000                | -                     | -                         | -                | 8,620,000             |
| <b>Total assets</b>                        | <b>\$ 46,718,809</b>     | <b>\$ 64,229,169</b>  | <b>\$ 28,382,970</b>      | <b>\$ 29,231</b> | <b>\$ 139,360,179</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                          |                       |                           |                  |                       |
| Liabilities:                               |                          |                       |                           |                  |                       |
| Accounts payable                           | \$ 2,014,732             | \$ -                  | \$ 574,839                | \$ 422           | \$ 2,589,993          |
| Due to other funds                         | 8,186,545                | -                     | -                         | -                | 8,186,545             |
| Due to component unit                      | 811,529                  | -                     | -                         | -                | 811,529               |
| Matured interest payable                   | -                        | 19,048                | -                         | -                | 19,048                |
| Internal loans payable                     | -                        | -                     | 126,005                   | -                | 126,005               |
| Notes and mortgages payable                | -                        | -                     | 12,584,205                | -                | 12,584,205            |
| Deferred Revenue                           | 8,569,325                | 23,265,545            | 12,714,256                | -                | 44,549,126            |
| Other accrued liabilities                  | -                        | -                     | 375,754                   | -                | 375,754               |
| <b>Total liabilities</b>                   | <b>19,582,131</b>        | <b>23,284,593</b>     | <b>26,375,059</b>         | <b>422</b>       | <b>69,242,205</b>     |
| Fund Balances (deficits):                  |                          |                       |                           |                  |                       |
| Reserved:                                  |                          |                       |                           |                  |                       |
| Petty cash                                 | 6,400                    | -                     | -                         | -                | 6,400                 |
| Property held for resale                   | 8,620,000                | -                     | -                         | -                | 8,620,000             |
| Debt service                               | -                        | 40,944,576            | -                         | -                | 40,944,576            |
| Parks Endowment                            | -                        | -                     | -                         | 13,500           | 13,500                |
| Unreserved, reported in:                   |                          |                       |                           |                  |                       |
| Special revenue funds                      | 18,510,278               | -                     | -                         | -                | 18,510,278            |
| Capital projects funds                     | -                        | -                     | 2,007,911                 | -                | 2,007,911             |
| Permanent fund                             | -                        | -                     | -                         | 15,309           | 15,309                |
| <b>Total fund balances</b>                 | <b>27,136,678</b>        | <b>40,944,576</b>     | <b>2,007,911</b>          | <b>28,809</b>    | <b>70,117,974</b>     |
| <b>Total liabilities and fund balances</b> | <b>\$ 46,718,809</b>     | <b>\$ 64,229,169</b>  | <b>\$ 28,382,970</b>      | <b>\$ 29,231</b> | <b>\$ 139,360,179</b> |

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2002**

|  | <u>Assessment<br/>Collection</u> | <u>Emergency<br/>Communication</u> | <u>Planning and<br/>Development<br/>Operating</u> |
|--|----------------------------------|------------------------------------|---|
| <b>ASSETS</b>                              |                                  |                                    |   |
| Cash and investments                       | \$ 58,493                        | \$ 473,134                         | \$ 4,147,876                                      |
| Receivables:                               |                                  |                                    |   |
| Taxes                                      | -                                | -                                  | -   |
| Accounts                                   | -                                | 607,912                            | -   |
| Assessments                                | 14,107                           | -                                  | 6,150,450   |
| Grants                                     | -                                | -                                  | -   |
| Accrued interest                           | 246                              | 11,187                             | 20,056  |
| Internal loans                             | -                                | -                                  | -   |
| Property held for resale                   | -                                | -                                  | -   |
|  | <u>72,846</u>                    | <u>1,092,233</u>                   | <u>10,318,382</u>                                 |
| <b>Total assets</b>                        | <b>\$ 72,846</b>                 | <b>\$ 1,092,233</b>                | <b>\$ 10,318,382</b>                              |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                  |                                    |   |
| <b>Liabilities:</b>                        |                                  |                                    |   |
| Accounts payable                           | \$ -                             | \$ 49,779                          | \$ 83,852   |
| Due to other funds                         | -                                | -                                  | -   |
| Due to component unit                      | -                                | -                                  | -   |
| Deferred revenue                           | 14,107                           | -                                  | 6,150,450   |
|  | <u>14,107</u>                    | <u>49,779</u>                      | <u>6,234,302</u>                                  |
| <b>Total liabilities</b>                   | <b>14,107</b>                    | <b>49,779</b>                      | <b>6,234,302</b>                                  |
| <b>Fund Balances (deficits):</b>           |                                  |                                    |   |
| <b>Reserved for:</b>                       |                                  |                                    |   |
| Petty cash                                 | -                                | 2,000                              | 4,400   |
| Property held for resale                   | -                                | -                                  | -   |
| Unreserved                                 | 58,739                           | 1,040,454                          | 4,079,680   |
|  | <u>58,739</u>                    | <u>1,042,454</u>                   | <u>4,084,080</u>                                  |
| <b>Total fund balances</b>                 | <b>58,739</b>                    | <b>1,042,454</b>                   | <b>4,084,080</b>                                  |
| <b>Total liabilities and fund balances</b> | <b>\$ 72,846</b>                 | <b>\$ 1,092,233</b>                | <b>\$ 10,318,382</b>                              |

| <u>Property<br/>Management<br/>License</u> | <u>Public Safety</u> | <u>Cable</u>        | <u>Convention and<br/>Tourism</u> |
|--|----------------------|---------------------|-----------------------------------|
| \$ 80,577                                  | \$ 2,104,759         | \$ 3,214,601        | \$ 150,266                        |
| -  | (100)                | -                   | -                                 |
| -  | -                    | -                   | -                                 |
| -  | -                    | -                   | -                                 |
| 935  | 441                  | 14,063              | 1,168                             |
| -  | -                    | -                   | -                                 |
| <u>81,512</u>                              | <u>2,105,100</u>     | <u>3,228,664</u>    | <u>151,434</u>                    |
| \$ 72,712                                  | \$ 36,599            | \$ 224,783          | \$ 2,337                          |
| -  | -                    | -                   | -                                 |
| -  | (185)                | -                   | -                                 |
| <u>72,712</u>                              | <u>36,414</u>        | <u>224,783</u>      | <u>2,337</u>                      |
| -  | -                    | -                   | -                                 |
| -  | -                    | -                   | -                                 |
| 8,800                                      | 2,068,686            | 3,003,881           | 149,097                           |
| <u>8,800</u>                               | <u>2,068,686</u>     | <u>3,003,881</u>    | <u>149,097</u>                    |
| \$ <u>81,512</u>                           | \$ <u>2,105,100</u>  | \$ <u>3,228,664</u> | \$ <u>151,434</u>                 |

Continued next page

**City of Portland, Oregon  
Combining Balance Sheet, Continued  
Nonmajor Special Revenue Funds  
June 30, 2002**

|  | Special Finance<br>and Resource | Housing Investment   | Federal Grants       |
|--|---------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                              |                                 |                      |                      |
| Cash and investments                       | \$ 877,095                      | \$ 4,475,113         | \$ 2,141,425         |
| Receivables:                               |                                 |                      |                      |
| Taxes                                      | -                               | -                    | -                    |
| Accounts                                   | -                               | 65,671               | -                    |
| Assessments                                | -                               | -                    | -                    |
| Grants                                     | -                               | -                    | 8,121,022            |
| Accrued interest                           | 3,639                           | 19,491               | -                    |
| Internal loans                             | -                               | -                    | -                    |
| Property held for resale                   | -                               | 8,620,000            | -                    |
|  | <u>\$ 880,734</u>               | <u>\$ 13,180,275</u> | <u>\$ 10,262,447</u> |
| <b>Total assets</b>                        | <b>\$ 880,734</b>               | <b>\$ 13,180,275</b> | <b>\$ 10,262,447</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                 |                      |                      |
| Liabilities:                               |                                 |                      |                      |
| Accounts payable                           | \$ 1,207                        | \$ 204,170           | \$ -                 |
| Due to other funds                         | -                               | -                    | 8,121,022            |
| Due to component unit                      | -                               | -                    | -                    |
| Deferred revenue                           | -                               | -                    | 2,141,425            |
|  | <u>1,207</u>                    | <u>204,170</u>       | <u>10,262,447</u>    |
| <b>Total liabilities</b>                   | <b>1,207</b>                    | <b>204,170</b>       | <b>10,262,447</b>    |
| Fund Balances (deficits):                  |                                 |                      |                      |
| Reserved for:                              |                                 |                      |                      |
| Petty cash                                 | -                               | -                    | -                    |
| Property held for resale                   | -                               | 8,620,000            | -                    |
| Unreserved                                 | 879,527                         | 4,356,105            | -                    |
|  | <u>879,527</u>                  | <u>12,976,105</u>    | <u>-</u>             |
| <b>Total fund balances</b>                 | <b>879,527</b>                  | <b>12,976,105</b>    | <b>-</b>             |
| <b>Total liabilities and fund balances</b> | <b>\$ 880,734</b>               | <b>\$ 13,180,275</b> | <b>\$ 10,262,447</b> |

| Housing and<br>Community<br>Development | Home Grant        | Portland Parks<br>Memorial Trust | Total                |
|---|-------------------|----------------------------------|----------------------|
| \$ -                                    | \$ -              | \$ 2,723,138                     | \$ 20,446,477        |
| -                                       | -                 | -                                | (100)                |
| -                                       | -                 | 7,198                            | 680,781              |
| 261,820                                 | -                 | 1,708                            | 6,428,085            |
| 1,668,319                               | 520,523           | -                                | 10,309,864           |
| -                                       | -                 | 12,476                           | 83,702               |
| -                                       | -                 | 150,000                          | 150,000              |
| -                                       | -                 | -                                | 8,620,000            |
| <u>\$ 1,930,139</u>                     | <u>\$ 520,523</u> | <u>\$ 2,894,520</u>              | <u>\$ 46,718,809</u> |
| \$ 862,100                              | \$ 449,690        | \$ 27,503                        | \$ 2,014,732         |
| -                                       | 65,523            | -                                | 8,186,545            |
| 806,219                                 | 5,310             | -                                | 811,529              |
| 261,820                                 | -                 | 1,708                            | 8,569,325            |
| <u>1,930,139</u>                        | <u>520,523</u>    | <u>29,211</u>                    | <u>19,582,131</u>    |
| -                                       | -                 | -                                | 6,400                |
| -                                       | -                 | -                                | 8,620,000            |
| -                                       | -                 | 2,865,309                        | 18,510,278           |
| -                                       | -                 | 2,865,309                        | 27,136,678           |
| <u>\$ 1,930,139</u>                     | <u>\$ 520,523</u> | <u>\$ 2,894,520</u>              | <u>\$ 46,718,809</u> |



**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2002**

|  | <u>River District Urban<br/>Renewal Area Debt<br/>Redemption</u> | <u>Bonded Debt<br/>Interest and Sinking</u> | <u>Waterfront Renewal<br/>Bond Sinking</u> |
|--|--|---|--|
| <b>ASSETS</b>                            |  |   |  |
| Cash and investments                     | \$ 446,600   | \$ 838,144                                  | \$ 3,880,117                               |
| Receivables:                             |  |   |  |
| Taxes                                    | 302,289  | 568,467                                     | 945,786                                    |
| Assessments                              | -  | -   | -  |
| Accrued interest                         | 3,236  | 13,983                                      | 43,468                                     |
|  | <u>752,125</u>   | <u>1,420,594</u>                            | <u>4,869,371</u>                           |
| Total assets                             | \$ <u>752,125</u>  | \$ <u>1,420,594</u>                         | \$ <u>4,869,371</u>                        |
| <br><b>LIABILITIES AND FUND BALANCES</b> |  |   |  |
| Liabilities:                             |  |   |  |
| Matured interest payable                 | \$ -   | \$ 301                                      | \$ 3,975                                   |
| Deferred revenue                         | 237,006  | 445,409                                     | 739,471                                    |
|  | <u>237,006</u>   | <u>445,710</u>                              | <u>743,446</u>                             |
| Total liabilities                        | 237,006  | 445,710                                     | 743,446                                    |
| Fund Balances (deficits):                |  |   |  |
| Reserved for debt service                | 515,119  | 974,884                                     | 4,125,925                                  |
|  | <u>515,119</u>   | <u>974,884</u>                              | <u>4,125,925</u>                           |
| Total liabilities and fund balances      | \$ <u>752,125</u>  | \$ <u>1,420,594</u>                         | \$ <u>4,869,371</u>                        |

| <u>Interstate Corridor<br/>Debt Service</u> | <u>Pension Debt<br/>Redemption</u> | <u>South Park Block<br/>Redemption</u> | <u>Airport Way Debt</u> | <u>Gas Tax Bond<br/>Redemption</u> |
|---|------------------------------------|--|-------------------------|------------------------------------|
| \$ 10,284                                   | \$ 19,018,586                      | \$ 665,820                             | \$ 506,076              | \$ 547                             |
| 44,286                                      | -                                  | 432,443                                | 493,577                 | -                                  |
| -   | -                                  | -                                      | -                       | -                                  |
| <u>301</u>                                  | <u>89,917</u>                      | <u>18,495</u>                          | <u>16,472</u>           | <u>3</u>                           |
| <u>\$ 54,871</u>                            | <u>\$ 19,108,503</u>               | <u>\$ 1,116,758</u>                    | <u>\$ 1,016,125</u>     | <u>\$ 550</u>                      |

|                  |                      |                     |                     |               |
|------------------|----------------------|---------------------|---------------------|---------------|
| \$ -             | \$ -                 | \$ -                | \$ -                | \$ -          |
| <u>33,758</u>    | <u>-</u>             | <u>333,751</u>      | <u>385,236</u>      | <u>-</u>      |
| 33,758           | -                    | 333,751             | 385,236             | -             |
| <u>21,113</u>    | <u>19,108,503</u>    | <u>783,007</u>      | <u>630,889</u>      | <u>550</u>    |
| <u>\$ 54,871</u> | <u>\$ 19,108,503</u> | <u>\$ 1,116,758</u> | <u>\$ 1,016,125</u> | <u>\$ 550</u> |

Continued next page

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Debt Service Funds, Continued  
June 30, 2002**

|  | <u>Lents Town Center<br/>Urban Renewal<br/>Area Debt<br/>Redemption</u> | <u>Central Eastside<br/>Industrial District<br/>Debt Service</u> | <u>Bancroft Bond<br/>Interest and Sinking</u> |
|--|---|--|---|
| <b>ASSETS</b>                              |   |  |   |
| Cash and investments                       | \$ 37,492   | \$ 20,334  | \$ 7,632,484                                  |
| Receivables:                               |   |  |   |
| Taxes                                      | 156,788   | 273,110  | -   |
| Assessments                                | -   | -  | 20,412,184                                    |
| Accrued interest                           | 7,936   | 11,664   | 35,246  |
|  | <u>202,216</u>  | <u>305,108</u>   | <u>28,079,914</u>                             |
| <b>Total assets</b>                        | <b>\$ <u>202,216</u></b>  | <b>\$ <u>305,108</u></b>   | <b>\$ <u>28,079,914</u></b>                   |
| <br><b>LIABILITIES AND FUND BALANCES</b>   |   |  |   |
| Liabilities:                               |   |  |   |
| Matured interest payable                   | \$ -  | \$ -   | \$ 11,151                                     |
| Deferred revenue                           | <u>124,113</u>  | <u>207,153</u>   | <u>20,412,184</u>                             |
| <b>Total liabilities</b>                   | <b>124,113</b>  | <b>207,153</b>   | <b>20,423,335</b>                             |
| Fund Balances (deficits):                  |   |  |   |
| Reserved for debt service                  | <u>78,103</u>   | <u>97,955</u>  | <u>7,656,579</u>                              |
| <b>Total liabilities and fund balances</b> | <b>\$ <u>202,216</u></b>  | <b>\$ <u>305,108</u></b>   | <b>\$ <u>28,079,914</u></b>                   |

| <u>Convention Center<br/>Area Debt Service</u> | <u>North Macadam<br/>Urban Renewal<br/>Area Debt<br/>Redemption</u> | <u>Special Projects<br/>Debt Service</u> | <u>Governmental<br/>Bond Redemption</u> | <u>Total</u>         |
|--|---|--|---|----------------------|
| \$ 3,089,170                                   | \$ 16,830   | \$ 3,652,709                             | \$ 55,771                               | \$ 39,870,964        |
| 432,432  | 13,623  | -  | -                                       | 3,662,801            |
| -  | -   | -  | -                                       | 20,412,184           |
| <u>23,779</u>                                  | <u>893</u>  | <u>17,827</u>                            | <u>-</u>                                | <u>283,220</u>       |
| <u>\$ 3,545,381</u>                            | <u>\$ 31,346</u>  | <u>\$ 3,670,536</u>                      | <u>\$ 55,771</u>                        | <u>\$ 64,229,169</u> |

|                     |                  |                     |                  |                      |
|---------------------|------------------|---------------------|------------------|----------------------|
| \$ -                | \$ -             | \$ -                | \$ 3,621         | \$ 19,048            |
| <u>336,889</u>      | <u>10,575</u>    | <u>-</u>            | <u>-</u>         | <u>23,265,545</u>    |
| 336,889             | 10,575           | -                   | 3,621            | 23,284,593           |
| <u>3,208,492</u>    | <u>20,771</u>    | <u>3,670,536</u>    | <u>52,150</u>    | <u>40,944,576</u>    |
| <u>\$ 3,545,381</u> | <u>\$ 31,346</u> | <u>\$ 3,670,536</u> | <u>\$ 55,771</u> | <u>\$ 64,229,169</u> |

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2002**

|                                      | <u>FRES Facilities<br/>Bond Construction</u> | <u>Local Improvement<br/>District<br/>Construction</u> | <u>Capital<br/>Improvement</u> |
|--------------------------------------|--|--|--------------------------------|
| <b>ASSETS</b>                        |  |  |                                |
| Cash and investments                 | \$ 11,079,017                                | \$ 2,579,794   | \$ 65,529                      |
| Receivables:                         |  |  |                                |
| Accounts                             | -  | 5,037,815  | -                              |
| Assessments                          | -  | 7,437,611  | -                              |
| Accrued interest                     | 49,235                                       | 20,969   | 68                             |
| Due from other funds                 | -  | -  | -                              |
|                                      | <hr/>  | <hr/>  | <hr/>                          |
| Total assets                         | \$ <u>11,128,252</u>                         | \$ <u>15,076,189</u>                                   | \$ <u>65,597</u>               |
| <b>LIABILITIES AND FUND BALANCES</b> |  |  |                                |
| Liabilities:                         |  |  |                                |
| Accounts payable                     | \$ 395,149                                   | \$ -   | \$ -                           |
| Internal loans payable               | -  | -  | -                              |
| Notes and mortgages payable          | -  | 12,584,205   | -                              |
| Deferred revenue                     | -  | 12,475,426   | -                              |
| Other accrued liabilities            | 203,244                                      | -  | -                              |
|                                      | <hr/>  | <hr/>  | <hr/>                          |
| Total liabilities                    | 598,393                                      | 25,059,631   | -                              |
| Fund Balances (deficits):            |  |  |                                |
| Unreserved                           | <u>10,529,859</u>                            | <u>(9,983,442)</u>                                     | <u>65,597</u>                  |
|                                      | <hr/>  | <hr/>  | <hr/>                          |
| Total liabilities and fund balances  | \$ <u>11,128,252</u>                         | \$ <u>15,076,189</u>                                   | \$ <u>65,597</u>               |

| <u>Parks Bond<br/>Construction</u> | <u>Parks Construction</u> | <u>Total</u>         |
|------------------------------------|---------------------------|----------------------|
| \$ (122,359)                       | \$ 1,236,809              | \$ 14,838,790        |
| -                                  | 684,290                   | 5,722,105            |
| -                                  | 238,830                   | 7,676,441            |
| -                                  | 5,362                     | 75,634               |
| -                                  | 70,000                    | 70,000               |
| <u>\$ (122,359)</u>                | <u>\$ 2,235,291</u>       | <u>\$ 28,382,970</u> |
| <br>                               |                           |                      |
| \$ -                               | \$ 179,690                | \$ 574,839           |
| -                                  | 126,005                   | 126,005              |
| -                                  | -                         | 12,584,205           |
| -                                  | 238,830                   | 12,714,256           |
| <u>18,787</u>                      | <u>153,723</u>            | <u>375,754</u>       |
| 18,787                             | 698,248                   | 26,375,059           |
| <u>(141,146)</u>                   | <u>1,537,043</u>          | <u>2,007,911</u>     |
| <u>\$ (122,359)</u>                | <u>\$ 2,235,291</u>       | <u>\$ 28,382,970</u> |

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**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2002**

|   | Special Revenue<br>Funds | Debt Service<br>Funds | Capital Projects<br>Funds | Permanent Fund | Total              |
|---|--------------------------|-----------------------|---------------------------|----------------|--------------------|
| <b>REVENUES</b>                             |                          |                       |                           |                |                    |
| Taxes:                                      |                          |                       |                           |                |                    |
| Property                                    | \$ 180                   | \$ 54,301,986         | \$ -                      | \$ -           | \$ 54,302,166      |
| Lodging                                     | 2,081,707                | -                     | -                         | -              | 2,081,707          |
| Charges for services                        | 7,839,457                | 29,140                | 3,684,087                 | -              | 11,552,684         |
| Licenses and fees                           | 21,946,027               | -                     | -                         | -              | 21,946,027         |
| Concessions                                 | 46,211                   | -                     | -                         | -              | 46,211             |
| Miscellaneous service charges               | 5,532,563                | 4,427,070             | 38,127                    | -              | 9,997,760          |
| Intergovernmental                           | 30,317,976               | -                     | 3,946,746                 | -              | 34,264,722         |
| Investment earnings                         | 1,417,675                | 4,024,967             | 1,071,071                 | 1,047          | 6,514,760          |
| Assessments                                 | 2,031,690                | 5,144,372             | 6,823,476                 | -              | 13,999,538         |
| Loan collections                            | 7,960,384                | -                     | -                         | -              | 7,960,384          |
| <b>Total revenues</b>                       | <b>79,173,870</b>        | <b>67,927,535</b>     | <b>15,563,507</b>         | <b>1,047</b>   | <b>162,665,959</b> |
| <b>EXPENDITURES</b>                         |                          |                       |                           |                |                    |
| Public safety                               | 14,377,850               | -                     | 2,655,330                 | -              | 17,033,180         |
| Parks, recreation and culture               | 2,224,889                | -                     | 160,748                   | 584            | 2,386,221          |
| Community development                       | 63,894,620               | 11,401                | 3,247,950                 | -              | 67,153,971         |
| Legislative/ Admin/ Support services        | 35,887,956               | 446,715               | -                         | -              | 36,334,671         |
| Capital outlay                              | 288,970                  | -                     | 16,538,186                | -              | 16,827,156         |
| Debt Service:                               |                          |                       |                           |                |                    |
| Principal                                   | -                        | 49,302,719            | -                         | -              | 49,302,719         |
| Interest                                    | -                        | 37,909,553            | 452,432                   | -              | 38,361,985         |
| <b>Total expenditures</b>                   | <b>116,674,285</b>       | <b>87,670,388</b>     | <b>23,054,646</b>         | <b>584</b>     | <b>227,399,903</b> |
| Revenues over (under) expenditures          | (37,500,415)             | (19,742,853)          | (7,491,139)               | 463            | (64,733,944)       |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                          |                       |                           |                |                    |
| Transfers in                                | 14,196,405               | 13,217,029            | 2,149,816                 | 28,346         | 29,591,596         |
| Transfers out                               | (19,305,074)             | -                     | (192,630)                 | -              | (19,497,704)       |
| Proceeds from sale of capital assets        | -                        | -                     | 94,280                    | -              | 94,280             |
| Bonds and notes issued                      | 39,822,611               | 32,041,495            | 500,000                   | -              | 72,364,106         |
| Bond and note premium                       | 132,405                  | 60,182                | -                         | -              | 192,587            |
| Loan proceeds                               | 120,000                  | -                     | -                         | -              | 120,000            |
| Payment to refunding escrow agent           | -                        | (28,505,000)          | -                         | -              | (28,505,000)       |
| <b>Total other financing sources (uses)</b> | <b>34,966,347</b>        | <b>16,813,706</b>     | <b>2,551,466</b>          | <b>28,346</b>  | <b>54,359,865</b>  |
| Net change in fund balances                 | (2,534,068)              | (2,929,147)           | (4,939,673)               | 28,809         | (10,374,079)       |
| Fund balances – beginning, as restated      | 26,960,746               | 43,873,723            | 6,947,584                 | -              | 77,782,053         |
| Change in inventory                         | 2,710,000                | -                     | -                         | -              | 2,710,000          |
| Fund balances – ending                      | \$ 27,136,678            | \$ 40,944,576         | \$ 2,007,911              | \$ 28,809      | \$ 70,117,974      |



**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2002**

|   | <u>Assessment<br/>Collection</u> | <u>Emergency<br/>Communication</u> | <u>Planning and<br/>Development<br/>Operating</u> |
|---|----------------------------------|------------------------------------|---|
| <b>REVENUES</b>                             |                                  |                                    |   |
| Taxes:                                      |                                  |                                    |   |
| Property                                    | \$ -                             | \$ -                               | \$ -  |
| Lodging                                     | -                                | -                                  | -   |
| Charges for services                        | -                                | 83,326                             | 5,260,828   |
| Licenses and fees                           | -                                | -                                  | 17,531,078  |
| Concessions                                 | -                                | -                                  | -   |
| Miscellaneous service charges               | -                                | -                                  | -   |
| Intergovernmental                           | -                                | 4,953,847                          | -   |
| Investment earnings                         | 4,232                            | 121,321                            | 516,921   |
| Assessments                                 | 1,270                            | -                                  | 1,941,059   |
| Loan collections                            | -                                | -                                  | -   |
|   | <u>5,502</u>                     | <u>5,158,494</u>                   | <u>25,249,886</u>                                 |
| <b>Total revenues</b>                       |                                  |                                    |   |
| <b>EXPENDITURES</b>                         |                                  |                                    |   |
| Public safety                               | -                                | 12,937,934                         | -   |
| Parks, recreation and culture               | -                                | -                                  | -   |
| Community development                       | -                                | -                                  | 27,984,373  |
| Legislative/ Admin/ Support services        | -                                | -                                  | -   |
| Capital outlay                              | -                                | 37,960                             | -   |
|   | <u>-</u>                         | <u>12,975,894</u>                  | <u>27,984,373</u>                                 |
| <b>Total expenditures</b>                   |                                  |                                    |   |
| Revenues over (under) expenditures          | <u>5,502</u>                     | <u>(7,817,400)</u>                 | <u>(2,734,487)</u>                                |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                                  |                                    |   |
| Transfers in                                | -                                | 8,064,535                          | 3,382,904   |
| Transfers out                               | -                                | (2,345,764)                        | (407,666)   |
| Bonds and notes issued                      | -                                | -                                  | -   |
| Bond and note premium                       | -                                | -                                  | -   |
| Loan proceeds                               | -                                | -                                  | -   |
|   | <u>-</u>                         | <u>5,718,771</u>                   | <u>2,975,238</u>                                  |
| <b>Total other financing sources (uses)</b> |                                  |                                    |   |
| Net change in fund balances                 | 5,502                            | (2,098,629)                        | 240,751   |
| Fund balances -- beginning, as restated     | 53,237                           | 3,141,083                          | 3,843,329   |
| Change in inventory                         | -                                | -                                  | -   |
| Fund balances -- ending                     | <u>\$ 58,739</u>                 | <u>\$ 1,042,454</u>                | <u>\$ 4,084,080</u>                               |

| <u>Property<br/>Management<br/>License</u> | <u>Public Safety</u> | <u>Cable</u>        | <u>Convention and<br/>Tourism</u> |
|--|----------------------|---------------------|-----------------------------------|
| \$ -                                       | \$ 180               | \$ -                | \$ -                              |
| -  | -                    | -                   | 2,081,707                         |
| -  | -                    | 243,102             | -                                 |
| 3,560,665                                  | -                    | 854,284             | -                                 |
| -  | -                    | -                   | -                                 |
| -  | -                    | 2,163,532           | -                                 |
| -  | -                    | -                   | -                                 |
| 13,848                                     | 38,721               | 120,093             | 11,737                            |
| -  | -                    | -                   | -                                 |
| -  | -                    | -                   | -                                 |
| <u>3,574,513</u>                           | <u>38,901</u>        | <u>3,381,011</u>    | <u>2,093,444</u>                  |
| -  | 1,439,916            | -                   | -                                 |
| -  | -                    | -                   | -                                 |
| 3,640,461                                  | -                    | 2,502,055           | 2,079,865                         |
| -  | -                    | -                   | -                                 |
| -  | 251,010              | -                   | -                                 |
| <u>3,640,461</u>                           | <u>1,690,926</u>     | <u>2,502,055</u>    | <u>2,079,865</u>                  |
| <u>(65,948)</u>                            | <u>(1,652,025)</u>   | <u>878,956</u>      | <u>13,579</u>                     |
| -  | 2,263,898            | -                   | -                                 |
| -  | -                    | (280,980)           | -                                 |
| -  | -                    | -                   | -                                 |
| -  | -                    | -                   | -                                 |
| <u>-</u>                                   | <u>2,263,898</u>     | <u>(280,980)</u>    | <u>-</u>                          |
| <u>(65,948)</u>                            | <u>611,873</u>       | <u>597,976</u>      | <u>13,579</u>                     |
| 74,748                                     | 1,456,813            | 2,405,905           | 135,518                           |
| -  | -                    | -                   | -                                 |
| <u>\$ 8,800</u>                            | <u>\$ 2,068,686</u>  | <u>\$ 3,003,881</u> | <u>\$ 149,097</u>                 |

Continued next page

**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, 2002**

|   | Special Finance<br>and Resource | Housing Investment   | Federal Grants      |
|---|---------------------------------|----------------------|---------------------|
| <b>REVENUES</b>                             |                                 |                      |                     |
| Taxes:                                      |                                 |                      |                     |
| Property                                    | \$ -                            | \$ -                 | \$ -                |
| Lodging                                     | -                               | -                    | -                   |
| Charges for services                        | -                               | 613,860              | -                   |
| Licenses and fees                           | -                               | -                    | -                   |
| Concessions                                 | -                               | -                    | -                   |
| Miscellaneous service charges               | -                               | 2,816,000            | 224,168             |
| Intergovernmental                           | -                               | -                    | 12,658,634          |
| Investment earnings                         | 41,822                          | 220,693              | 99,201              |
| Assessments                                 | -                               | -                    | -                   |
| Loan collections                            | -                               | -                    | -                   |
|   | <b>41,822</b>                   | <b>3,650,553</b>     | <b>12,982,003</b>   |
| <b>Total revenues</b>                       | <b>41,822</b>                   | <b>3,650,553</b>     | <b>12,982,003</b>   |
| <b>EXPENDITURES</b>                         |                                 |                      |                     |
| Public safety                               | -                               | -                    | -                   |
| Parks, recreation and culture               | -                               | -                    | -                   |
| Community development                       | -                               | 7,051,104            | -                   |
| Legislative/ Admin/ Support services        | 35,841,614                      | -                    | 46,342              |
| Capital outlay                              | -                               | -                    | -                   |
|   | <b>35,841,614</b>               | <b>7,051,104</b>     | <b>46,342</b>       |
| <b>Total expenditures</b>                   | <b>35,841,614</b>               | <b>7,051,104</b>     | <b>46,342</b>       |
| Revenues over (under) expenditures          | <b>(35,799,792)</b>             | <b>(3,400,551)</b>   | <b>12,935,661</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                                 |                      |                     |
| Transfers in                                | -                               | 485,068              | -                   |
| Transfers out                               | (29,127)                        | (3,016,609)          | (12,935,661)        |
| Bonds and notes issued                      | 35,406,611                      | 4,416,000            | -                   |
| Bond and note premium                       | 132,405                         | -                    | -                   |
| Loan proceeds                               | -                               | 120,000              | -                   |
|   | <b>35,509,889</b>               | <b>2,004,459</b>     | <b>(12,935,661)</b> |
| <b>Total other financing sources (uses)</b> | <b>35,509,889</b>               | <b>2,004,459</b>     | <b>(12,935,661)</b> |
| <b>Net change in fund balances</b>          | <b>(289,903)</b>                | <b>(1,396,092)</b>   | <b>-</b>            |
| Fund balances -- beginning, as restated     | 1,169,430                       | 11,662,197           | -                   |
| Change in inventory                         | -                               | 2,710,000            | -                   |
| <b>Fund balances -- ending</b>              | <b>\$ 879,527</b>               | <b>\$ 12,976,105</b> | <b>\$ -</b>         |

| Housing and<br>Community<br>Development | Home Grant       | Portland Parks<br>Memorial Trust | Total                |
|---|------------------|----------------------------------|----------------------|
| \$ -                                    | \$ -             | \$ -                             | \$ 180               |
| -                                       | -                | -                                | 2,081,707            |
| -                                       | -                | 1,638,341                        | 7,839,457            |
| -                                       | -                | -                                | 21,946,027           |
| -                                       | -                | 46,211                           | 46,211               |
| -                                       | -                | 328,863                          | 5,532,563            |
| 8,761,338                               | 3,944,157        | -                                | 30,317,976           |
| 102,443                                 | -                | 126,643                          | 1,417,675            |
| 89,361                                  | -                | -                                | 2,031,690            |
| 7,678,465                               | 281,919          | -                                | 7,960,384            |
| <u>16,631,607</u>                       | <u>4,226,076</u> | <u>2,140,058</u>                 | <u>79,173,870</u>    |
| -                                       | -                | -                                | 14,377,850           |
| -                                       | -                | 2,224,889                        | 2,224,889            |
| 16,410,686                              | 4,226,076        | -                                | 63,894,620           |
| -                                       | -                | -                                | 35,887,956           |
| -                                       | -                | -                                | 288,970              |
| <u>16,410,686</u>                       | <u>4,226,076</u> | <u>2,224,889</u>                 | <u>116,674,285</u>   |
| <u>220,921</u>                          | <u>-</u>         | <u>(84,831)</u>                  | <u>(37,500,415)</u>  |
| -                                       | -                | -                                | 14,196,405           |
| (220,921)                               | -                | (68,346)                         | (19,305,074)         |
| -                                       | -                | -                                | 39,822,611           |
| -                                       | -                | -                                | 132,405              |
| -                                       | -                | -                                | 120,000              |
| <u>(220,921)</u>                        | <u>-</u>         | <u>(68,346)</u>                  | <u>34,966,347</u>    |
| -                                       | -                | (153,177)                        | (2,534,068)          |
| -                                       | -                | 3,018,486                        | 26,960,746           |
| -                                       | -                | -                                | 2,710,000            |
| <u>\$ -</u>                             | <u>\$ -</u>      | <u>\$ 2,865,309</u>              | <u>\$ 27,136,678</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, 2002**

|                                       | River District Urban<br>Renewal Area Debt<br>Redemption | Bonded Debt<br>Interest and Sinking | Waterfront Renewal<br>Bond Sinking |
|---------------------------------------|---|-------------------------------------|------------------------------------|
| <b>REVENUES</b>                       |   |                                     |                                    |
| Taxes:                                |   |                                     |                                    |
| Property                              | \$ 5,717,256  | \$ 8,097,750                        | \$ 13,088,434                      |
| Charges for services                  | -   | -                                   | -                                  |
| Miscellaneous service charges         | -   | -                                   | -                                  |
| Investment earnings                   | 66,601  | 100,276                             | 312,178                            |
| Assessments                           | -   | -                                   | -                                  |
|                                       | <u>5,783,857</u>  | <u>8,198,026</u>                    | <u>13,400,612</u>                  |
| <b>EXPENDITURES</b>                   |   |                                     |                                    |
| Community development                 | -   | -                                   | 11,401                             |
| Legislative/ Admin/ Support services  | -   | -                                   | -                                  |
| Debt Service:                         |   |                                     |                                    |
| Principal                             | 5,000,000   | 4,350,000                           | 9,007,275                          |
| Interest                              | 429,201   | 4,746,310                           | 5,239,857                          |
|                                       | <u>5,429,201</u>  | <u>9,096,310</u>                    | <u>14,258,533</u>                  |
| Total expenditures                    | <u>5,429,201</u>  | <u>9,096,310</u>                    | <u>14,258,533</u>                  |
| Revenues over (under) expenditures    | <u>354,656</u>  | <u>(898,284)</u>                    | <u>(857,921)</u>                   |
| <b>OTHER FINANCING SOURCES (USES)</b> |   |                                     |                                    |
| Transfers in                          | -   | 19,994                              | 690,000                            |
| Bonds and notes issued                | -   | 29,810,000                          | -                                  |
| Bond and note premium                 | -   | 41,677                              | -                                  |
| Payment to refunding escrow agent     | -   | (28,505,000)                        | -                                  |
|                                       | <u>-</u>  | <u>1,366,671</u>                    | <u>690,000</u>                     |
| Total other financing sources (uses)  | <u>-</u>  | <u>1,366,671</u>                    | <u>690,000</u>                     |
| Net change in fund balances           | 354,656   | 468,387                             | (167,921)                          |
| Fund balances -- beginning            | <u>160,463</u>  | <u>506,497</u>                      | <u>4,293,846</u>                   |
| Fund balances -- ending               | <u>\$ 515,119</u>                                       | <u>\$ 974,884</u>                   | <u>\$ 4,125,925</u>                |

| <u>Interstate Corridor<br/>Debt Service</u> | <u>Pension Debt<br/>Redemption</u> | <u>South Park Block<br/>Redemption</u> | <u>Airport Way Debt</u> | <u>Gas Tax Bond<br/>Redemption</u> |
|---|------------------------------------|--|-------------------------|------------------------------------|
| \$ 1,056,561                                | \$ -                               | \$ 6,304,559                           | \$ 7,031,223            | \$ -                               |
| -   | -                                  | -                                      | -                       | -                                  |
| -   | 211,463                            | -                                      | -                       | -                                  |
| 9,662                                       | 939,357                            | 122,728                                | 102,718                 | 56                                 |
| -   | -                                  | -                                      | -                       | -                                  |
| <u>1,066,223</u>                            | <u>1,150,820</u>                   | <u>6,427,287</u>                       | <u>7,133,941</u>        | <u>56</u>                          |
| -   | -                                  | -                                      | -                       | -                                  |
| -   | 445,312                            | -                                      | -                       | -                                  |
| 1,045,000                                   | -                                  | 4,530,000                              | 3,375,000               | 360,000                            |
| 110   | 9,422,121                          | 2,565,394                              | 3,833,654               | 431,960                            |
| <u>1,045,110</u>                            | <u>9,867,433</u>                   | <u>7,095,394</u>                       | <u>7,208,654</u>        | <u>791,960</u>                     |
| <u>21,113</u>                               | <u>(8,716,613)</u>                 | <u>(668,107)</u>                       | <u>(74,713)</u>         | <u>(791,904)</u>                   |
| -   | 4,888,688                          | -                                      | -                       | 791,960                            |
| -   | -                                  | -                                      | -                       | -                                  |
| -   | -                                  | -                                      | -                       | -                                  |
| -   | -                                  | -                                      | -                       | -                                  |
| -   | 4,888,688                          | -                                      | -                       | 791,960                            |
| 21,113                                      | (3,827,925)                        | (668,107)                              | (74,713)                | 56                                 |
| -   | 22,936,428                         | 1,451,114                              | 705,602                 | 494                                |
| <u>\$ 21,113</u>                            | <u>\$ 19,108,503</u>               | <u>\$ 783,007</u>                      | <u>\$ 630,889</u>       | <u>\$ 550</u>                      |

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds, Continued**  
**For the Year Ended June 30, 2002**

|                                       | Lents Town Center<br>Urban Renewal<br>Area Debt<br>Redemption | Central Eastside<br>Industrial District<br>Debt Service | Bancroft Bond<br>Interest and Sinking |
|---------------------------------------|---|---|---------------------------------------|
| <b>REVENUES</b>                       |   |   |                                       |
| Taxes:                                |   |   |                                       |
| Property                              | \$ 2,651,592  | \$ 3,970,773  | \$ -                                  |
| Charges for services                  | -   | -   | -                                     |
| Miscellaneous service charges         | -   | 12  | -                                     |
| Investment earnings                   | 41,803  | 61,173  | 1,900,595                             |
| Assessments                           | -   | -   | 5,144,372                             |
|                                       | <u>2,693,395</u>  | <u>4,031,958</u>  | <u>7,044,967</u>                      |
| <b>EXPENDITURES</b>                   |   |   |                                       |
| Community development                 | -   | -   | -                                     |
| Legislative/ Admin/ Support services  | -   | -   | -                                     |
| Debt Service:                         |   |   |                                       |
| Principal                             | 2,530,000   | 3,737,695   | 4,710,000                             |
| Interest                              | 200,312   | 352,440   | 782,003                               |
|                                       | <u>2,730,312</u>  | <u>4,090,135</u>  | <u>5,492,003</u>                      |
| Total expenditures                    | <u>2,730,312</u>  | <u>4,090,135</u>  | <u>5,492,003</u>                      |
| Revenues over (under) expenditures    | <u>(36,917)</u>   | <u>(58,177)</u>   | <u>1,552,964</u>                      |
| <b>OTHER FINANCING SOURCES (USES)</b> |   |   |                                       |
| Transfers in                          | -   | -   | -                                     |
| Bonds and notes issued                | -   | -   | -                                     |
| Bond and note premium                 | -   | -   | -                                     |
| Payment to refunding escrow agent     | -   | -   | -                                     |
|                                       | <u>-</u>  | <u>-</u>  | <u>-</u>                              |
| Total other financing sources (uses)  | <u>-</u>  | <u>-</u>  | <u>-</u>                              |
| Net change in fund balances           | (36,917)  | (58,177)  | 1,552,964                             |
| Fund balances – beginning             | <u>115,020</u>  | <u>156,132</u>  | <u>6,103,615</u>                      |
| Fund balances – ending                | <u>\$ 78,103</u>  | <u>\$ 97,955</u>  | <u>\$ 7,656,579</u>                   |

| <u>Convention Center<br/>Area Debt Service</u> | <u>North Macadam<br/>Urban Renewal<br/>Area Debt<br/>Redemption</u> | <u>Special Projects<br/>Debt Service</u> | <u>Governmental<br/>Bond Redemption</u> | <u>Total</u>         |
|--|---|--|---|----------------------|
| \$ 6,101,368                                   | \$ 282,470  | \$ -                                     | \$ -                                    | \$ 54,301,986        |
| -  | -   | -  | 29,140                                  | 29,140               |
| -  | -   | 4,215,595                                | -                                       | 4,427,070            |
| 167,612  | 4,839   | 195,369                                  | -                                       | 4,024,967            |
| -  | -   | -  | -                                       | 5,144,372            |
| <u>6,268,980</u>                               | <u>287,309</u>  | <u>4,410,964</u>                         | <u>29,140</u>                           | <u>67,927,535</u>    |
| -  | -   | -  | -                                       | 11,401               |
| -  | -   | -  | 1,403                                   | 446,715              |
| 2,200,000                                      | 270,000   | 60,000                                   | 8,127,749                               | 49,302,719           |
| <u>3,103,632</u>                               | <u>14,755</u>   | <u>5,820,238</u>                         | <u>967,566</u>                          | <u>37,909,553</u>    |
| <u>5,303,632</u>                               | <u>284,755</u>  | <u>5,880,238</u>                         | <u>9,096,718</u>                        | <u>87,670,388</u>    |
| <u>965,348</u>                                 | <u>2,554</u>  | <u>(1,469,274)</u>                       | <u>(9,067,578)</u>                      | <u>(19,742,853)</u>  |
| -  | -   | 9,133                                    | 6,817,254                               | 13,217,029           |
| -  | -   | -  | 2,231,495                               | 32,041,495           |
| -  | -   | -  | 18,505                                  | 60,182               |
| -  | -   | -  | -                                       | (28,505,000)         |
| -  | -   | <u>9,133</u>                             | <u>9,067,254</u>                        | <u>16,813,706</u>    |
| 965,348  | 2,554   | (1,460,141)                              | (324)                                   | (2,929,147)          |
| <u>2,243,144</u>                               | <u>18,217</u>   | <u>5,130,677</u>                         | <u>52,474</u>                           | <u>43,873,723</u>    |
| <u>\$ 3,208,492</u>                            | <u>\$ 20,771</u>  | <u>\$ 3,670,536</u>                      | <u>\$ 52,150</u>                        | <u>\$ 40,944,576</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, 2002**

|                                       | <u>FRES Facilities<br/>Bond Construction</u> | <u>Local Improvement<br/>District Construction</u> | <u>Capital<br/>Improvement</u> |
|---------------------------------------|--|--|--------------------------------|
| <b>REVENUES</b>                       |  |  |                                |
| Charges for services                  | \$ -   | \$ 1,710,993                                       | \$ -                           |
| Miscellaneous service charges         | 16,240                                       | 10,887   | -                              |
| Intergovernmental                     | -  | -  | -                              |
| Investment earnings                   | 597,786                                      | 339,560  | 23,452                         |
| Assessments                           | -  | 6,440,098  | -                              |
|                                       | <hr/>  | <hr/>  | <hr/>                          |
| Total revenues                        | 614,026                                      | 8,501,538  | 23,452                         |
| <b>EXPENDITURES</b>                   |  |  |                                |
| Public safety                         | 2,655,330                                    | -  | -                              |
| Parks, recreation and culture         | -  | -  | -                              |
| Community development                 | -  | 3,247,950  | -                              |
| Capital outlay                        | 6,254,585                                    | 853,601  | -                              |
| Debt Service:                         |  |  |                                |
| Interest                              | -  | 434,894  | -                              |
|                                       | <hr/>  | <hr/>  | <hr/>                          |
| Total expenditures                    | 8,909,915                                    | 4,536,445  | -                              |
| Revenues over (under) expenditures    | <hr/>  | <hr/>  | <hr/>                          |
|                                       | (8,295,889)                                  | 3,965,093  | 23,452                         |
| <b>OTHER FINANCING SOURCES (USES)</b> |  |  |                                |
| Transfers in                          | -  | 6,366  | -                              |
| Transfers out                         | (36,000)                                     | (24,307)   | (48,920)                       |
| Proceeds from sale of capital assets  | 94,280                                       | -  | -                              |
| Bond and note sales                   | -  | -  | -                              |
|                                       | <hr/>  | <hr/>  | <hr/>                          |
| Total other financing sources (uses)  | 58,280                                       | (17,941)   | (48,920)                       |
| Net change in fund balances           | (8,237,609)                                  | 3,947,152  | (25,468)                       |
| Fund balances -- beginning            | <hr/>  | <hr/>  | <hr/>                          |
|                                       | 18,767,468                                   | (13,930,594)                                       | 91,065                         |
| Fund balances -- ending               | <hr/>  | <hr/>  | <hr/>                          |
|                                       | \$ 10,529,859                                | \$ (9,983,442)                                     | \$ 65,597                      |

| <u>Parks Bond<br/>Construction</u> | <u>Parks Construction</u> | <u>Total</u>        |
|------------------------------------|---------------------------|---------------------|
| \$ -                               | \$ 1,973,094              | \$ 3,684,087        |
| -                                  | 11,000                    | 38,127              |
| -                                  | 3,946,746                 | 3,946,746           |
| -                                  | 110,273                   | 1,071,071           |
| -                                  | 383,378                   | 6,823,476           |
| -                                  | <u>6,424,491</u>          | <u>15,563,507</u>   |
| -                                  | -                         | 2,655,330           |
| -                                  | 160,748                   | 160,748             |
| -                                  | -                         | 3,247,950           |
| -                                  | 9,430,000                 | 16,538,186          |
| -                                  | 17,538                    | 452,432             |
| -                                  | <u>9,608,286</u>          | <u>23,054,646</u>   |
| -                                  | <u>(3,183,795)</u>        | <u>(7,491,139)</u>  |
| -                                  | 2,143,450                 | 2,149,816           |
| -                                  | (83,403)                  | (192,630)           |
| -                                  | -                         | 94,280              |
| -                                  | 500,000                   | 500,000             |
| -                                  | <u>2,560,047</u>          | <u>2,551,466</u>    |
| -                                  | (623,748)                 | (4,939,673)         |
| <u>(141,146)</u>                   | <u>2,160,791</u>          | <u>6,947,584</u>    |
| \$ <u>(141,146)</u>                | \$ <u>1,537,043</u>       | \$ <u>2,007,911</u> |



WASHINGTON PARK ZOO

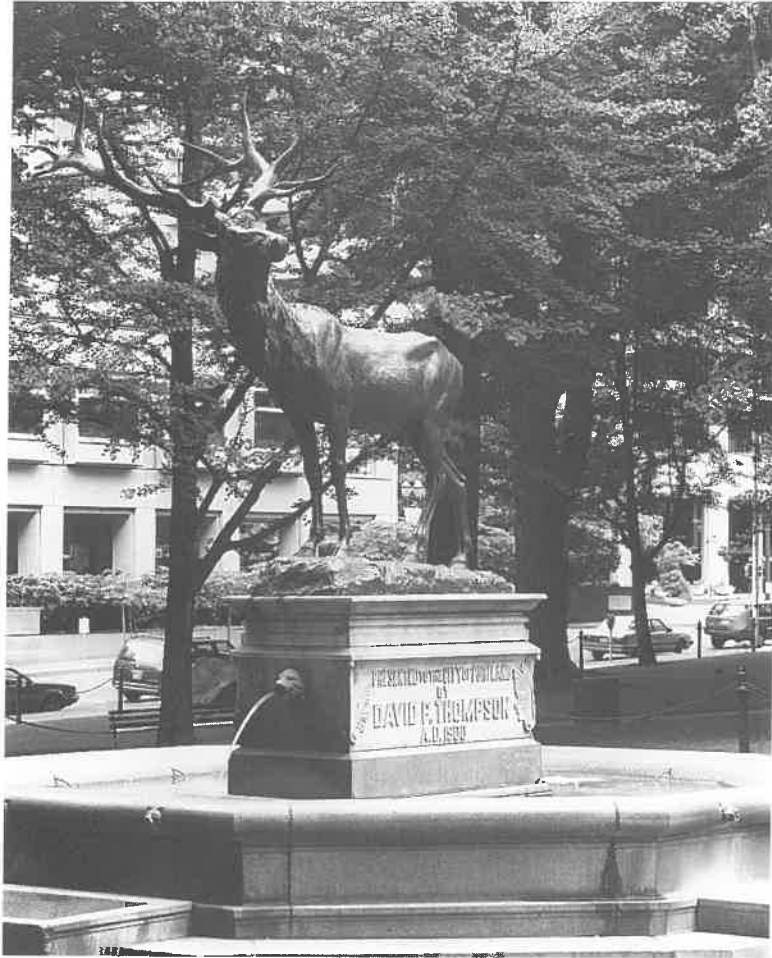
# Nonmajor Proprietary Funds

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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.



ELK AT 4TH & MADISON

City of Portland, Oregon  
Combining Statement of Net Assets  
Nonmajor Enterprise Funds  
June 30, 2002

|  | Hydroelectric<br>Power | Golf              | Portland<br>International<br>Raceway | Solid Waste<br>Management |
|--|------------------------|-------------------|--------------------------------------|---------------------------|
| <b>ASSETS</b>  |                        |                   |                                      |                           |
| <b>Current assets (unrestricted):</b>                                  |                        |                   |                                      |                           |
| Cash and investments   | \$ 336,395             | \$ 656,306        | \$ 139,574                           | \$ 2,853,148              |
| Receivables:   |                        |                   |                                      |                           |
| Accounts, net  | -                      | 73,365            | -                                    | 483,574                   |
| Contracts and mortgages  | -                      | -                 | -                                    | -                         |
| Advances   | -                      | -                 | -                                    | -                         |
| Accrued interest   | 1,474                  | 672               | -                                    | 14,287                    |
| Due from other funds   | -                      | -                 | 7,599                                | 102,070                   |
| Other assets   | -                      | 51,715            | 1,288                                | -                         |
| <b>Total current assets (unrestricted)</b>                             | <b>337,869</b>         | <b>782,058</b>    | <b>148,461</b>                       | <b>3,453,079</b>          |
| <b>Current assets (restricted):</b>                                    |                        |                   |                                      |                           |
| Cash and investments   | 13,172,876             | -                 | -                                    | -                         |
| Receivables:   |                        |                   |                                      |                           |
| Accrued interest   | 27,695                 | -                 | -                                    | -                         |
| <b>Total current assets (restricted)</b>                               | <b>13,200,571</b>      | <b>-</b>          | <b>-</b>                             | <b>-</b>                  |
| <b>Total current assets</b>  | <b>13,538,440</b>      | <b>782,058</b>    | <b>148,461</b>                       | <b>3,453,079</b>          |
| <b>Noncurrent assets:</b>  |                        |                   |                                      |                           |
| Capital assets:  |                        |                   |                                      |                           |
| Land   | 4,500                  | 249,463           | -                                    | 229,259                   |
| Plant, buildings and improvements                                      | 44,123,225             | 12,560,833        | 1,877,064                            | 35,371                    |
| Machinery and equipment  | -                      | 1,359,255         | 75,845                               | 13,406                    |
| Construction in progress   | -                      | 5,986,265         | 86,100                               | -                         |
| Capitalized lease  | -                      | 570,519           | -                                    | -                         |
| Accumulated depreciation and amortization                              | (13,825,700)           | (4,875,093)       | (1,217,751)                          | (29,003)                  |
| <b>Capital assets net of accumulated depreciation and amortization</b> | <b>30,302,025</b>      | <b>15,851,242</b> | <b>821,258</b>                       | <b>249,033</b>            |
| Prepaid expense  | 236,235                | 1,930,194         | 371,572                              | 599,381                   |
| <b>Total noncurrent assets</b>   | <b>30,538,260</b>      | <b>17,781,436</b> | <b>1,192,830</b>                     | <b>848,414</b>            |
| <b>Total assets</b>  | <b>44,076,700</b>      | <b>18,563,494</b> | <b>1,341,291</b>                     | <b>4,301,493</b>          |

| <u>Parking Facilities</u> | <u>Spectator<br/>Facilities<br/>Operating</u> | <u>Environmental<br/>Remediation</u> | <u>Total</u>        |
|---------------------------|---|--------------------------------------|---------------------|
| \$ 6,249,124              | \$ 11,423,106                                 | \$ 587,980                           | \$ 22,245,633       |
| 239,029                   | 392,654                                       | -                                    | 1,188,622           |
| -                         | 578,556                                       | -                                    | 578,556             |
| -                         | 101,995                                       | -                                    | 101,995             |
| 26,174                    | 52,278  | 4,287                                | 99,172              |
| -                         | -   | -                                    | 109,669             |
| -                         | -   | -                                    | 53,003              |
| <u>6,514,327</u>          | <u>12,548,589</u>                             | <u>592,267</u>                       | <u>24,376,650</u>   |
| -                         | -   | -                                    | 13,172,876          |
| -                         | -   | -                                    | 27,695              |
| -                         | -   | -                                    | 13,200,571          |
| <u>6,514,327</u>          | <u>12,548,589</u>                             | <u>592,267</u>                       | <u>37,577,221</u>   |
| 10,575,202                | 4,528,031                                     | 1,563,333                            | 17,149,788          |
| 39,426,340                | 94,246,925                                    | 3,288,971                            | 195,558,729         |
| -                         | 2,771,676                                     | -                                    | 4,220,182           |
| -                         | -   | -                                    | 6,072,365           |
| -                         | -   | -                                    | 570,519             |
| <u>(15,655,786)</u>       | <u>(15,158,734)</u>                           | <u>(418,863)</u>                     | <u>(51,180,930)</u> |
| 34,345,756                | 86,387,898                                    | 4,433,441                            | 172,390,653         |
| -                         | -   | 13,838                               | 3,151,220           |
| <u>34,345,756</u>         | <u>86,387,898</u>                             | <u>4,447,279</u>                     | <u>175,541,873</u>  |
| <u>40,860,083</u>         | <u>98,936,487</u>                             | <u>5,039,546</u>                     | <u>213,119,094</u>  |

Continued next page

**CITY OF PORTLAND, OREGON**  
**Combining Statement of Net Assets, Continued**  
**Nonmajor Enterprise Funds**  
**June 30, 2002**

|  | Hydroelectric<br>Power | Golf                 | Portland<br>International<br>Raceway | Solid Waste<br>Management |
|--|------------------------|----------------------|--------------------------------------|---------------------------|
| <b>LIABILITIES</b>   |                        |                      |                                      |                           |
| <b>Current liabilities (payable from unrestricted assets):</b> |                        |                      |                                      |                           |
| Accounts payable   | 40,829                 | 332,683              | 39,202                               | 80,413                    |
| Compensated absences   | 19,011                 | 130,656              | 37,221                               | 26,766                    |
| Capital leases payable - current                               | -                      | 111,507              | -                                    | -                         |
| Internal loans payable   | -                      | -                    | 150,000                              | -                         |
| Revenue bonds payable - current                                | -                      | -                    | -                                    | -                         |
| Accrued interest payable                                       | 691                    | 17,023               | 995                                  | 1,883                     |
| Other liabilities - current                                    | -                      | 54,688               | -                                    | -                         |
| <b>Total current liabilities (unrestricted)</b>                | <b>60,531</b>          | <b>646,557</b>       | <b>227,418</b>                       | <b>109,062</b>            |
| <b>Current liabilities (payable from restricted assets)</b>    |                        |                      |                                      |                           |
| Revenue bonds payable - current                                | 1,750,000              | -                    | -                                    | -                         |
| Accrued interest payable                                       | 508,299                | -                    | -                                    | -                         |
| <b>Total current liabilities (restricted)</b>                  | <b>2,258,299</b>       | <b>-</b>             | <b>-</b>                             | <b>-</b>                  |
| <b>Noncurrent liabilities:</b>                                 |                        |                      |                                      |                           |
| Compensated absences   | 8,148                  | 55,995               | 15,952                               | 11,471                    |
| Revenue bonds payable  | 27,783,396             | 5,712,066            | 406,584                              | 655,858                   |
| Capital leases payable   | -                      | 282,638              | -                                    | -                         |
| Accrued interest payable                                       | -                      | -                    | -                                    | -                         |
| <b>Total noncurrent liabilities</b>                            | <b>27,791,544</b>      | <b>6,050,699</b>     | <b>422,536</b>                       | <b>667,329</b>            |
| <b>Total liabilities</b>                                       | <b>30,110,374</b>      | <b>6,697,256</b>     | <b>649,954</b>                       | <b>776,391</b>            |
| <b>NET ASSETS</b>  |                        |                      |                                      |                           |
| Invested in capital assets, net of related debt                | 1,027,122              | 11,857,097           | 821,258                              | 249,033                   |
| Restricted for debt service                                    | 10,941,581             | -                    | -                                    | -                         |
| Unrestricted   | 1,997,623              | 9,141                | (129,921)                            | 3,276,069                 |
| <b>Total net assets</b>  | <b>\$ 13,966,326</b>   | <b>\$ 11,866,238</b> | <b>\$ 691,337</b>                    | <b>\$ 3,525,102</b>       |



| <u>Parking Facilities</u> | <u>Spectator<br/>Facilities<br/>Operating</u> | <u>Environmental<br/>Remediation</u> | <u>Total</u>         |
|---------------------------|---|--------------------------------------|----------------------|
| 312,755                   | 297,069                                       | 203                                  | 1,103,154            |
| -                         | -   | -                                    | 213,654              |
| -                         | -   | -                                    | 111,507              |
| -                         | -   | -                                    | 150,000              |
| 1,990,000                 | 2,040,000                                     | -                                    | 4,030,000            |
| 412,006                   | 322,940                                       | 33                                   | 755,571              |
| 50,105                    | 875   | -                                    | 105,668              |
| <u>2,764,866</u>          | <u>2,660,884</u>                              | <u>236</u>                           | <u>6,469,554</u>     |
| -                         | -   | -                                    | 1,750,000            |
| -                         | -   | -                                    | 508,299              |
| -                         | -   | -                                    | 2,258,299            |
| -                         | -   | -                                    | 91,566               |
| 35,398,482                | 62,371,023                                    | 15,142                               | 132,342,551          |
| -                         | -   | -                                    | 282,638              |
| -                         | 3,132,297                                     | -                                    | 3,132,297            |
| <u>35,398,482</u>         | <u>65,503,320</u>                             | <u>15,142</u>                        | <u>135,849,052</u>   |
| <u>38,163,348</u>         | <u>68,164,204</u>                             | <u>15,378</u>                        | <u>144,576,905</u>   |
| (3,017,622)               | 21,976,875                                    | 4,433,441                            | 37,347,204           |
| -                         | -   | -                                    | 10,941,581           |
| <u>5,714,357</u>          | <u>8,795,408</u>                              | <u>590,727</u>                       | <u>20,253,404</u>    |
| <u>\$ 2,696,735</u>       | <u>\$ 30,772,283</u>                          | <u>\$ 5,024,168</u>                  | <u>\$ 68,542,189</u> |

**City of Portland, Oregon**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2002**

|  | Health Insurance<br>Operating | Facilities Services<br>Operating | Fleet Services<br>Operating |
|--|-------------------------------|----------------------------------|-----------------------------|
| <b>ASSETS</b>  |                               |                                  |                             |
| Current assets:  |                               |                                  |                             |
| Cash and investments   | \$ 23,311,728                 | \$ 11,886,313                    | \$ 20,064,223               |
| Receivables:   |                               |                                  |                             |
| Accounts, net  | -                             | 449,520                          | 25,045                      |
| Accrued interest   | 102,383                       | 43,856                           | 78,366                      |
| Due from other funds   | -                             | -                                | -                           |
| Inventories  | -                             | -                                | 428,026                     |
|  | <u>23,414,111</u>             | <u>12,379,689</u>                | <u>20,595,660</u>           |
| <b>Total current assets</b>  |                               |                                  |                             |
| Noncurrent assets:   |                               |                                  |                             |
| Capital assets:  |                               |                                  |                             |
| Land   | -                             | 4,896,479                        | -                           |
| Plant, buildings and improvements  | -                             | 136,196,200                      | 69,323                      |
| Machinery and equipment  | -                             | 407,294                          | 44,221,338                  |
| Construction in progress   | -                             | 236,239                          | -                           |
| Capitalized lease  | -                             | -                                | 84,107                      |
| Accumulated depreciation and amortization                                      | -                             | (25,287,902)                     | (21,694,393)                |
|  | <u>-</u>                      | <u>116,448,310</u>               | <u>22,680,375</u>           |
| <b>Capital assets net of accumulated<br/>    depreciation and amortization</b> |                               |                                  |                             |
| Prepaid expense  | 356,272                       | 1,918,716                        | 4,508,841                   |
|  | <u>356,272</u>                | <u>118,367,026</u>               | <u>27,189,216</u>           |
| <b>Total noncurrent assets</b>   |                               |                                  |                             |
| <b>Total assets</b>  | <u>23,770,383</u>             | <u>130,746,715</u>               | <u>47,784,876</u>           |

| <u>Printing and<br/>Distribution<br/>Services<br/>Operating</u> | <u>Communications<br/>Services<br/>Operating</u> | <u>Insurance and<br/>Claims<br/>Operating</u> | <u>Workers'<br/>Compensation<br/>Self-Insurance<br/>Operating</u> | <u>Information<br/>Technology</u> | <u>Total</u>        |
|---|--|---|---|-----------------------------------|---------------------|
| \$ 1,106,838  | \$ 15,861,395                                    | \$ 13,465,102                                 | \$ 13,301,662   | \$ 5,027,984                      | \$ 104,025,245      |
| 148,620   | 164,061  | -   | -   | 86,044                            | 873,290             |
| 3,242   | 69,701   | 57,749  | 57,381  | 18,178                            | 430,856             |
| -   | -  | 345,368                                       | 56,715  | 83,492                            | 485,575             |
| -   | 246,336  | -   | -   | -                                 | 674,362             |
| <u>1,258,700</u>  | <u>16,341,493</u>                                | <u>13,868,219</u>                             | <u>13,415,758</u>   | <u>5,215,698</u>                  | <u>106,489,328</u>  |
| -   | -  | -   | -   | -                                 | 4,896,479           |
| 145,641   | 880,516  | -   | -   | -                                 | 137,291,680         |
| 4,336,440   | 13,905,197                                       | -   | -   | 2,670,602                         | 65,540,871          |
| -   | 5,382,522  | -   | -   | -                                 | 5,618,761           |
| -   | -  | -   | -   | -                                 | 84,107              |
| <u>(2,667,140)</u>  | <u>(7,404,479)</u>                               | <u>-</u>                                      | <u>-</u>  | <u>(1,414,340)</u>                | <u>(58,468,254)</u> |
| 1,814,941   | 12,763,756                                       | -   | -   | 1,256,262                         | 154,963,644         |
| <u>1,527,953</u>  | <u>1,899,275</u>                                 | <u>841,949</u>                                | <u>787,539</u>  | <u>3,459,573</u>                  | <u>15,300,118</u>   |
| <u>3,342,894</u>  | <u>14,663,031</u>                                | <u>841,949</u>                                | <u>787,539</u>  | <u>4,715,835</u>                  | <u>170,263,762</u>  |
| <u>4,601,594</u>  | <u>31,004,524</u>                                | <u>14,710,168</u>                             | <u>14,203,297</u>   | <u>9,931,533</u>                  | <u>276,753,090</u>  |

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Net Assets, Continued**  
**Internal Service Funds**  
**June 30, 2002**

|   | <u>Health Insurance<br/>Operating</u> | <u>Facilities Services<br/>Operating</u> | <u>Fleet Services<br/>Operating</u> |
|---|---------------------------------------|--|-------------------------------------|
| <b>LIABILITIES</b>                              |                                       |  |                                     |
| Current liabilities:                            |                                       |  |                                     |
| Accounts payable                                | 155,111                               | 787,341                                  | 653,661                             |
| Compensated absences                            | 14,450                                | 96,790                                   | 165,725                             |
| Self-insurance claims - current                 | 3,113,873                             | -  | -                                   |
| Notes payable - current                         | -                                     | 3,725,000                                | -                                   |
| Revenue bonds payable - current                 | -                                     | 2,781,724                                | -                                   |
| Interest payable                                | 1,060                                 | 699,091                                  | 13,275                              |
| Other liabilities - current                     | -                                     | 406,064                                  | -                                   |
|   | <u>3,284,494</u>                      | <u>8,496,010</u>                         | <u>832,661</u>                      |
| Total current liabilities                       |                                       |  |                                     |
| Noncurrent liabilities:                         |                                       |  |                                     |
| Compensated absences                            | 6,193                                 | 41,481                                   | 71,024                              |
| Revenue bonds payable                           | 389,842                               | 50,897,029                               | 4,933,686                           |
| Notes payable                                   | -                                     | 17,566,554                               | -                                   |
| Self-insurance claims                           | -                                     | -  | -                                   |
|   | <u>396,035</u>                        | <u>68,505,064</u>                        | <u>5,004,710</u>                    |
| Total noncurrent liabilities                    |                                       |  |                                     |
|   | <u>3,680,529</u>                      | <u>77,001,074</u>                        | <u>5,837,371</u>                    |
| Total liabilities                               |                                       |  |                                     |
| <b>NET ASSETS</b>                               |                                       |  |                                     |
| Invested in capital assets, net of related debt | -                                     | 43,577,511                               | 22,680,375                          |
| Unrestricted                                    | 20,089,854                            | 10,168,130                               | 19,267,130                          |
|   | <u>20,089,854</u>                     | <u>53,745,641</u>                        | <u>41,947,505</u>                   |
| Total net assets                                |                                       |  |                                     |
|   | <u>\$ 20,089,854</u>                  | <u>\$ 53,745,641</u>                     | <u>\$ 41,947,505</u>                |

| <u>Printing and<br/>Distribution<br/>Services<br/>Operating</u> | <u>Communications<br/>Services<br/>Operating</u> | <u>Insurance and<br/>Claims<br/>Operating</u> | <u>Workers'<br/>Compensation<br/>Self-Insurance<br/>Operating</u> | <u>Information<br/>Technology</u> | <u>Total</u>          |
|---|--|---|---|-----------------------------------|-----------------------|
| 200,883   | 1,734,711  | 26,275  | 195,092   | 72,758                            | 3,825,832             |
| 70,797  | 116,355  | 14,112  | 22,031  | 522,545                           | 1,022,805             |
| -   | -  | 4,080,844                                     | 2,573,354   | -                                 | 9,768,071             |
| -   | 210,000  | -   | -   | -                                 | 3,935,000             |
| -   | 52,591   | -   | -   | 820,000                           | 3,654,315             |
| 4,748   | 136,579  | 2,309   | 2,359   | 60,484                            | 919,905               |
| -   | -  | -   | -   | -                                 | 406,064               |
| <u>276,428</u>  | <u>2,250,236</u>                                 | <u>4,123,540</u>                              | <u>2,792,836</u>  | <u>1,475,787</u>                  | <u>23,531,992</u>     |
| 30,342  | 49,867   | 6,048   | 9,442   | 223,948                           | 438,345               |
| 1,671,925   | 10,611,599                                       | 921,281                                       | 861,745   | 6,618,431                         | 76,905,538            |
| -   | 2,621,636  | -   | -   | -                                 | 20,188,190            |
| -   | -  | 6,359,651                                     | 8,066,809   | -                                 | 14,426,460            |
| <u>1,702,267</u>  | <u>13,283,102</u>                                | <u>7,286,980</u>                              | <u>8,937,996</u>  | <u>6,842,379</u>                  | <u>111,958,533</u>    |
| <u>1,978,695</u>  | <u>15,533,338</u>                                | <u>11,410,520</u>                             | <u>11,730,832</u>   | <u>8,318,166</u>                  | <u>135,490,525</u>    |
| 1,814,941   | 4,984,594  | -   | -   | 1,256,262                         | 74,313,683            |
| 807,958   | 10,486,592                                       | 3,299,648                                     | 2,472,465   | 357,105                           | 66,948,882            |
| <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> |

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2002**

|   | Hydroelectric Power  | Golf                 | Portland<br>International<br>Raceway | Solid Waste<br>Management |
|---|----------------------|----------------------|--------------------------------------|---------------------------|
| <b>Operating revenues:</b>                        |                      |                      |                                      |                           |
| Service charges and fees                          | \$ 29,994            | \$ 5,794,112         | \$ 40,800                            | \$ 1,242,569              |
| Licenses and permits                              | -                    | -                    | -                                    | 1,582,535                 |
| Rents and reimbursements                          | -                    | 2,086                | 1,039,223                            | 7,239                     |
| Concessions                                       | -                    | 237,714              | 159,892                              | -                         |
| Parking fees                                      | -                    | -                    | -                                    | -                         |
| Miscellaneous                                     | 3,888,695            | 5,073                | 28,332                               | 86,404                    |
| <b>Total operating revenues</b>                   | <b>3,918,689</b>     | <b>6,038,985</b>     | <b>1,268,247</b>                     | <b>2,918,747</b>          |
| <b>Operating expenses:</b>                        |                      |                      |                                      |                           |
| Salaries and wages                                | 197,659              | 2,639,951            | 485,672                              | 699,749                   |
| Operating supplies                                | 578                  | 490,987              | 113,559                              | 128,098                   |
| Professional services                             | 127,497              | 1,348,497            | 291,995                              | 1,721,187                 |
| Utilities   | 104                  | 159,813              | 59,469                               | 11,230                    |
| Miscellaneous                                     | 115,731              | 438,689              | 220,169                              | 431,885                   |
| Depreciation expense                              | 672,373              | 473,305              | 33,972                               | 1,515                     |
| <b>Total operating expenses</b>                   | <b>1,113,942</b>     | <b>5,551,242</b>     | <b>1,204,836</b>                     | <b>2,993,664</b>          |
| <b>Operating income (loss)</b>                    | <b>2,804,747</b>     | <b>487,743</b>       | <b>63,411</b>                        | <b>(74,917)</b>           |
| <b>Nonoperating revenues (expenses):</b>          |                      |                      |                                      |                           |
| Gain (loss) on sale of fixed assets               | (1,894)              | (16,358)             | -                                    | (869)                     |
| Investment earnings                               | 349,609              | 36,715               | -                                    | 157,207                   |
| Interest expense                                  | (2,103,047)          | (219,387)            | (13,630)                             | (22,939)                  |
| Miscellaneous                                     | (8,616)              | (70,402)             | (13,553)                             | (21,862)                  |
| <b>Total nonoperating revenues (expenses)</b>     | <b>(1,763,948)</b>   | <b>(269,432)</b>     | <b>(27,183)</b>                      | <b>111,537</b>            |
| <b>Income (loss) before operating transfers</b>   | <b>1,040,799</b>     | <b>218,311</b>       | <b>36,228</b>                        | <b>36,620</b>             |
| Transfers out                                     | (150,000)            | -                    | -                                    | (705,215)                 |
| Capital contributions                             | -                    | -                    | 50,000                               | -                         |
| <b>Change in net assets</b>                       | <b>890,799</b>       | <b>218,311</b>       | <b>86,228</b>                        | <b>(668,595)</b>          |
| <b>Total net assets -- beginning, as restated</b> | <b>13,075,527</b>    | <b>11,647,927</b>    | <b>605,109</b>                       | <b>4,193,697</b>          |
| <b>Total net assets -- ending</b>                 | <b>\$ 13,966,326</b> | <b>\$ 11,866,238</b> | <b>\$ 691,337</b>                    | <b>\$ 3,525,102</b>       |

| <u>Parking Facilities</u> | <u>Spectator<br/>Facilities<br/>Operating</u> | <u>Environmental<br/>Remediation</u> | <u>Total</u>         |
|---------------------------|---|--------------------------------------|----------------------|
| \$ 753,957                | \$ -  | \$ -                                 | \$ 7,861,432         |
| -                         | -   | -                                    | 1,582,535            |
| 1,078,239                 | 5,258,206                                     | 547,564                              | 7,932,557            |
| -                         | -   | -                                    | 397,606              |
| 8,703,133                 | 1,237,146                                     | -                                    | 9,940,279            |
| 681                       | 2,220,698                                     | -                                    | 6,229,883            |
| <u>10,536,010</u>         | <u>8,716,050</u>                              | <u>547,564</u>                       | <u>33,944,292</u>    |
| -                         | -   | 9,158                                | 4,032,189            |
| 49,415                    | 5,406   | -                                    | 788,043              |
| 4,105,327                 | 1,409,645                                     | 594,867                              | 9,599,015            |
| 662                       | 25,348  | -                                    | 256,626              |
| 2,745,048                 | 672,154                                       | 889                                  | 4,624,565            |
| 976,170                   | 2,373,609                                     | 31,827                               | 4,562,771            |
| <u>7,876,622</u>          | <u>4,486,162</u>                              | <u>636,741</u>                       | <u>23,863,209</u>    |
| <u>2,659,388</u>          | <u>4,229,888</u>                              | <u>(89,177)</u>                      | <u>10,081,083</u>    |
| -                         | (1,225,567)                                   | -                                    | (1,244,688)          |
| 304,002                   | 819,488                                       | 33,157                               | 1,700,178            |
| (1,773,848)               | (4,835,810)                                   | (474)                                | (8,969,135)          |
| -                         | -   | (505)                                | (114,938)            |
| <u>(1,469,846)</u>        | <u>(5,241,889)</u>                            | <u>32,178</u>                        | <u>(8,628,583)</u>   |
| 1,189,542                 | (1,012,001)                                   | (56,999)                             | 1,452,500            |
| (690,000)                 | (276,008)                                     | -                                    | (1,821,223)          |
| -                         | -   | -                                    | 50,000               |
| 499,542                   | (1,288,009)                                   | (56,999)                             | (318,723)            |
| <u>2,197,193</u>          | <u>32,060,292</u>                             | <u>5,081,167</u>                     | <u>68,860,912</u>    |
| <u>\$ 2,696,735</u>       | <u>\$ 30,772,283</u>                          | <u>\$ 5,024,168</u>                  | <u>\$ 68,542,189</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, 2002**

|  | <u>Health Insurance<br/>Operating</u> | <u>Facilities Services<br/>Operating</u> | <u>Fleet Services<br/>Operating</u> |
|--|---------------------------------------|--|-------------------------------------|
| <b>Operating revenues:</b>                       |                                       |  |                                     |
| Service charges and fees                         | \$ 29,998,680                         | \$ 22,211,419                            | \$ 16,403,067                       |
| Rents and reimbursements                         | -                                     | 1,524,589                                | -                                   |
| Parking fees                                     | -                                     | 254,276                                  | -                                   |
| Miscellaneous                                    | 3,062,435                             | 284,909                                  | 103,007                             |
|  | <u>33,061,115</u>                     | <u>24,275,193</u>                        | <u>16,506,074</u>                   |
| <b>Operating expenses:</b>                       |                                       |  |                                     |
| Salaries and wages                               | 378,389                               | 2,507,926                                | 5,024,472                           |
| Operating supplies                               | 1,462                                 | 503,236                                  | 4,073,352                           |
| Professional services                            | 2,194,113                             | 1,963,497                                | 2,250,224                           |
| Utilities  | 1,043                                 | 2,576,815                                | 69,442                              |
| Claims   | 25,322,650                            | -  | -                                   |
| Miscellaneous                                    | 8,584,735                             | 7,630,602                                | 2,777,751                           |
| Depreciation expense                             | -                                     | 2,577,976                                | 3,760,525                           |
|  | <u>36,482,392</u>                     | <u>17,760,052</u>                        | <u>17,955,766</u>                   |
| Operating income (loss)                          | <u>(3,421,277)</u>                    | <u>6,515,141</u>                         | <u>(1,449,692)</u>                  |
| <b>Nonoperating revenues (expenses):</b>         |                                       |  |                                     |
| Gain (loss) on sale of fixed assets              | -                                     | -  | 266,445                             |
| Investment earnings                              | 1,111,188                             | 423,152                                  | 792,482                             |
| Interest expense                                 | (12,876)                              | (3,945,414)                              | (168,402)                           |
| Miscellaneous                                    | (12,995)                              | 3,721,699                                | 928,524                             |
|  | <u>1,085,317</u>                      | <u>199,437</u>                           | <u>1,819,049</u>                    |
| Income (loss) before contributions and transfers | <u>(2,335,960)</u>                    | <u>6,714,578</u>                         | <u>369,357</u>                      |
| Transfers in                                     | -                                     | 6,332,860                                | -                                   |
| Transfers out                                    | -                                     | -  | -                                   |
|  | <u>(2,335,960)</u>                    | <u>13,047,438</u>                        | <u>369,357</u>                      |
| Total net assets -- beginning, as restated       | <u>22,425,814</u>                     | <u>40,698,203</u>                        | <u>41,578,148</u>                   |
| Total net assets -- ending                       | <u>\$ 20,089,854</u>                  | <u>\$ 53,745,641</u>                     | <u>\$ 41,947,505</u>                |



| <u>Printing and<br/>Distribution<br/>Services<br/>Operating</u> | <u>Communications<br/>Services<br/>Operating</u> | <u>Insurance and<br/>Claims<br/>Operating</u> | <u>Workers'<br/>Compensation<br/>Self-Insurance<br/>Operating</u> | <u>Information<br/>Technology</u> | <u>Total</u>          |
|---|--|---|---|-----------------------------------|-----------------------|
| \$ 5,872,239  | \$ 12,420,644                                    | \$ 7,507,951                                  | \$ 2,776,751  | \$ 14,865,604                     | \$ 112,056,355        |
| -   | 79,059   | -   | -   | -                                 | 1,603,648             |
| -   | -  | -   | -   | -                                 | 254,276               |
| <u>47</u>   | <u>120,704</u>                                   | <u>56,719</u>                                 | <u>164,718</u>  | <u>46,813</u>                     | <u>3,839,352</u>      |
| <u>5,872,286</u>  | <u>12,620,407</u>                                | <u>7,564,670</u>                              | <u>2,941,469</u>  | <u>14,912,417</u>                 | <u>117,753,631</u>    |
| 1,763,155   | 2,369,494  | 746,246                                       | 742,463   | 11,272,405                        | 24,804,550            |
| 501,498   | 361,877  | 3,955   | 3,981   | 1,471,045                         | 6,920,406             |
| 2,680,956   | 3,949,649  | 2,633,657                                     | 1,213,229   | 3,433,114                         | 20,318,439            |
| 2,914   | 34,557   | 2,363   | 1,061   | 41,182                            | 2,729,377             |
| -   | -  | 2,055,916                                     | 1,983,145   | -                                 | 29,361,711            |
| 870,174   | 3,197,429  | 165,231                                       | 181,470   | 803,174                           | 24,210,566            |
| 503,619   | 1,289,463  | -   | -   | 365,123                           | 8,496,706             |
| <u>6,322,316</u>  | <u>11,202,469</u>                                | <u>5,607,368</u>                              | <u>4,125,349</u>  | <u>17,386,043</u>                 | <u>116,841,755</u>    |
| <u>(450,030)</u>  | <u>1,417,938</u>                                 | <u>1,957,302</u>                              | <u>(1,183,880)</u>  | <u>(2,473,626)</u>                | <u>911,876</u>        |
| -   | (290,238)  | -   | -   | -                                 | (23,793)              |
| 36,095  | 469,171  | 494,309                                       | 551,366   | 228,905                           | 4,106,668             |
| (64,578)  | (351,064)  | -   | -   | (341,651)                         | (4,883,985)           |
| <u>65,872</u>   | <u>120,809</u>                                   | <u>(30,709)</u>                               | <u>(28,725)</u>   | <u>(126,185)</u>                  | <u>4,638,290</u>      |
| <u>37,389</u>   | <u>(51,322)</u>                                  | <u>463,600</u>                                | <u>522,641</u>  | <u>(238,931)</u>                  | <u>3,837,180</u>      |
| (412,641)   | 1,366,616  | 2,420,902                                     | (661,239)   | (2,712,557)                       | 4,749,056             |
| 35,080  | 280,980  | -   | -   | 388,252                           | 7,037,172             |
| -   | (33,300)   | (29,225)                                      | (29,275)  | -                                 | (91,800)              |
| (377,561)   | 1,614,296  | 2,391,677                                     | (690,514)   | (2,324,305)                       | 11,694,428            |
| <u>3,000,460</u>  | <u>13,856,890</u>                                | <u>907,971</u>                                | <u>3,162,979</u>  | <u>3,937,672</u>                  | <u>129,568,137</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> |

City of Portland, Oregon  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2002

|  | Hydro-<br>Electric<br>Power | Golf               | Portland<br>International<br>Raceway<br>Operating |
|--|-----------------------------|--------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                           |                             |                    |   |
| Receipts from customers and users                                      | \$ 3,888,695                | \$ 6,048,131       | \$ 1,219,848                                      |
| Receipts from interfund services provided                              | 29,994                      | -                  | 190,800   |
| Payments to suppliers  | (12,993)                    | (1,255,483)        | (532,797)   |
| Payments to employees  | (198,940)                   | (2,631,101)        | (475,821)   |
| Payments for interfund services used                                   | (190,087)                   | (917,938)          | (136,293)   |
| Other receipts (payments)  | -                           | (116,644)          | (42,517)  |
|  | <u>3,516,669</u>            | <u>1,126,965</u>   | <u>223,220</u>                                    |
| <b>Net cash provided by (used in) operating activities</b>             |                             |                    |   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                |                             |                    |   |
| Transfers out  | (150,000)                   | -                  | -   |
|  | <u>(150,000)</u>            | <u>-</u>           | <u>-</u>  |
| <b>Net cash provided by (used for) noncapital financing activities</b> |                             |                    |   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>       |                             |                    |   |
| Proceeds from sale of bonds and notes                                  | -                           | -                  | -   |
| Premium on bonds and notes issued                                      | -                           | -                  | -   |
| Proceeds from sale of fixed assets                                     | -                           | -                  | -   |
| Acquisition of fixed assets  | -                           | (1,138,913)        | (226,890)   |
| Principal paid on bonds, notes and capital leases                      | (1,635,000)                 | (106,133)          | -   |
| Interest paid on bonds, notes and capital leases                       | (2,093,741)                 | (234,086)          | (12,635)  |
|  | <u>(3,728,741)</u>          | <u>(1,479,132)</u> | <u>(239,525)</u>                                  |
| <b>Net cash used for capital and related financing activities</b>      |                             |                    |   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                           |                             |                    |   |
| Interest on investments  | 755,311                     | 42,851             | -   |
|  | <u>755,311</u>              | <u>42,851</u>      | <u>-</u>  |
| <b>Net increase (decrease) in cash and cash equivalents</b>            |                             |                    |   |
|  | 393,239                     | (309,316)          | (16,305)  |
| <b>CASH AND CASH EQUIVALENTS, July 1, 2001</b>                         | <u>13,116,032</u>           | <u>965,622</u>     | <u>155,879</u>                                    |
| <b>CASH AND CASH EQUIVALENTS, June 30, 2002</b>                        | <u>\$ 13,509,271</u>        | <u>\$ 656,306</u>  | <u>\$ 139,574</u>                                 |
| <b>Noncash investing, capital, and financing activities</b>            |                             |                    |   |
| Noncash capital contributions  | -                           | -                  | 50,000  |
| Noncash allocation of PERS bond principal                              | 258,493                     | 2,112,066          | 406,584   |

| <u>Solid Waste Management</u> | <u>Parking Facilities</u> | <u>Spectator Facilities Operating</u> | <u>Environmental Remediation</u> | <u>Total</u>         |
|-------------------------------|---------------------------|---------------------------------------|----------------------------------|----------------------|
| \$ 2,898,346                  | \$ 9,543,023              | \$ 8,677,276                          | \$ 547,564                       | \$ 32,822,883        |
| -                             | 753,957                   | -                                     | -                                | 974,751              |
| (1,517,219)                   | (4,743,779)               | (2,017,046)                           | (451,384)                        | (10,530,701)         |
| (706,327)                     | -                         | -                                     | (9,158)                          | (4,021,347)          |
| (961,295)                     | (1,811,733)               | (703,813)                             | (143,398)                        | (4,864,557)          |
| (7,108)                       | (284,930)                 | (42,345)                              | (891)                            | (494,435)            |
| <u>(293,603)</u>              | <u>3,456,538</u>          | <u>5,914,072</u>                      | <u>(57,267)</u>                  | <u>13,886,594</u>    |
| <u>(705,215)</u>              | <u>(690,000)</u>          | <u>(276,008)</u>                      | <u>-</u>                         | <u>(1,821,223)</u>   |
| <u>(705,215)</u>              | <u>(690,000)</u>          | <u>(276,008)</u>                      | <u>-</u>                         | <u>(1,821,223)</u>   |
| -                             | 10,200,000                | 2,150,615                             | -                                | 12,350,615           |
| -                             | 66,082                    | -                                     | -                                | 66,082               |
| -                             | -                         | 22,624                                | -                                | 22,624               |
| -                             | -                         | (2,150,772)                           | -                                | (3,516,575)          |
| -                             | (12,725,000)              | (10,795,834)                          | -                                | (25,261,967)         |
| (21,056)                      | (1,777,137)               | (4,402,385)                           | (441)                            | (8,541,481)          |
| <u>(21,056)</u>               | <u>(4,236,055)</u>        | <u>(15,175,752)</u>                   | <u>(441)</u>                     | <u>(24,880,702)</u>  |
| <u>199,089</u>                | <u>369,914</u>            | <u>977,420</u>                        | <u>32,307</u>                    | <u>2,376,892</u>     |
| (820,785)                     | (1,099,603)               | (8,560,268)                           | (25,401)                         | (10,438,439)         |
| <u>3,673,933</u>              | <u>7,348,727</u>          | <u>19,983,374</u>                     | <u>613,381</u>                   | <u>45,856,948</u>    |
| <u>\$ 2,853,148</u>           | <u>\$ 6,249,124</u>       | <u>\$ 11,423,106</u>                  | <u>\$ 587,980</u>                | <u>\$ 35,418,509</u> |
| -                             | -                         | -                                     | -                                | 50,000               |
| 655,858                       | -                         | -                                     | 15,142                           | 3,448,143            |

City of Portland, Oregon  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2002

|  | Hydro-<br>Electric<br>Power | Golf         | Portland<br>International<br>Raceway<br>Operating |
|--|-----------------------------|--------------|---|
| <b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b> |                             |              |   |
| Operating income (loss)  | \$ 2,804,747                | \$ 487,743   | \$ 63,411   |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities:        |                             |              |   |
| Depreciation and amortization of fixed assets  | 672,373                     | 473,305      | 33,972  |
| Change in assets and liabilities:  |                             |              |   |
| Accounts, contracts receivable, advances and assessments   | -                           | 9,146        | -   |
| Due (from) to other funds  | -                           | -            | (7,599)   |
| Other assets   | -                           | (41,006)     | (1,288)   |
| Checks and accounts payable  | 40,829                      | 151,954      | (25,126)  |
| Accrued compensated absences   | (1,280)                     | 8,850        | 9,850   |
| Other accrued liabilities  | -                           | 36,973       | 150,000   |
|  | -                           | -            | -   |
| Net cash provided by (used in) operating activities \$   | 3,516,669                   | \$ 1,126,965 | \$ 223,220  |

| <u>Solid Waste<br/>Management</u> | <u>Parking<br/>Facilities</u> | <u>Spectator<br/>Facilities<br/>Operating</u> | <u>Environ-<br/>mental<br/>Remediation</u> | <u>Total</u>         |
|-----------------------------------|-------------------------------|---|--|----------------------|
| \$ (74,917)                       | \$ 2,659,388                  | \$ 4,229,888                                  | \$ (89,177)                                | \$ 10,081,083        |
| 1,515                             | 976,170                       | 2,373,609                                     | 31,827                                     | 4,562,771            |
| (19,873)                          | (239,029)                     | (38,775)                                      | -  | (288,531)            |
| (81,535)                          | -                             | -   | -  | (89,134)             |
| -                                 | -                             | -   | -  | (42,294)             |
| (112,215)                         | 62,709                        | (478,398)                                     | 83   | (360,164)            |
| (6,578)                           | -                             | -   | -  | 10,842               |
| -                                 | (2,700)                       | (172,252)                                     | -  | 12,021               |
| -                                 | -                             | -   | -  | -                    |
| <u>\$ (293,603)</u>               | <u>\$ 3,456,538</u>           | <u>\$ 5,914,072</u>                           | <u>\$ (57,267)</u>                         | <u>\$ 13,886,594</u> |

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

City of Portland, Oregon  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2002

|   | Health<br>Insurance<br>Operating | Facilities<br>Services<br>Operating | Fleet<br>Services<br>Operating | Printing and<br>Distribution<br>Services<br>Operating |
|---|----------------------------------|-------------------------------------|--------------------------------|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                        |                                  |                                     |                                |   |
| Receipts from customers and users                                   | \$ 33,061,115                    | \$ 6,530,229                        | \$ 184,392                     | \$ 1,378,076  |
| Receipts from interfund services provided                           | -                                | 18,399,884                          | 16,305,496                     | 4,493,837   |
| Payments to suppliers   | (10,363,530)                     | (10,788,922)                        | (6,874,653)                    | (3,124,275)   |
| Payments to employees   | (375,569)                        | (2,497,793)                         | (5,061,753)                    | (1,771,696)   |
| Payments for interfund services used                                | (584,410)                        | (2,343,709)                         | (2,725,391)                    | (939,335)   |
| Other receipts (payments)   | -                                | (544,163)                           | (71,491)                       | 7,968   |
| Claims paid   | (27,931,085)                     | -                                   | -                              | -   |
| Net cash provided by (used in) operating activities                 | <u>(6,193,479)</u>               | <u>8,755,526</u>                    | <u>1,756,600</u>               | <u>44,575</u>   |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>             |                                  |                                     |                                |   |
| Miscellaneous non-operating revenues                                | -                                | 3,791,682                           | 1,092,980                      | 121,603   |
| Operating transfers in  | -                                | 6,332,860                           | -                              | 35,080  |
| Operating transfers out   | -                                | -                                   | -                              | -   |
| Net cash provided by noncapital financing activities                | <u>-</u>                         | <u>10,124,542</u>                   | <u>1,092,980</u>               | <u>156,683</u>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>    |                                  |                                     |                                |   |
| Proceeds from sale of bonds and notes                               | -                                | 220,000                             | -                              | -   |
| Premium on bonds and notes issued                                   | -                                | 1,501                               | -                              | -   |
| Sale of fixed assets  | -                                | -                                   | 1,041,153                      | -   |
| Acquisition of fixed assets   | -                                | (6,764,134)                         | (4,081,078)                    | (265,317)   |
| Principal paid on notes and capital leases                          | -                                | (6,202,024)                         | (76,430)                       | -   |
| Interest paid on notes and capital leases                           | (11,816)                         | (3,946,981)                         | (155,127)                      | (59,830)  |
| Net cash provided by (used in) capital related financing activities | <u>(11,816)</u>                  | <u>(16,691,638)</u>                 | <u>(3,271,482)</u>             | <u>(325,147)</u>                                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                        |                                  |                                     |                                |   |
| Interest on investments   | <u>1,380,178</u>                 | <u>463,026</u>                      | <u>936,693</u>                 | <u>41,739</u>   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>         | <b>(4,825,117)</b>               | <b>2,651,456</b>                    | <b>514,791</b>                 | <b>(82,150)</b>                                       |
| <b>CASH AND CASH EQUIVALENTS, July 1, 2001</b>                      | <b><u>28,136,845</u></b>         | <b><u>9,234,857</u></b>             | <b><u>19,549,432</u></b>       | <b><u>1,188,988</u></b>                               |
| <b>CASH AND CASH EQUIVALENTS, June 30, 2002</b>                     | <b><u>\$ 23,311,728</u></b>      | <b><u>\$ 11,886,313</u></b>         | <b><u>\$ 20,064,223</u></b>    | <b><u>\$ 1,106,838</u></b>                            |
| <b>Noncash investing, capital, and financing activities</b>         |                                  |                                     |                                |   |
| Noncash allocation of PERS bond principal                           | 389,842                          | 2,099,508                           | 4,933,686                      | 1,671,925   |

|    | Communication<br>Services<br>Operating | Insurance<br>and Claims<br>Operating | Workers'<br>Compensation<br>Self-<br>Insurance<br>Operating | Information<br>Technology | Total                     |
|----|--|--------------------------------------|---|---------------------------|---------------------------|
| \$ | 2,106,512                              | \$ 57,061                            | \$ 165,060  | \$ 191,679                | \$ 43,674,124             |
|    | 10,598,416                             | 7,513,543                            | 2,779,973   | 15,234,714                | 75,325,863                |
|    | (4,753,830)                            | (583,552)                            | (190,773)   | (4,511,824)               | (41,191,359)              |
|    | (2,343,999)                            | (743,211)                            | (789,402)   | (10,837,224)              | (24,420,647)              |
|    | (1,489,195)                            | (1,627,029)                          | (792,020)   | (1,361,085)               | (11,862,174)              |
|    | (17,062)                               | (20,053)                             | -   | (47,172)                  | (691,973)                 |
|    | -                                      | (2,445,375)                          | (1,556,458)   | -                         | (31,932,918)              |
|    | <u>4,100,842</u>                       | <u>2,151,384</u>                     | <u>(383,620)</u>  | <u>(1,330,912)</u>        | <u>8,900,916</u>          |
|    | 190,084                                | -                                    | -   | -                         | 5,196,349                 |
|    | 280,980                                | -                                    | -   | 388,252                   | 7,037,172                 |
|    | (33,300)                               | -                                    | -   | -                         | (33,300)                  |
|    | <u>437,764</u>                         | <u>-</u>                             | <u>-</u>  | <u>388,252</u>            | <u>12,200,221</u>         |
|    | 7,795,000                              | -                                    | -   | -                         | 8,015,000                 |
|    | 45,283                                 | -                                    | -   | -                         | 46,784                    |
|    | -                                      | -                                    | -   | -                         | 1,041,153                 |
|    | (5,297,321)                            | -                                    | -   | (495,936)                 | (16,903,786)              |
|    | (250,073)                              | -                                    | -   | (810,000)                 | (7,338,527)               |
|    | (247,589)                              | (26,916)                             | (26,916)  | (357,902)                 | (4,833,077)               |
|    | <u>2,045,300</u>                       | <u>(26,916)</u>                      | <u>(26,916)</u>   | <u>(1,663,838)</u>        | <u>(19,972,453)</u>       |
|    | <u>508,765</u>                         | <u>563,307</u>                       | <u>655,639</u>  | <u>294,017</u>            | <u>4,843,364</u>          |
|    | 7,092,671                              | 2,687,775                            | 245,103   | (2,312,481)               | 5,972,048                 |
|    | <u>8,768,724</u>                       | <u>10,777,327</u>                    | <u>13,056,559</u>   | <u>7,340,465</u>          | <u>98,053,197</u>         |
| \$ | <u><u>15,861,395</u></u>               | <u><u>13,465,102</u></u>             | <u><u>13,301,662</u></u>                                    | <u><u>5,027,984</u></u>   | <u><u>104,025,245</u></u> |
|    | 2,078,235                              | 921,281                              | 861,745   | 3,785,551                 | 16,741,773                |

City of Portland, Oregon  
Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2002

**Reconciliation of operating income (loss)  
to net cash provided by (used in)  
operating activities:**

|  | <u>Health<br/>Insurance<br/>Operating</u> | <u>Facilities<br/>Services<br/>Operating</u> | <u>Fleet<br/>Services<br/>Operating</u> | <u>Printing and<br/>Distribution<br/>Services<br/>Operating</u> |
|--|---|--|---|---|
| Operating income (loss)  | \$ (3,421,277)                            | \$ 6,515,141                                 | \$ (1,449,692)                          | \$ (450,030)  |
| Adjustments to reconcile operating<br>income (loss) to net cash provided by<br>(used in) operating activities: |   |  |   |   |
| Depreciation and amortization of<br>fixed assets   | -   | 2,577,976                                    | 3,760,525                               | 503,619   |
| Change in assets and liabilities:  |   |  |   |   |
| Accounts and contracts receivable  | -   | 634,920                                      | (16,186)                                | (373)   |
| Inventories  | -   | -  | 23,064                                  | -   |
| Checks and accounts payable  | (166,587)                                 | (1,134,935)                                  | (523,829)                               | (100)   |
| Accrued compensated absences   | 2,820                                     | 10,133                                       | (37,282)                                | (8,541)   |
| Due from other funds   | -   | 20,000                                       | -                                       | -   |
| Other accrued liabilities  | -   | 132,291                                      | -                                       | -   |
| Accrued claims   | (2,608,435)                               | -  | -                                       | -   |
| <b>Net cash provided by (used in)<br/>operating activities</b>   | <u>\$ (6,193,479)</u>                     | <u>\$ 8,755,526</u>                          | <u>\$ 1,756,600</u>                     | <u>\$ 44,575</u>  |



| Communication<br>Services<br>Operating | Insurance<br>and Claims<br>Operating | Workers'<br>Compensation<br>Self-<br>Insurance<br>Operating | Information<br>Technology | Total               |
|--|--------------------------------------|---|---------------------------|---------------------|
| \$ 1,417,938                           | \$ 1,957,302                         | \$ (1,183,880)  | \$ (2,473,626)            | \$ 911,876          |
| 1,289,463                              | -                                    | -   | 365,123                   | 8,496,706           |
| 84,637                                 | 342                                  | 342   | (54,668)                  | 649,014             |
| 15,116                                 | -                                    | -   | -                         | 38,180              |
| 1,268,193                              | (36,056)                             | 63,148  | (38,543)                  | (568,709)           |
| 25,495                                 | 3,035                                | (46,939)  | 435,182                   | 383,903             |
| -                                      | -                                    | -   | 435,620                   | 455,620             |
| -                                      | -                                    | -   | -                         | 132,291             |
| -                                      | 226,761                              | 783,709   | -                         | (1,597,965)         |
| <u>\$ 4,100,842</u>                    | <u>\$ 2,151,384</u>                  | <u>\$ (383,620)</u>   | <u>\$ (1,330,912)</u>     | <u>\$ 8,900,916</u> |



SCHRUNK PLAZA BELL

# 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, 2002**

|  | Fire and Police<br>Disability and<br>Retirement Pension<br>Trust Fund | Fire and Police<br>Disability and<br>Retirement<br>Reserve Pension<br>Trust Fund | Fire and Police<br>Supplemental<br>Retirement<br>Reserve Pension<br>Trust Fund | Total             |
|--|---|--|--|-------------------|
| <b>ASSETS</b>                                      |   |  |  |                   |
| Cash and investments                               | \$ 8,869,985  | \$ 750,000   | \$ 94,616  | \$ 9,714,601      |
| Receivables:                                       |   |  |  |                   |
| Due from other funds                               | 4,324,694   | -  | -  | 4,324,694         |
| Accrued interest                                   | 94,416  | -  | 402  | 94,818            |
| Machinery and equipment                            | 46,846  | -  | -  | 46,846            |
| Accumulated depreciation and amortization          | (18,150)  | -  | -  | (18,150)          |
| Prepaid expense                                    | 480,708   | -  | -  | 480,708           |
|  | <u>13,798,499</u>   | <u>750,000</u>   | <u>95,018</u>  | <u>14,643,517</u> |
| Total assets                                       |   |  |  |                   |
| <b>LIABILITIES</b>                                 |   |  |  |                   |
| Accounts payable                                   | 5,286,110   | -  | -  | 5,286,110         |
| Interest payable                                   | 2,030   | -  | -  | 2,030             |
| Other liabilities - current                        | 358,000   | -  | -  | 358,000           |
| Revenue bonds payable                              | 526,002   | -  | -  | 526,002           |
|  | <u>6,172,142</u>  | <u>-</u>   | <u>-</u>   | <u>6,172,142</u>  |
| Total liabilities                                  |   |  |  |                   |
| <b>NET ASSETS</b>                                  |   |  |  |                   |
| Invested in capital assets,<br>net of related debt | 28,696  | -  | -  | 28,696            |
| Held in trust for pension benefits                 | 7,597,661   | 750,000  | 95,018   | 8,442,679         |
|  | <u>7,626,357</u>  | <u>750,000</u>   | <u>95,018</u>  | <u>8,471,375</u>  |
| Total net assets                                   |   |  |  |                   |

**City of Portland, Oregon**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**June 30, 2002**

|                                | Trustee          | Multnomah County<br>Business Income<br>Tax | Clearing Funds    | Totals            |
|--------------------------------|------------------|--|-------------------|-------------------|
| <b>ASSETS</b>                  |                  |  |                   |                   |
| Cash and investments           | \$ 6,977,631     | \$ 861,325                                 | \$ 23,057,912     | \$ 30,896,868     |
| Receivables:                   |                  |  |                   |                   |
| Accrued interest               | 9,670            | 2,859                                      | -                 | 12,529            |
|                                | <u>6,987,301</u> | <u>864,184</u>                             | <u>23,057,912</u> | <u>30,909,397</u> |
| Total assets                   |                  |  |                   |                   |
| <b>LIABILITIES</b>             |                  |  |                   |                   |
| Accounts payable               | -                | -  | 9,684,233         | 9,684,233         |
| Salaries and withholding taxes | -                | -  | 12,581,431        | 12,581,431        |
| Other liabilities - current    | 6,987,301        | 864,184                                    | 792,248           | 8,643,733         |
|                                | <u>6,987,301</u> | <u>864,184</u>                             | <u>23,057,912</u> | <u>30,909,397</u> |
| Total liabilities              | \$ 6,987,301     | \$ 864,184                                 | \$ 23,057,912     | \$ 30,909,397     |

**City of Portland, Oregon**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**For the year ended June 30, 2002**

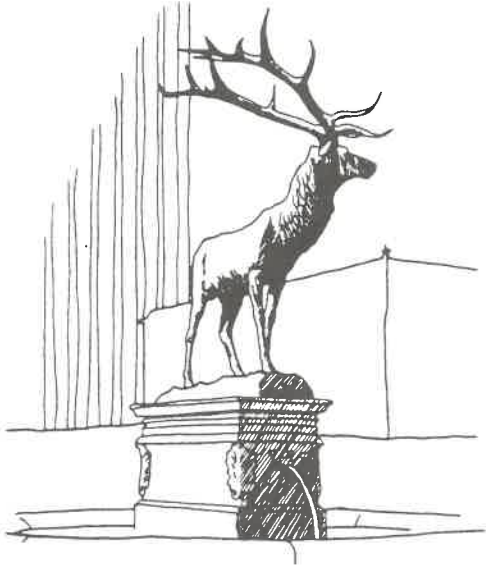
|   | Fire and Police<br>Disability and<br>Retirement Pension<br>Trust Fund | Fire and Police<br>Disability and<br>Retirement Reserve<br>Pension Trust Fund | Fire and Police<br>Supplemental<br>Retirement Reserve<br>Pension Trust Fund | Total         |
|---|---|---|---|---------------|
| <b>ADDITIONS</b>  |   |   |   |               |
| Contributions:  |   |   |   |               |
| Employer  | \$ 59,957,248   | \$ -  | \$ -  | \$ 59,957,248 |
| Plan member   | 2,281   | -   | -   | 2,281         |
| Other   | 58,949  | -   | -   | 58,949        |
| Total contributions   | 60,018,478  | -   | -   | 60,018,478    |
| Investment earnings   | 896,956   | -   | 3,532   | 900,488       |
| Total additions   | 60,915,434  | -   | 3,532   | 60,918,966    |
| <b>DEDUCTIONS</b>   |   |   |   |               |
| Benefits and refunds paid to plan members and beneficiaries | 64,221,952  | -   | 6,834   | 64,228,786    |
| Administrative expenses                                     | 1,658,861   | -   | -   | 1,658,861     |
| Interest expense  | 303,568   | -   | -   | 303,568       |
| Depreciation expense  | 5,572   | -   | -   | 5,572         |
| Total deductions  | 66,189,953  | -   | 6,834   | 66,196,787    |
| Change in net assets  | (5,274,519)   | -   | (3,302)   | (5,277,821)   |
| Net assets - beginning, as restated                         | 12,900,876  | 750,000   | 98,320  | 13,749,196    |
| Net assets - ending   | \$ 7,626,357  | \$ 750,000  | \$ 95,018   | \$ 8,471,375  |



LEACH BOTANICAL GARDEN

# 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.

**City of Portland, Oregon**  
**General Fund by Department**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual</u><br><u>Amounts</u> | <u>Variance with</u><br><u>Final Budget -</u><br><u>Positive</u><br><u>(Negative)</u> |
|--|-------------------------|--------------------|---------------------------------|---|
|  | <u>Original</u>         | <u>Final</u>       |                                 |   |
| <b>REVENUES</b>                              |                         |                    |                                 |   |
| <b>Taxes:</b>                                |                         |                    |                                 |   |
| Current year property taxes                  | \$ 141,066,594          | \$ 141,066,594     | \$ 141,000,455                  | \$ (66,139)   |
| Prior years property taxes                   | 3,922,235               | 3,922,235          | 4,132,263                       | 210,028   |
| Payments in lieu of taxes                    | 494,318                 | 494,318            | 1,001,478                       | 507,160   |
| Lodging taxes                                | 11,518,217              | 11,268,217         | 10,408,531                      | (859,686)   |
| <b>Total taxes</b>                           | <b>157,001,364</b>      | <b>156,751,364</b> | <b>156,542,727</b>              | <b>(208,637)</b>  |
| <b>Licenses and permits:</b>                 |                         |                    |                                 |   |
| Business taxes                               | 52,937,681              | 50,284,160         | 45,941,414                      | (4,342,746)   |
| Public utility licenses                      | 38,341,190              | 32,712,009         | 39,991,182                      | 7,279,173   |
| Construction permits                         | 1,044,570               | 1,044,570          | 1,004,227                       | (40,343)  |
| Other permits                                | 1,330,360               | 1,355,070          | 689,720                         | (665,350)   |
| <b>Total licenses and permits</b>            | <b>93,653,801</b>       | <b>85,395,809</b>  | <b>87,626,543</b>               | <b>2,230,734</b>  |
| <b>Intergovernmental revenues:</b>           |                         |                    |                                 |   |
| <b>State sources:</b>                        |                         |                    |                                 |   |
| State cost sharing                           | 25,000                  | 25,000             | 56,595                          | 31,595  |
| State revenue sharing                        | 7,993,053               | 8,804,053          | 9,641,014                       | 836,961   |
| <b>Total state sources</b>                   | <b>8,018,053</b>        | <b>8,829,053</b>   | <b>9,697,609</b>                | <b>868,556</b>  |
| <b>Local government sources:</b>             |                         |                    |                                 |   |
| Local shared income                          | 2,492,543               | 2,881,543          | 2,797,361                       | (84,182)  |
| Local administered federal funds             | 123,978                 | 123,978            | 128,056                         | 4,078   |
| PDC - overhead charges                       | 212,358                 | 228,937            | 220,922                         | (8,015)   |
| Multnomah County cost sharing                | 1,506,384               | 1,515,388          | 1,443,374                       | (72,014)  |
| Local cost sharing                           | 4,898,930               | 4,804,065          | 5,649,391                       | 845,326   |
| <b>Total local government sources</b>        | <b>9,234,193</b>        | <b>9,553,911</b>   | <b>10,239,104</b>               | <b>685,193</b>  |
| <b>Service charges and fees:</b>             |                         |                    |                                 |   |
| Inspection fees                              | 1,100,000               | 920,000            | 904,644                         | (15,356)  |
| Concessions                                  | 41,000                  | 41,000             | 7,688                           | (33,312)  |
| Park and recreation facilities fees          | 7,912,497               | 7,094,283          | 6,927,789                       | (166,494)   |
| Miscellaneous                                | 2,359,310               | 2,371,310          | 1,836,780                       | (534,530)   |
| Rents and reimbursements                     | 995,614                 | 1,728,278          | 2,105,729                       | 377,451   |
| <b>Total service charges and fees</b>        | <b>12,408,421</b>       | <b>12,154,871</b>  | <b>11,782,630</b>               | <b>(372,241)</b>  |
| <b>Billings to other funds for services:</b> |                         |                    |                                 |   |
| Transportation Operating                     | 1,830,104               | 2,366,104          | 2,067,592                       | (298,512)   |
| Emergency Communication                      | 129,291                 | 129,291            | 127,672                         | (1,619)   |
| Planning and Development Operating           | 508,390                 | 533,390            | 511,145                         | (22,245)  |
| Public Safety                                | -                       | 18,148             | 18,148                          | -   |
| Cable  | 302,821                 | 368,546            | 372,512                         | 3,966   |
| Sewer System Operating                       | 2,378,164               | 2,605,622          | 2,482,407                       | (123,215)   |
| Hydroelectric Power Operating                | 25,668                  | 25,668             | 30,087                          | 4,419   |

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, 2002

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES, Continued:</b>                               |                         |                   |                           |   |
| Billings to other funds for services, continued:          |                         |                   |                           |   |
| Water   | 1,623,972               | 1,751,341         | 1,681,572                 | (69,769)  |
| Golf  | 487,065                 | 487,065           | 501,599                   | 14,534  |
| Portland International Raceway                            | 64,502                  | 141,502           | 146,356                   | 4,854   |
| Solid Waste Management                                    | 378,592                 | 401,464           | 365,514                   | (35,950)  |
| Parking Facilities  | 331,288                 | 331,288           | 315,774                   | (15,514)  |
| Spectator Facilities Operating                            | 315,365                 | 315,365           | 312,546                   | (2,819)   |
| Environmental Remediation                                 | 10,500                  | 10,500            | -                         | (10,500)  |
| Convention and Tourism                                    | 56,850                  | 98,243            | 56,850                    | (41,393)  |
| Housing And Community Development                         | 1,537,056               | 1,705,634         | 1,613,326                 | (92,308)  |
| Home Grant  | 359,153                 | 359,153           | 389,986                   | 30,833  |
| FRES Facilities Bond Construction                         | -                       | 70,950            | 35,475                    | (35,475)  |
| Local Improvement District Construction                   | 1,281,396               | 1,281,396         | 983,097                   | (298,299)   |
| Parks Construction  | 303,068                 | 368,145           | 335,054                   | (33,091)  |
| Portland Parks Memorial Trust                             | 589,637                 | 786,512           | 667,331                   | (119,181)   |
| Fire and Police Disability and Retirement                 | 861,625                 | 951,142           | 912,747                   | (38,395)  |
| Health Insurance Operating                                | 215,044                 | 215,044           | 213,098                   | (1,946)   |
| Facilities Services Operating                             | 708,396                 | 708,396           | 672,496                   | (35,900)  |
| Fleet Services Operating                                  | 365,618                 | 365,618           | 349,628                   | (15,990)  |
| Printing and Distribution Services Operating              | 199,838                 | 199,838           | 188,124                   | (11,714)  |
| Communication Services Operating                          | 403,303                 | 403,303           | 393,050                   | (10,253)  |
| Insurance and Claims Operating                            | 1,418,616               | 1,421,609         | 1,385,413                 | (36,196)  |
| Workers' Compensation Self-insurance Operating            | 601,012                 | 601,012           | 565,133                   | (35,879)  |
| Information Technology                                    | 100,013                 | 100,013           | 97,323                    | (2,690)   |
|   | <u>17,386,347</u>       | <u>19,121,302</u> | <u>17,791,055</u>         | <u>(1,330,247)</u>  |
| Billings to other funds for general and overhead charges: |                         |                   |                           |   |
| Transportation Operating                                  | 2,502,755               | 1,944,153         | 1,944,153                 | -   |
| Assessment Collections                                    | 130                     | -                 | -                         | -   |
| Emergency Communication                                   | 214,363                 | 216,659           | 216,659                   | -   |
| Planning and Development Operating                        | 648,044                 | 630,048           | 630,048                   | -   |
| Public Safety   | 7,187                   | 6,513             | 6,513                     | -   |
| Cable Fund  | 13,078                  | 7,377             | 7,377                     | -   |
| Sewer System Operating                                    | 1,883,975               | 1,495,879         | 1,495,879                 | -   |
| Hydroelectric Power Operating                             | 52,139                  | 47,819            | 47,819                    | -   |
| Water   | 1,910,288               | 1,778,621         | 1,778,621                 | -   |
| Golf  | 137,430                 | 86,429            | 86,429                    | -   |
| Portland International Raceway                            | 20,996                  | 5,512             | 5,512                     | -   |
| Solid Waste Management                                    | 125,104                 | 137,373           | 137,373                   | -   |
| Parking Facilities  | 84,175                  | 65,929            | 65,929                    | -   |
| Spectator Facilities Operating                            | 268,575                 | 390,993           | 390,993                   | -   |
| Environmental Remediation                                 | 2,618                   | -                 | -                         | -   |
| Convention and Tourism                                    | 5,808                   | 271               | 271                       | -   |
| FRES Facilities Bond Construction                         | 51,909                  | 55,694            | 55,694                    | -   |
| Local Improvement District Construction                   | 150,883                 | 135,037           | 135,037                   | -   |
| Parks Construction  | 86,722                  | 137,590           | 137,590                   | -   |
| Fire and Police Disability and Retirement                 | 63,752                  | 69,974            | 69,974                    | -   |

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, 2002

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES, Continued:</b>   |                         |                    |                           |   |
| <b>Billings to other funds for general and overhead charges, continued:</b> |                         |                    |                           |   |
| Health Insurance Operating  | 181,357                 | 174,237            | 174,237                   | -   |
| Facilities Services Operating   | 831,782                 | 937,088            | 937,088                   | -   |
| Fleet Services Operating  | 555,907                 | 591,376            | 591,376                   | -   |
| Printing and Distribution Services Operating                                | 228,723                 | 209,384            | 209,384                   | -   |
| Communication Services Operating  | 237,278                 | 258,237            | 258,237                   | -   |
| Insurance and Claims Operating  | 147,119                 | 124,306            | 124,306                   | -   |
| Workers' Compensation Self-insurance Operating                              | 115,534                 | 114,426            | 114,426                   | -   |
| Information Technology  | 154,756                 | 215,116            | 215,116                   | -   |
|   | <u>10,682,387</u>       | <u>9,836,041</u>   | <u>9,836,041</u>          | <u>-</u>  |
| <b>Total billings to other funds for general and overhead charges</b>       |                         |                    |                           |   |
| <b>Miscellaneous:</b>   |                         |                    |                           |   |
| Loan repayments   | -                       | -                  | 22,846                    | 22,846  |
| Assessment collections  | -                       | -                  | 1,000                     | 1,000   |
| Sales - other   | 20,700                  | 20,700             | 50,395                    | 29,695  |
| Refunds   | 254,222                 | 254,222            | 76,328                    | (177,894)   |
| Private grants and donations  | 104,000                 | 190,720            | 100,279                   | (90,441)  |
| Interest on investments   | 2,283,181               | 2,283,181          | 1,311,665                 | (971,516)   |
| Interest - other  | 494,959                 | 494,959            | 1,151                     | (493,808)   |
| Miscellaneous - other   | 2,052,979               | 1,092,314          | 1,720,397                 | 628,083   |
| General fund intrafund revenue  | 6,368,351               | 6,837,319          | 6,539,710                 | (297,609)   |
|   | <u>11,578,392</u>       | <u>11,173,415</u>  | <u>9,823,771</u>          | <u>(1,349,644)</u>  |
| <b>Total miscellaneous</b>  |                         |                    |                           |   |
| <b>Total revenues</b>   | <u>319,962,958</u>      | <u>312,815,766</u> | <u>313,339,480</u>        | <u>523,714</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, 2002

|  | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>EXPENDITURES</b>                                  |                         |                    |                           |   |
| <b>Department of Finance<br/>and Administration:</b> |                         |                    |                           |   |
| <b>Office of the Mayor</b>                           |                         |                    |                           |   |
| Personal services                                    | \$ 979,697              | \$ 1,001,697       | \$ 927,891                | \$ 73,806   |
| Materials and services                               | <u>458,818</u>          | <u>448,563</u>     | <u>418,929</u>            | <u>29,634</u>   |
| <b>Total Office of the Mayor</b>                     | <u>1,438,515</u>        | <u>1,450,260</u>   | <u>1,346,820</u>          | <u>103,440</u>  |
| <b>Office of City Attorney</b>                       |                         |                    |                           |   |
| Personal services                                    | 4,010,178               | 4,038,620          | 4,018,279                 | 20,341  |
| Materials and services                               | <u>763,259</u>          | <u>762,551</u>     | <u>717,702</u>            | <u>44,849</u>   |
| <b>Total Office of City Attorney</b>                 | <u>4,773,437</u>        | <u>4,801,171</u>   | <u>4,735,981</u>          | <u>65,190</u>   |
| <b>Office of Management and Finance</b>              |                         |                    |                           |   |
| Personal services                                    | 13,144,010              | 13,275,266         | 13,143,860                | 131,406   |
| Materials and services                               | 7,456,687               | 8,008,589          | 6,632,759                 | 1,375,830   |
| Capital outlay                                       | -                       | 5,730              | -                         | 5,730   |
| <b>Total Office of Management and Finance</b>        | <u>20,600,697</u>       | <u>21,289,585</u>  | <u>19,776,619</u>         | <u>1,512,966</u>  |
| <b>Bureau of Police</b>                              |                         |                    |                           |   |
| Personal services                                    | 89,760,445              | 97,166,084         | 95,422,655                | 1,743,429   |
| Materials and services                               | 30,088,424              | 29,697,824         | 28,827,190                | 870,634   |
| Capital outlay                                       | <u>1,034,000</u>        | <u>183,987</u>     | <u>113,884</u>            | <u>70,103</u>   |
| <b>Total Bureau of Police</b>                        | <u>120,882,869</u>      | <u>127,047,895</u> | <u>124,363,729</u>        | <u>2,684,166</u>  |
| <b>Office of Government Relations</b>                |                         |                    |                           |   |
| Personal services                                    | 374,161                 | 393,161            | 390,852                   | 2,309   |
| Materials and services                               | <u>356,501</u>          | <u>332,320</u>     | <u>296,583</u>            | <u>35,737</u>   |
| <b>Total Office of Government Relations</b>          | <u>730,662</u>          | <u>725,481</u>     | <u>687,435</u>            | <u>38,046</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, 2002

|  | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>EXPENDITURES, Continued:<br/>Department of Finance and<br/>Administration, Continued:</b> |                         |              |                           |   |
| <b>SPECIAL APPROPRIATIONS:</b>   |                         |              |                           |   |
| Regional Arts Council/RACC<br>Materials and services   | 2,705,797               | 2,471,915    | 2,471,915                 | -   |
| Oregon Historical Society<br>Materials and services  | 35,000                  | -            | -                         | -   |
| Civil Rights Enforcement<br>Materials and services   | 14,828                  | 14,828       | 13,601                    | 1,227   |
| Fair Housing of Oregon<br>Materials and services   | -                       | 26,171       | 26,171                    | -   |
| City Membership and Dues<br>Materials and services   | 189,064                 | 209,469      | 209,469                   | -   |
| Regional Drug Initiative<br>Materials and services   | 28,551                  | 28,551       | 28,551                    | -   |
| Leaders Roundtable<br>Materials and services   | 10,370                  | 11,355       | 11,355                    | -   |
| Employee Suggestion Program<br>Materials and services  | 6,673                   | -            | -                         | -   |
| Public Safety Coord.<br>Materials and services   | 28,768                  | 28,768       | -                         | 28,768  |
| Millennium Celebration<br>Materials and services   | 50,000                  | 50,000       | 49,200                    | 800   |
| RDI Unity Project<br>Materials and services  | -                       | 134,713      | 128,927                   | 5,786   |
| Clean & Safe<br>Materials and services   | 18,879                  | 18,879       | 16,211                    | 2,668   |
| Employee Transit Program<br>Materials and services   | 144,133                 | 144,133      | 93,277                    | 50,856  |
| Unemployment Insurance<br>Materials and services   | 200,000                 | 254,556      | 254,556                   | -   |

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, 2002

|   | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>EXPENDITURES, Continued:</b>                                   |                         |              |                           |   |
| <b>Department of Finance and<br/>  Administration, Continued:</b> |                         |              |                           |   |
| <b>Compensation Adjustment</b>                                    |                         |              |                           |   |
| Materials and services  | 6,798,694               | 3,541,568    | -                         | 3,541,568   |
| <b>Management Council</b>   |                         |              |                           |   |
| Materials and services  | 5,655                   | 5,655        | 1,081                     | 4,574   |
| <b>Council Emergency Funds</b>                                    |                         |              |                           |   |
| Materials and services  | 5,000                   | 7,000        | 7,000                     | -   |
| <b>Special Study Water Sewer</b>                                  |                         |              |                           |   |
| Materials and services  | -                       | 1            | -                         | 1   |
| <b>IRS Rebate</b>   |                         |              |                           |   |
| Materials and services  | -                       | 14,213       | 14,213                    | -   |
| <b>MERC/PCPA</b>  |                         |              |                           |   |
| Materials and services  | 591,600                 | 617,400      | 617,400                   | -   |
| <b>PDC Enterprise Zones</b>                                       |                         |              |                           |   |
| Materials and services  | 51,252                  | 51,252       | 51,252                    | -   |
| <b>HR Transition Costs</b>  |                         |              |                           |   |
| Personal services   | -                       | 9,600        | 7,930                     | 1,670   |
| Materials and services  | 310,612                 | 197,265      | -                         | 197,265   |
| <b>Total HR Transition Costs</b>                                  | 310,612                 | 206,865      | 7,930                     | 198,935   |
| <b>DCTU Training</b>  |                         |              |                           |   |
| Materials and services  | -                       | 128,465      | 58,482                    | 69,983  |
| <b>PDC Business Development</b>                                   |                         |              |                           |   |
| Materials and services  | 433,702                 | 433,702      | 433,702                   | -   |
| <b>Workforce Development</b>                                      |                         |              |                           |   |
| Materials and services  | 109,045                 | 109,045      | 109,045                   | -   |
| <b>PDC Business Districts</b>                                     |                         |              |                           |   |
| Materials and services  | 51,588                  | 51,588       | 51,588                    | -   |
| <b>PDC Targeted Industry Jobs</b>                                 |                         |              |                           |   |
| Materials and services  | 119,713                 | 119,713      | 119,713                   | -   |

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, 2002

|   | <u>Original</u>    | <u>Final</u>       | <u>Actual<br/>Amounts</u> | <u>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|--------------------|--------------------|---------------------------|---|
| <b>EXPENDITURES, Continued:</b>                                   |                    |                    |                           |   |
| <b>Department of Finance and<br/>  Administration, Continued:</b> |                    |                    |                           |   |
| <b>PDC Waterfront Development</b>                                 |                    |                    |                           |   |
| Materials and services  | 481,543            | 419,543            | 419,543                   | -   |
| <b>Business Retention</b>   |                    |                    |                           |   |
| Materials and services  | 138,040            | 138,040            | 138,040                   | -   |
| <b>2040 Implementation</b>  |                    |                    |                           |   |
| Materials and services  | 395,264            | 345,264            | 345,264                   | -   |
| <b>DCTU Service Improvement</b>                                   |                    |                    |                           |   |
| Materials and services  | -                  | 135,000            | 72,228                    | 62,772  |
| <b>Business License Refunds</b>                                   |                    |                    |                           |   |
| Materials and services  | 5,308,768          | 5,657,768          | 5,657,507                 | 261   |
| <b>Pioneer Square Security</b>                                    |                    |                    |                           |   |
| Materials and services  | 90,000             | 116,566            | 103,283                   | 13,283  |
| <b>Portland Center Stage</b>                                      |                    |                    |                           |   |
| Materials and services  | 200,000            | 200,000            | 200,000                   | -   |
| <b>Small Business Opportunity</b>                                 |                    |                    |                           |   |
| Materials and services  | 118,909            | 118,909            | 118,909                   | -   |
| <b>Downtown Services</b>  |                    |                    |                           |   |
| Materials and services  | 802,993            | 792,442            | 725,986                   | 66,456  |
| <b>Early childhood Development</b>                                |                    |                    |                           |   |
| Materials and services  | 1,000,000          | 920,000            | 756,603                   | 163,397   |
| <b>Block by Block Weatherization</b>                              |                    |                    |                           |   |
| Materials and services  | 209,644            | 216,997            | 216,829                   | 168   |
| <b>Total Department of Finance<br/>    and Administration</b>     | <u>169,080,265</u> | <u>173,054,726</u> | <u>164,439,415</u>        | <u>8,615,311</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, 2002**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(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  | 512,919                 | 523,517           | 521,074                   | 2,443   |
| Materials and services                                     | 140,047                 | 143,506           | 123,411                   | 20,095  |
| <b>Total Office of Commissioner</b>                        | <u>652,966</u>          | <u>667,023</u>    | <u>644,485</u>            | <u>22,538</u>   |
| <b>Bureau of Fire, Rescue and Emergency Services</b>       |                         |                   |                           |   |
| Personal services  | 55,150,668              | 54,603,515        | 53,864,338                | 739,177   |
| Materials and services                                     | 8,255,816               | 8,865,083         | 8,135,942                 | 729,141   |
| Capital outlay   | 1,152,500               | 1,891,340         | 1,218,886                 | 672,454   |
| <b>Total Bureau of Fire, Rescue and Emergency Services</b> | <u>64,558,984</u>       | <u>65,359,938</u> | <u>63,219,166</u>         | <u>2,140,772</u>  |
| <b>Bureau of Housing and Community Development</b>         |                         |                   |                           |   |
| Personal services  | 1,682,362               | 1,742,596         | 1,575,009                 | 167,587   |
| Materials and services                                     | 6,114,297               | 11,813,654        | 6,715,340                 | 5,098,314   |
| <b>Total Bureau of Housing and Community Development</b>   | <u>7,796,659</u>        | <u>13,556,250</u> | <u>8,290,349</u>          | <u>5,265,901</u>  |
| <b>Office of Neighborhood Involvement</b>                  |                         |                   |                           |   |
| Personal services  | 2,900,185               | 2,997,702         | 2,980,306                 | 17,396  |
| Materials and services                                     | 2,104,702               | 2,418,422         | 2,185,524                 | 232,898   |
| <b>Total Office of Neighborhood Involvement</b>            | <u>5,004,887</u>        | <u>5,416,124</u>  | <u>5,165,830</u>          | <u>250,294</u>  |
| <b>Total Department of Public Affairs</b>                  | <u>78,013,496</u>       | <u>84,999,335</u> | <u>77,319,830</u>         | <u>7,679,505</u>  |
| <b>Department of Public Works</b>                          |                         |                   |                           |   |
| <b>Office of Commissioner</b>                              |                         |                   |                           |   |
| Personal services  | 538,239                 | 529,297           | 527,711                   | 1,586   |
| Materials and services                                     | 117,771                 | 122,771           | 117,578                   | 5,193   |
| <b>Total Office of Commissioner</b>                        | <u>656,010</u>          | <u>652,068</u>    | <u>645,289</u>            | <u>6,779</u>  |
| <b>Office of Cable Communications and Franchise</b>        |                         |                   |                           |   |
| Personal services  | 586,764                 | 604,764           | 591,686                   | 13,078  |
| Materials and services                                     | 1,309,750               | 1,314,250         | 1,281,803                 | 32,447  |
| <b>Total Office of Cable Communications and Franchise</b>  | <u>1,896,514</u>        | <u>1,919,014</u>  | <u>1,873,489</u>          | <u>45,525</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, 2002**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(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                              | 877,648                 | 1,025,189         | 952,941                   | 72,248  |
| Materials and services                         | 1,183,913               | 1,503,566         | 651,823                   | 851,743   |
| <b>Total Office of Sustainable Development</b> | <u>2,061,561</u>        | <u>2,528,755</u>  | <u>1,604,764</u>          | <u>923,991</u>  |
| <b>Total Department of Public Works</b>        | <u>4,614,085</u>        | <u>5,099,837</u>  | <u>4,123,542</u>          | <u>976,295</u>  |
| <b>Department of Public Utilities</b>          |                         |                   |                           |   |
| <b>Office of Commissioner</b>                  |                         |                   |                           |   |
| Personal services                              | 517,529                 | 536,945           | 536,841                   | 104   |
| Materials and services                         | 134,993                 | 140,136           | 122,028                   | 18,108  |
| <b>Total Office of Commissioner</b>            | <u>652,522</u>          | <u>677,081</u>    | <u>658,869</u>            | <u>18,212</u>   |
| <b>Bureau of Licenses</b>                      |                         |                   |                           |   |
| Personal services                              | 2,590,065               | 2,372,343         | 2,343,778                 | 28,565  |
| Materials and services                         | 1,050,557               | 1,292,750         | 1,213,331                 | 79,419  |
| <b>Total Bureau of Licenses</b>                | <u>3,640,622</u>        | <u>3,665,093</u>  | <u>3,557,109</u>          | <u>107,984</u>  |
| <b>Bureau of Parks</b>                         |                         |                   |                           |   |
| Personal services                              | 26,774,936              | 26,395,648        | 26,307,381                | 88,267  |
| Materials and services                         | 15,649,811              | 16,661,309        | 15,989,981                | 671,328   |
| Capital outlay                                 | 100,613                 | 115,613           | 92,774                    | 22,839  |
| <b>Total Bureau of Parks</b>                   | <u>42,525,360</u>       | <u>43,172,570</u> | <u>42,390,136</u>         | <u>782,434</u>  |
| <b>Total Department of Public Utilities</b>    | <u>46,818,504</u>       | <u>47,514,744</u> | <u>46,606,114</u>         | <u>908,630</u>  |
| <b>Department of Public Safety</b>             |                         |                   |                           |   |
| <b>Office of Commissioner</b>                  |                         |                   |                           |   |
| Personal services                              | 513,337                 | 505,337           | 450,073                   | 55,264  |
| Materials and services                         | 145,041                 | 148,081           | 135,109                   | 12,972  |
| <b>Total Office of Commissioner</b>            | <u>658,378</u>          | <u>653,418</u>    | <u>585,182</u>            | <u>68,236</u>   |
| <b>Bureau of Planning</b>                      |                         |                   |                           |   |
| Personal services                              | 4,796,268               | 4,797,275         | 4,681,166                 | 116,109   |
| Materials and services                         | 3,221,000               | 3,590,863         | 2,867,462                 | 723,401   |
| <b>Total Bureau of Planning</b>                | <u>8,017,268</u>        | <u>8,388,138</u>  | <u>7,548,628</u>          | <u>839,510</u>  |
| <b>Total Department of Public Safety</b>       | <u>8,675,646</u>        | <u>9,041,556</u>  | <u>8,133,810</u>          | <u>907,746</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, 2002

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>EXPENDITURES, Continued:</b>         |                         |                    |                           |   |
| <b>Nondepartmental</b>                  |                         |                    |                           |   |
| <b>Office of the City Auditor</b>       |                         |                    |                           |   |
| Personal services                       | 4,306,356               | 4,358,387          | 4,048,590                 | 309,797   |
| Materials and services                  | 1,912,553               | 2,050,585          | 1,731,412                 | 319,173   |
| Capital outlay                          | 95,000                  | 25,000             | 18,591                    | 6,409   |
| <b>Total Office of the City Auditor</b> | <b>6,313,909</b>        | <b>6,433,972</b>   | <b>5,798,593</b>          | <b>635,379</b>  |
| <b>Other requirements</b>               |                         |                    |                           |   |
| Inventory stores stock                  | 25,000                  | 25,000             | -                         | 25,000  |
| <b>Tax Anticipation Notes:</b>          |                         |                    |                           |   |
| Principal                               | 10,000,000              | -                  | -                         | -   |
| Interest / amortized discount           | 349,589                 | 589                | -                         | 589   |
| <b>Total Tax Anticipation Notes:</b>    | <b>10,349,589</b>       | <b>589</b>         | <b>-</b>                  | <b>589</b>  |
| General Operating Contingencies         | 6,788,817               | 1,799,346          | -                         | 1,799,346   |
| Reimbursable expense                    | 2,000,000               | 374,717            | -                         | 374,717   |
| <b>Total nondepartmental</b>            | <b>25,477,315</b>       | <b>8,633,624</b>   | <b>5,798,593</b>          | <b>2,835,031</b>  |
| <b>Total expenditures</b>               | <b>332,679,311</b>      | <b>328,343,822</b> | <b>306,421,304</b>        | <b>21,922,518</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                         |                    |                           |   |
| <b>Transfers from other funds:</b>      |                         |                    |                           |   |
| Sewer System Operating                  | 9,750,000               | 9,750,000          | 11,048,119                | 1,298,119   |
| Hydroelectric Power Operating           | 150,000                 | 150,000            | 150,000                   | -   |
| Water                                   | 3,717,679               | 3,717,679          | 3,740,457                 | 22,778  |
| Solid Waste Management                  | 1,071,155               | 1,283,424          | 705,215                   | (578,209)   |
| Parking Facilities                      | 196,130                 | 196,130            | 196,130                   | -   |
| General Reserve                         | 460,296                 | 460,296            | 460,296                   | -   |
| Federal Grants                          | 8,312,011               | 18,245,085         | 9,550,597                 | (8,694,488)   |
| Housing and Community Development       | 96,515                  | 96,515             | 131,445                   | 34,930  |
| Portland Parks Memorial Trust           | 40,000                  | 40,000             | 40,000                    | -   |
| Communication Services Operating        | -                       | 33,300             | 33,300                    | -   |
| <b>Transfers to other funds:</b>        |                         |                    |                           |   |
| Transportation Operating                | (6,532,076)             | (6,526,974)        | (6,526,974)               | -   |
| Emergency Communication                 | (8,512,523)             | (8,064,535)        | (8,064,535)               | -   |
| Planning and Development Operating      | (3,383,891)             | (3,329,443)        | (3,329,443)               | -   |
| Sewer System Operating                  | -                       | (222,000)          | (222,000)                 | -   |
| Parking Facilities                      | (13,283)                | -                  | -                         | -   |

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, 2002

|  | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts    | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------------|-------------------|----------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                      |   |
| <b>OTHER FINANCING SOURCES (USES), Continued</b> |                         |                   |                      |   |
| Transfers to other funds, continued:             |                         |                   |                      |   |
| Housing Investment                               | (493,000)               | (485,068)         | (485,068)            | -   |
| Pension Debt Redemption                          | (3,904,191)             | (2,928,143)       | (2,928,143)          | -   |
| Parks Construction                               | (2,143,450)             | (2,133,450)       | (2,143,450)          | (10,000)  |
| Governmental Bond Redemption                     | (3,809,720)             | (3,809,720)       | (3,696,379)          | 113,341   |
| Facilities Services Operating                    | (3,389,350)             | (3,444,050)       | (3,447,046)          | (2,996)   |
| Fleet Services Operating                         | (250,000)               | (749,724)         | (674,557)            | 75,167  |
| Printing and Distribution Services Operating     | -                       | (141,800)         | (132,230)            | 9,570   |
| Communication Services Operating                 | -                       | (227,547)         | (175,264)            | 52,283  |
| Information Technology                           | (388,252)               | (388,252)         | (388,252)            | -   |
| Bond and note sales                              | 10,000,000              | -                 | -                    | -   |
|  | <u>974,050</u>          | <u>1,521,723</u>  | <u>(6,157,782)</u>   | <u>(7,679,505)</u>  |
| Net change in fund balances                      | (11,742,303)            | (14,006,333)      | 760,394              | 14,766,727  |
| Fund balances -- beginning                       | <u>11,742,303</u>       | <u>14,006,333</u> | <u>14,002,370</u>    | <u>(3,963)</u>  |
| Fund balances - ending                           | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ 14,762,764</u> | <u>\$ 14,762,764</u>                                      |



CRYSTAL SPRINGS

# 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.

### **Federal Grants Fund**

This fund accounts for the receipt and expenditure 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, 2002**

|                                    | <u>Budgeted Amounts</u> |               | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|---------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>  |                           |   |
| <b>REVENUES</b>                    |                         |               |                           |   |
| Assessments                        | \$ 1,000                | \$ 1,000      | \$ 1,270                  | \$ 270  |
| Investment earnings                | 2,500                   | 2,500         | 1,980                     | (520)   |
| Other interest income              | 1,500                   | 1,500         | 1,933                     | 433   |
| Total revenues                     | <u>5,000</u>            | <u>5,000</u>  | <u>5,183</u>              | <u>183</u>  |
| <b>EXPENDITURES</b>                |                         |               |                           |   |
| General operating contingencies    | 59,732                  | 59,862        | -                         | 59,862  |
| Overhead charges - General Fund    | 130                     | -             | -                         | -   |
| Total expenditures                 | <u>59,862</u>           | <u>59,862</u> | <u>-</u>                  | <u>59,862</u>   |
| Revenues over (under) expenditures | (54,862)                | (54,862)      | 5,183                     | 60,045  |
| Fund balances -- beginning         | <u>54,862</u>           | <u>54,862</u> | <u>52,898</u>             | <u>(1,964)</u>  |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>   | <u>\$ 58,081</u>          | <u>\$ 58,081</u>  |

City of Portland, Oregon  
 Emergency Communication Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 For the Year Ended June 30, 2002

|                                       | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES</b>                       |                         |                    |                           |   |
| Intergovernmental revenues:           |                         |                    |                           |   |
| State cost sharing                    | \$ 2,250,867            | \$ 2,250,089       | \$ 2,369,244              | \$ 119,155  |
| Multnomah County cost sharing         | 512,954                 | 506,388            | 486,763                   | (19,625)  |
| Local cost sharing                    | <u>2,222,451</u>        | <u>2,193,955</u>   | <u>2,143,024</u>          | <u>(50,931)</u>   |
| Total intergovernmental revenues      | <u>4,986,272</u>        | <u>4,950,432</u>   | <u>4,999,031</u>          | <u>48,599</u>   |
| Miscellaneous and interest:           |                         |                    |                           |   |
| Miscellaneous service charges         | 50,000                  | 50,000             | 38,142                    | (11,858)  |
| Investment earnings                   | -                       | -                  | 106,231                   | 106,231   |
| Total miscellaneous and interest      | <u>50,000</u>           | <u>50,000</u>      | <u>144,373</u>            | <u>94,373</u>   |
| Total revenues                        | <u>5,036,272</u>        | <u>5,000,432</u>   | <u>5,143,404</u>          | <u>142,972</u>  |
| <b>EXPENDITURES</b>                   |                         |                    |                           |   |
| Personal services                     | 10,075,086              | 9,603,982          | 9,039,246                 | 564,736   |
| Materials and services                | 3,150,191               | 3,486,653          | 3,182,030                 | 304,623   |
| Capital outlay                        | -                       | 53,420             | 37,960                    | 15,460  |
| General operating contingencies       | -                       | (2,296)            | -                         | (2,296)   |
| Overhead charges - General Fund       | <u>214,363</u>          | <u>216,659</u>     | <u>216,659</u>            | <u>-</u>  |
| Total expenditures                    | <u>13,439,640</u>       | <u>13,358,418</u>  | <u>12,475,895</u>         | <u>882,523</u>  |
| Revenues over (under) expenditures    | <u>(8,403,368)</u>      | <u>(8,357,986)</u> | <u>(7,332,491)</u>        | <u>1,025,495</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                    |                           |   |
| Transfers from other funds:           |                         |                    |                           |   |
| General                               | 8,512,523               | 8,686,535          | 8,064,535                 | (622,000)   |
| Transfers to other funds:             |                         |                    |                           |   |
| Public Safety                         | -                       | (2,263,898)        | (2,263,898)               | -   |
| Pension Debt Redemption               | (109,155)               | (81,866)           | (81,866)                  | -   |
| Facilities Services Operating         | <u>(500,000)</u>        | <u>(500,000)</u>   | <u>(500,000)</u>          | <u>-</u>  |
| Total other financing sources (uses)  | <u>7,903,368</u>        | <u>5,840,771</u>   | <u>5,218,771</u>          | <u>(622,000)</u>  |
| Net change in fund balances           | (500,000)               | (2,517,215)        | (2,113,720)               | 403,495   |
| Fund balances – beginning             | <u>500,000</u>          | <u>2,517,215</u>   | <u>3,154,798</u>          | <u>637,583</u>  |
| Fund balances – ending                | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 1,041,078</u>       | <u>\$ 1,041,078</u>   |



**City of Portland, Oregon**  
**Planning and Development Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES</b>                              |                         |                    |                           |   |
| Licenses and fees:                           |                         |                    |                           |   |
| Construction permits                         | \$ 18,376,000           | \$ 18,376,000      | \$ 17,256,075             | \$ (1,119,925)  |
| Other permits                                | 259,000                 | 259,000            | 275,003                   | 16,003  |
| <b>Total licenses and fees</b>               | <u>18,635,000</u>       | <u>18,635,000</u>  | <u>17,531,078</u>         | <u>(1,103,922)</u>  |
| Service charges and fees:                    |                         |                    |                           |   |
| Inspection fees                              | 1,066,000               | 1,066,000          | 1,098,993                 | 32,993  |
| Miscellaneous service charges                | 3,725,000               | 3,730,000          | 3,630,796                 | (99,204)  |
| <b>Total service charges and fees</b>        | <u>4,791,000</u>        | <u>4,796,000</u>   | <u>4,729,789</u>          | <u>(66,211)</u>   |
| Billings for interfund services:             |                         |                    |                           |   |
| General Fund                                 | 122,692                 | 110,692            | 43,371                    | (67,321)  |
| Transportation Operating                     | 50,207                  | 50,207             | 42,707                    | (7,500)   |
| Sewer System Operating                       | 38,821                  | 38,821             | 38,821                    | -   |
| Water  | 10,677                  | 10,677             | 10,677                    | -   |
| Housing and Community Development            | 297,413                 | 297,413            | 261,679                   | (35,734)  |
| <b>Total billings for interfund services</b> | <u>519,810</u>          | <u>507,810</u>     | <u>397,255</u>            | <u>(110,555)</u>  |
| Miscellaneous and interest:                  |                         |                    |                           |   |
| Assessments                                  | 1,909,000               | 1,909,000          | 1,941,059                 | 32,059  |
| Sales - other                                | 5,000                   | -                  | -                         | -   |
| Investment earnings                          | 240,000                 | 240,000            | 185,575                   | (54,425)  |
| Other interest income                        | 217,000                 | 217,000            | 308,692                   | 91,692  |
| <b>Total miscellaneous and interest</b>      | <u>2,371,000</u>        | <u>2,366,000</u>   | <u>2,435,326</u>          | <u>69,326</u>   |
| <b>Total revenues</b>                        | <u>26,316,810</u>       | <u>26,304,810</u>  | <u>25,093,448</u>         | <u>(1,211,362)</u>  |
| <b>EXPENDITURES</b>                          |                         |                    |                           |   |
| Personal services                            | 21,210,694              | 21,263,694         | 20,038,055                | 1,225,639   |
| Materials and services                       | 8,017,846               | 8,315,159          | 7,316,270                 | 998,889   |
| Capital outlay                               | 186,560                 | 296,560            | -                         | 296,560   |
| General operating contingencies              | 1,748,809               | 1,375,933          | -                         | 1,375,933   |
| Overhead charges - General Fund              | 648,044                 | 630,048            | 630,048                   | -   |
| <b>Total expenditures</b>                    | <u>31,811,953</u>       | <u>31,881,394</u>  | <u>27,984,373</u>         | <u>3,897,021</u>  |
| <b>Revenues over (under) expenditures</b>    | <u>(5,495,143)</u>      | <u>(5,576,584)</u> | <u>(2,890,925)</u>        | <u>2,685,659</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, 2002**

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                   |                           |   |
| Transfers from other funds:           |                         |                   |                           |   |
| General                               | 3,383,891               | 3,329,443         | 3,329,443                 | -   |
| Solid Waste Management                | 133,785                 | 133,785           | 133,785                   | -   |
| Housing and Community Development     | 88,391                  | 88,391            | 53,461                    | (34,930)  |
| Transfers to other funds:             |                         |                   |                           |   |
| Pension Debt Redemption               | (543,555)               | (407,666)         | (407,666)                 | -   |
| Total other financing sources (uses)  | <u>3,062,512</u>        | <u>3,143,953</u>  | <u>3,109,023</u>          | <u>(34,930)</u>   |
| Net change in fund balances           | (2,432,631)             | (2,432,631)       | 218,098                   | 2,650,729   |
| Fund balances – beginning             | <u>3,313,978</u>        | <u>3,313,978</u>  | <u>3,824,967</u>          | <u>510,989</u>  |
| Fund balances – ending                | <u>\$ 881,347</u>       | <u>\$ 881,347</u> | <u>\$ 4,043,065</u>       | <u>\$ 3,161,718</u>   |

**City of Portland, Oregon**  
**Property Management License Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Miscellaneous service charges      | \$ 700                  | \$ 700           | \$ -                      | \$ (700)  |
| Business licenses                  | 3,030,917               | 3,680,917        | 3,560,665                 | (120,252)   |
| Investment earnings                | 13,200                  | 13,200           | 13,407                    | 207   |
| Total revenues                     | <u>3,044,817</u>        | <u>3,694,817</u> | <u>3,574,072</u>          | <u>(120,745)</u>  |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Materials and services             | <u>3,044,817</u>        | <u>3,769,344</u> | <u>3,640,461</u>          | <u>128,883</u>  |
| Revenues over (under) expenditures | -                       | (74,527)         | (66,389)                  | 8,138   |
| Fund balances -- beginning         | <u>-</u>                | <u>74,527</u>    | <u>74,527</u>             | <u>-</u>  |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 8,138</u>           | <u>\$ 8,138</u>   |

**City of Portland, Oregon**  
**Public Safety Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES</b>                       |                         |                    |                           |   |
| Prior years' property taxes           | \$ -                    | \$ -               | \$ 180                    | \$ 180  |
| Investment earnings                   | 60,000                  | 60,000             | 39,640                    | (20,360)  |
| Total revenues                        | <u>60,000</u>           | <u>60,000</u>      | <u>39,820</u>             | <u>(20,180)</u>   |
| <b>EXPENDITURES</b>                   |                         |                    |                           |   |
| Personal services                     | 170,000                 | 170,000            | 175,275                   | (5,275)   |
| Materials and services                | 1,190,944               | 809,162            | 526,104                   | 283,058   |
| Capital outlay                        | -                       | 863,731            | 251,010                   | 612,721   |
| General operating contingencies       | 725,000                 | 1,103,216          | -                         | 1,103,216   |
| Overhead charges - General Fund       | 7,187                   | 6,513              | 6,513                     | -   |
| Total expenditures                    | <u>2,093,131</u>        | <u>2,952,622</u>   | <u>958,902</u>            | <u>1,993,720</u>  |
| Revenues over (under) expenditures    | <u>(2,033,131)</u>      | <u>(2,892,622)</u> | <u>(919,082)</u>          | <u>1,973,540</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                    |                           |   |
| Transfers from other funds:           |                         |                    |                           |   |
| Emergency Communication               | -                       | 2,263,898          | 2,263,898                 | -   |
| Transfers to other funds:             |                         |                    |                           |   |
| Facilities Services Operating         | <u>(700,000)</u>        | <u>(732,023)</u>   | <u>(732,023)</u>          | <u>-</u>  |
| Total financing sources (uses)        | <u>(700,000)</u>        | <u>1,531,875</u>   | <u>1,531,875</u>          | <u>-</u>  |
| Net change in fund balance            | (2,733,131)             | (1,360,747)        | 612,793                   | 1,973,540   |
| Fund balances -- beginning            | <u>2,733,131</u>        | <u>1,360,747</u>   | <u>1,448,393</u>          | <u>87,646</u>   |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 2,061,186</u>       | <u>\$ 2,061,186</u>   |

**City of Portland, Oregon**  
**Cable Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                       |                         |                   |                           |   |
| Public utility licenses               | \$ 751,065              | \$ 751,065        | \$ 854,284                | \$ 103,219  |
| Billings for interfund services:      |                         |                   |                           |   |
| General                               | 250,023                 | 250,023           | 243,102                   | (6,921)   |
| Investment earnings                   | 32,000                  | 32,000            | 102,574                   | 70,574  |
| Miscellaneous                         | 1,420,542               | 1,460,542         | 2,163,532                 | 702,990   |
| Total revenues                        | <u>2,453,630</u>        | <u>2,493,630</u>  | <u>3,363,492</u>          | <u>869,862</u>  |
| <b>EXPENDITURES</b>                   |                         |                   |                           |   |
| Materials and services                | 2,686,688               | 2,472,708         | 2,494,678                 | (21,970)  |
| General operating contingencies       | 21,970                  | 671               | -                         | 671   |
| Overhead charges - General Fund       | 13,078                  | 7,377             | 7,377                     | -   |
| Total expenditures                    | <u>2,721,736</u>        | <u>2,480,756</u>  | <u>2,502,055</u>          | <u>(21,299)</u>   |
| Revenues over (under) expenditures    | (268,106)               | 12,874            | 861,437                   | 848,563   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                   |                           |   |
| Transfers to other funds:             |                         |                   |                           |   |
| Communication Services Operating      | -                       | (280,980)         | (280,980)                 | -   |
| Net change in fund balances           | (268,106)               | (268,106)         | 580,457                   | 848,563   |
| Fund balances -- beginning            | 905,684                 | 905,684           | 2,384,689                 | 1,479,005   |
| Fund balances -- ending               | <u>\$ 637,578</u>       | <u>\$ 637,578</u> | <u>\$ 2,965,146</u>       | <u>\$ 2,327,568</u>   |

**City of Portland, Oregon  
Convention and Tourism Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Lodging taxes                      | \$ 2,303,643            | \$ 2,303,643     | \$ 2,081,707              | \$ (221,936)  |
| Investment earnings                | 15,900                  | 15,900           | 10,918                    | (4,982)   |
| Total revenues                     | <u>2,319,543</u>        | <u>2,319,543</u> | <u>2,092,625</u>          | <u>(226,918)</u>  |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Materials and services             | 2,298,384               | 2,345,344        | 2,079,594                 | 265,750   |
| General operating contingencies    | 35,800                  | 108,520          | -                         | 108,520   |
| Overhead charges - General Fund    | 5,808                   | 271              | 271                       | -   |
| Total expenditures                 | <u>2,339,992</u>        | <u>2,454,135</u> | <u>2,079,865</u>          | <u>374,270</u>  |
| Revenues over (under) expenditures | (20,449)                | (134,592)        | 12,760                    | 147,352   |
| Fund balances -- beginning         | <u>20,449</u>           | <u>134,592</u>   | <u>134,592</u>            | <u>-</u>  |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 147,352</u>         | <u>\$ 147,352</u>   |

**City of Portland, Oregon**  
**General Reserve Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES</b>                       |                         |              |                           |   |
| Investment earnings                   | \$ 1,484,529            | \$ 1,484,529 | \$ 1,162,607              | \$ (321,922)  |
| Other interest income                 | -                       | -            | 1,364                     | 1,364   |
| Total revenues                        | 1,484,529               | 1,484,529    | 1,163,971                 | (320,558)   |
| <b>EXPENDITURES</b>                   |                         |              |                           |   |
| General operating contingencies       | 35,870,870              | 35,870,870   | -                         | 35,870,870  |
| Revenues over (under) expenditures    | (34,386,341)            | (34,386,341) | 1,163,971                 | 35,550,312  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |              |                           |   |
| Transfers to other funds:             |                         |              |                           |   |
| General                               | (460,296)               | (460,296)    | (460,296)                 | -   |
| Net change in fund balances           | (34,846,637)            | (34,846,637) | 703,675                   | 35,550,312  |
| Fund balances -- beginning            | 34,846,637              | 34,846,637   | 35,355,287                | 508,650   |
| Fund balances -- ending               | \$ -                    | \$ -         | \$ 36,058,962             | \$ 36,058,962   |

**City of Portland, Oregon**  
**Special Finance and Resource Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES</b>                       |                         |              |                           |   |
| Investment earnings                   | \$ -                    | \$ 20,000    | \$ 37,080                 | \$ 17,080   |
| <b>EXPENDITURES</b>                   |                         |              |                           |   |
| Materials and services                | 46,086,397              | 47,422,197   | 35,841,614                | 11,580,583  |
| Revenues over (under) expenditures    | (46,086,397)            | (47,402,197) | (35,804,534)              | 11,597,663  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |              |                           |   |
| Transfers to other funds:             |                         |              |                           |   |
| Bonded Debt Interest and Sinking      | -                       | (40,000)     | (19,994)                  | 20,006  |
| Special Projects Debt Service         | -                       | (15,000)     | (9,133)                   | 5,867   |
| Bonds and notes issued                | 46,086,397              | 46,416,397   | 35,539,015                | (10,877,382)  |
| Total other financing sources (uses)  | 46,086,397              | 46,361,397   | 35,509,888                | (10,851,509)  |
| Net change in fund balances           | -                       | (1,040,800)  | (294,646)                 | 746,154   |
| Fund balances -- beginning            | -                       | 1,040,800    | 1,156,679                 | 115,879   |
| Fund balances -- ending               | \$ -                    | \$ -         | \$ 862,033                | \$ 862,033  |



**City of Portland, Oregon**  
**Transportation Reserve Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                    | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|----------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>   |                           |   |
| <b>REVENUES</b>                    |                         |                |                           |   |
| Investment earnings                | \$ 25,000               | \$ 25,000      | \$ 23,692                 | \$ (1,308)  |
| <b>EXPENDITURES</b>                |                         |                |                           |   |
| General operating contingencies    | <u>656,289</u>          | <u>656,289</u> | <u>-</u>                  | <u>656,289</u>  |
| Revenues over (under) expenditures | (631,289)               | (631,289)      | 23,692                    | 654,981   |
| Fund balances -- beginning         | <u>631,289</u>          | <u>631,289</u> | <u>638,890</u>            | <u>7,601</u>  |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ 662,582</u>         | <u>\$ 662,582</u>   |

**City of Portland, Oregon  
Housing Investment Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                             |                         |                     |                           |   |
| Miscellaneous service charges               | \$ -                    | \$ -                | \$ 412,925                | \$ 412,925  |
| Rents and reimbursements                    | 150,000                 | 150,000             | 200,935                   | 50,935  |
| Investment earnings                         | 276,865                 | 276,865             | 196,320                   | (80,545)  |
| Sale of capital asset                       | 3,804,439               | 7,350,000           | 2,816,000                 | (4,534,000)   |
| <b>Total revenues</b>                       | <u>4,231,304</u>        | <u>7,776,865</u>    | <u>3,626,180</u>          | <u>(4,150,685)</u>  |
| <b>EXPENDITURES</b>                         |                         |                     |                           |   |
| Personal services                           | -                       | 6,000               | 3,340                     | 2,660   |
| Materials and services                      | 493,000                 | 12,973,553          | 7,047,763                 | 5,925,790   |
| Capital outlay                              | 3,000,000               | 3,000,000           | -                         | 3,000,000   |
| General operating contingencies             | 2,175,170               | 1,218,335           | -                         | 1,218,335   |
| Debt service:                               |                         |                     |                           |   |
| Principal                                   | -                       | 1,000,000           | -                         | 1,000,000   |
| <b>Total expenditures</b>                   | <u>5,668,170</u>        | <u>18,197,888</u>   | <u>7,051,103</u>          | <u>11,146,785</u>   |
| <b>Revenues over (under) expenditures</b>   | <u>(1,436,866)</u>      | <u>(10,421,023)</u> | <u>(3,424,923)</u>        | <u>6,996,100</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                     |                           |   |
| Transfers from other funds:                 |                         |                     |                           |   |
| General                                     | 493,000                 | 485,068             | 485,068                   | -   |
| Transfers to other funds:                   |                         |                     |                           |   |
| Governmental Bond Redemption                | (4,081,304)             | (6,500,000)         | (3,016,609)               | 3,483,391   |
| Bonds and notes issued                      | 3,000,000               | 8,716,000           | 4,416,000                 | (4,300,000)   |
| Loan proceeds                               | -                       | 2,000,000           | 120,000                   | (1,880,000)   |
| <b>Total other financing sources (uses)</b> | <u>(588,304)</u>        | <u>4,701,068</u>    | <u>2,004,459</u>          | <u>(2,696,609)</u>  |
| <b>Net change in fund balances</b>          | <u>(2,025,170)</u>      | <u>(5,719,955)</u>  | <u>(1,420,464)</u>        | <u>4,299,491</u>  |
| Fund balances – beginning:                  | <u>2,025,170</u>        | <u>5,719,955</u>    | <u>5,719,955</u>          | <u>-</u>  |
| Fund balances – ending                      | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 4,299,491</u>       | <u>\$ 4,299,491</u>   |

**City of Portland, Oregon**  
**Federal Grants Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |               | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>  |                           |   |
| <b>REVENUES</b>                       |                         |               |                           |   |
| Federal grants                        | \$ 14,977,994           | \$ 26,875,364 | \$ 15,163,264             | \$ (11,712,100)   |
| State grants                          | 163,505                 | 354,152       | 243,571                   | (110,581)   |
| Private grants and donations          | 405,000                 | 595,395       | 224,168                   | (371,227)   |
| Investment earnings                   | -                       | -             | 99,201                    | 99,201  |
|                                       | <hr/>                   | <hr/>         | <hr/>                     | <hr/>   |
| Total revenues                        | 15,546,499              | 27,824,911    | 15,730,204                | (12,094,707)  |
| <b>EXPENDITURES</b>                   |                         |               |                           |   |
| Materials and services                | -                       | 610,000       | 46,342                    | 563,658   |
|                                       | <hr/>                   | <hr/>         | <hr/>                     | <hr/>   |
| Revenues over (under) expenditures    | 15,546,499              | 27,214,911    | 15,683,862                | (11,531,049)  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |               |                           |   |
| Transfers to other funds:             |                         |               |                           |   |
| General                               | (8,312,011)             | (18,255,085)  | (9,550,598)               | 8,704,487   |
| Transportation Operating              | (4,442,242)             | (5,235,012)   | (3,385,064)               | 1,849,948   |
| Sewer System Operating                | (688,872)               | (966,879)     | (396,462)                 | 570,417   |
| Water                                 | (175,000)               | (197,500)     | 147,398                   | 344,898   |
| Portland International Raceway        | -                       | (7,599)       | (7,599)                   | -   |
| Solid Waste Management                | -                       | (81,535)      | (81,535)                  | -   |
| Parks Construction                    | -                       | (37,865)      | 20,934                    | 58,799  |
| Sewer System Construction             | (1,928,374)             | (2,430,936)   | (2,430,936)               | -   |
| Communication Services Operating      | -                       | (2,500)       | -                         | 2,500   |
|                                       | <hr/>                   | <hr/>         | <hr/>                     | <hr/>   |
| Total other financing sources (uses)  | (15,546,499)            | (27,214,911)  | (15,683,862)              | 11,531,049  |
| Net change in fund balances           | -                       | -             | -                         | -   |
| Fund balances -- beginning            | -                       | -             | -                         | -   |
|                                       | <hr/>                   | <hr/>         | <hr/>                     | <hr/>   |
| Fund balances -- ending               | \$ -                    | \$ -          | \$ -                      | \$ -  |

**City of Portland, Oregon**  
**Housing and Community Development Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                             |                         |                   |                           |   |
| Federal grants                              | \$ 12,532,000           | \$ 18,344,036     | \$ 8,761,339              | \$ (9,582,697)  |
| Miscellaneous service charges               | 93,000                  | 93,000            | -                         | (93,000)  |
| Loan repayments                             | 3,650,000               | 4,640,612         | 7,678,465                 | 3,037,853   |
| Assessments                                 | 110,000                 | 110,000           | 89,360                    | (20,640)  |
| Other interest income                       | 80,000                  | 80,000            | 102,443                   | 22,443  |
| <b>Total revenues</b>                       | <u>16,465,000</u>       | <u>23,267,648</u> | <u>16,631,607</u>         | <u>(6,636,041)</u>  |
| <b>EXPENDITURES</b>                         |                         |                   |                           |   |
| Materials and services                      | 16,213,324              | 23,015,972        | 16,410,686                | 6,605,286   |
| General operating contingencies             | 30,755                  | 30,755            | -                         | 30,755  |
| <b>Total expenditures</b>                   | <u>16,244,079</u>       | <u>23,046,727</u> | <u>16,410,686</u>         | <u>6,636,041</u>  |
| <b>Revenues over (under) expenditures</b>   | <u>220,921</u>          | <u>220,921</u>    | <u>220,921</u>            | <u>-</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                   |                           |   |
| Transfers to other funds:                   |                         |                   |                           |   |
| General                                     | (96,515)                | (96,515)          | (131,445)                 | (34,930)  |
| Transportation Operating                    | (36,015)                | (36,015)          | (36,015)                  | -   |
| Planning and Development Operating          | (88,391)                | (88,391)          | (53,461)                  | 34,930  |
| <b>Total other financing sources (uses)</b> | <u>(220,921)</u>        | <u>(220,921)</u>  | <u>(220,921)</u>          | <u>-</u>  |
| <b>Net change in fund balances</b>          | -                       | -                 | -                         | -   |
| <b>Fund balances -- beginning</b>           | -                       | -                 | -                         | -   |
| <b>Fund balances -- ending</b>              | <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, 2002**

|                                    | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                    |                         |                   |                           |   |
| Federal grants                     | \$ 4,758,000            | \$ 11,588,068     | \$ 3,944,157              | \$ (7,643,911)  |
| Loan repayments                    | 225,000                 | 225,000           | 281,919                   | 56,919  |
| Total revenues                     | <u>4,983,000</u>        | <u>11,813,068</u> | <u>4,226,076</u>          | <u>(7,586,992)</u>  |
| <b>EXPENDITURES</b>                |                         |                   |                           |   |
| Materials and services             | 4,915,538               | 11,745,606        | 4,226,076                 | 7,519,530   |
| General operating contingencies    | 67,462                  | 67,462            | -                         | 67,462  |
| Total expenditures                 | <u>4,983,000</u>        | <u>11,813,068</u> | <u>4,226,076</u>          | <u>7,586,992</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, 2002**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                       |                         |                  |                           |   |
| Service charges and fees:             |                         |                  |                           |   |
| Parking fees                          | \$ 153,000              | \$ 153,000       | \$ 162,335                | \$ 9,335  |
| Concessions                           | 60,000                  | 60,000           | 46,211                    | (13,789)  |
| Parks and recreation facilities fees  | 1,000,500               | 1,000,500        | 975,778                   | (24,722)  |
| Rents and reimbursements              | 301,500                 | 302,017          | 397,275                   | 95,258  |
| Billings for interfund services:      |                         |                  |                           |   |
| General                               | -                       | -                | 102,954                   | 102,954   |
| Miscellaneous revenues:               |                         |                  |                           |   |
| Private grants and donations          | 10,500                  | 15,500           | 327,798                   | 312,298   |
| Investment earnings                   | 170,100                 | 170,100          | 111,743                   | (58,357)  |
| Miscellaneous                         | -                       | -                | 1,065                     | 1,065   |
|                                       | <u>1,695,600</u>        | <u>1,701,117</u> | <u>2,125,159</u>          | <u>424,042</u>  |
| <b>EXPENDITURES</b>                   |                         |                  |                           |   |
| Materials and services                | 1,903,414               | 2,670,818        | 2,224,889                 | 445,929   |
| General operating contingencies       | 2,215,917               | 1,770,539        | -                         | 1,770,539   |
|                                       | <u>4,119,331</u>        | <u>4,441,357</u> | <u>2,224,889</u>          | <u>2,216,468</u>  |
| Revenues over (under) expenditures    | (2,423,731)             | (2,740,240)      | (99,730)                  | 2,640,510   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                  |                           |   |
| Transfers to other funds:             |                         |                  |                           |   |
| General                               | (40,000)                | (40,000)         | (40,000)                  | -   |
| Water                                 | -                       | (46,705)         | -                         | 46,705  |
| Portland International Raceway        | -                       | (150,000)        | (150,000)                 | -   |
| Parks Endowment                       | -                       | -                | (28,346)                  | (28,346)  |
| Parks Construction                    | -                       | (30,000)         | -                         | 30,000  |
|                                       | <u>(40,000)</u>         | <u>(266,705)</u> | <u>(218,346)</u>          | <u>48,359</u>   |
| Net change in fund balances           | (2,463,731)             | (3,006,945)      | (318,076)                 | 2,688,869   |
| Fund balances -- beginning            | <u>2,492,442</u>        | <u>3,035,656</u> | <u>3,035,656</u>          | <u>-</u>  |
| Fund balances -- ending               | <u>\$ 28,711</u>        | <u>\$ 28,711</u> | <u>\$ 2,717,580</u>       | <u>\$ 2,688,869</u>   |

# 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***

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***

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.

## ***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, 2002

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Current year's taxes               | \$ 4,578,354            | \$ 5,550,614     | \$ 5,658,049              | \$ 107,435  |
| Prior years' property taxes        | 61,421                  | 61,421           | 59,207                    | (2,214)   |
| Investment earnings                | 103,012                 | 43,012           | 64,154                    | 21,142  |
| <b>Total revenues</b>              | <u>4,742,787</u>        | <u>5,655,047</u> | <u>5,781,410</u>          | <u>126,363</u>  |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Debt service:                      |                         |                  |                           |   |
| Principal                          | 2,852,787               | 3,853,123        | 5,000,000                 | (1,146,877)   |
| Interest                           | 1,890,000               | 1,890,000        | 429,201                   | 1,460,799   |
| <b>Total expenditures</b>          | <u>4,742,787</u>        | <u>5,743,123</u> | <u>5,429,201</u>          | <u>313,922</u>  |
| Revenues over (under) expenditures | -                       | (88,076)         | 352,209                   | 440,285   |
| Fund balances -- beginning         | -                       | 88,076           | 159,913                   | 71,837  |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 512,122</u>         | <u>\$ 512,122</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, 2002**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                               |                         |                  |                           |   |
| Current year's taxes                          | \$ 7,803,322            | \$ 7,803,322     | \$ 7,874,297              | \$ 70,975   |
| Prior years' property taxes                   | 75,000                  | 75,000           | 223,453                   | 148,453   |
| Investment earnings                           | 50,000                  | 50,000           | 94,733                    | 44,733  |
| Other interest income                         | -                       | -                | 983                       | 983   |
| <b>Total revenues</b>                         | <u>7,928,322</u>        | <u>7,928,322</u> | <u>8,193,466</u>          | <u>265,144</u>  |
| <b>EXPENDITURES</b>                           |                         |                  |                           |   |
| Debt service:                                 |                         |                  |                           |   |
| Principal                                     | 4,115,000               | 4,115,000        | 4,350,000                 | (235,000)   |
| Interest                                      | 3,813,322               | 3,853,322        | 4,746,310                 | (892,988)   |
| <b>Total expenditures</b>                     | <u>7,928,322</u>        | <u>7,968,322</u> | <u>9,096,310</u>          | <u>(1,127,988)</u>  |
| <b>Revenues over (under) expenditures</b>     | <u>-</u>                | <u>(40,000)</u>  | <u>(902,844)</u>          | <u>(862,844)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                         |                  |                           |   |
| Transfers from other funds:                   |                         |                  |                           |   |
| Special Finance and Resource                  | 40,000                  | 40,000           | 19,994                    | (20,006)  |
| Payment to refunding escrow agent             | -                       | -                | (28,505,000)              | (28,505,000)  |
| Bonds and notes issued                        | -                       | -                | 29,810,000                | 29,810,000  |
| Bond and note premium                         | -                       | -                | 41,677                    | 41,677  |
| <b>Total other financing sources and uses</b> | <u>40,000</u>           | <u>40,000</u>    | <u>1,366,671</u>          | <u>1,326,671</u>  |
| <b>Net change in fund balances</b>            | 40,000                  | -                | 463,827                   | 463,827   |
| <b>Fund balances -- beginning</b>             | -                       | -                | 499,506                   | 499,506   |
| <b>Fund balances -- ending</b>                | <u>\$ 40,000</u>        | <u>\$ -</u>      | <u>\$ 963,333</u>         | <u>\$ 963,333</u>   |

**City of Portland, Oregon**  
**Waterfront Renewal Bond Sinking Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                               |                         |                     |                           |   |
| Current year's taxes                          | \$ 13,122,300           | \$ 13,122,300       | \$ 12,715,982             | \$ (406,318)  |
| Prior years' property taxes                   | 258,650                 | 258,650             | 372,452                   | 113,802   |
| Investment earnings                           | 354,000                 | 354,000             | 290,101                   | (63,899)  |
| Other interest income                         | -                       | -                   | 858                       | 858   |
| <b>Total revenues</b>                         | <u>13,734,950</u>       | <u>13,734,950</u>   | <u>13,379,393</u>         | <u>(355,557)</u>  |
| <b>EXPENDITURES</b>                           |                         |                     |                           |   |
| Materials and services                        | 15,000                  | 15,000              | 11,401                    | 3,599   |
| Debt service:                                 |                         |                     |                           |   |
| Principal                                     | 9,168,190               | 9,360,275           | 9,007,275                 | 353,000   |
| Interest                                      | 5,241,760               | 5,241,760           | 5,239,857                 | 1,903   |
| <b>Total expenditures</b>                     | <u>14,424,950</u>       | <u>14,617,035</u>   | <u>14,258,533</u>         | <u>358,502</u>  |
| Revenues over (under) expenditures            | (690,000)               | (882,085)           | (879,140)                 | 2,945   |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                         |                     |                           |   |
| Transfers from other funds:                   |                         |                     |                           |   |
| Parking Facilities                            | 690,000                 | 690,000             | 690,000                   | -   |
| <b>Total other financing sources and uses</b> | <u>690,000</u>          | <u>690,000</u>      | <u>690,000</u>            | <u>-</u>  |
| Net change in fund balances                   | -                       | (192,085)           | (189,140)                 | 2,945   |
| Fund balances -- beginning                    | 3,735,000               | 3,927,085           | 4,281,606                 | 354,521   |
| Fund balances -- ending                       | <u>\$ 3,735,000</u>     | <u>\$ 3,735,000</u> | <u>\$ 4,092,466</u>       | <u>\$ 357,466</u>   |

**City of Portland, Oregon**  
**Interstate Corridor Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Current year's taxes               | \$ 1,106,091            | \$ 1,106,091     | \$ 1,056,561              | \$ (49,530)   |
| Investment earnings                | 24,000                  | 24,000           | 9,606                     | (14,394)  |
| <b>Total revenues</b>              | <u>1,130,091</u>        | <u>1,130,091</u> | <u>1,066,167</u>          | <u>63,924</u>   |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Debt service:                      |                         |                  |                           |   |
| Principal                          | 1,061,725               | 1,061,725        | 1,045,000                 | 16,725  |
| Interest                           | 68,366                  | 68,366           | 110                       | 68,256  |
| <b>Total expenditures</b>          | <u>1,130,091</u>        | <u>1,130,091</u> | <u>1,045,110</u>          | <u>84,981</u>   |
| Revenues over (under) expenditures | -                       | -                | 21,057                    | 21,057  |
| Fund balances -- beginning         | -                       | -                | -                         | -   |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 21,057</u>          | <u>\$ 21,057</u>  |

**City of Portland, Oregon**  
**Pension Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                      |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|----------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>         | <u>Actual<br/>Amounts</u> |   |
| <b>REVENUES</b>                                |                         |                      |                           |   |
| Investment earnings                            | \$ 703,042              | \$ 703,042           | \$ 835,993                | \$ 132,951  |
| Miscellaneous                                  | 281,951                 | 211,463              | 211,463                   | -   |
| <b>Total revenues</b>                          | <u>984,993</u>          | <u>914,505</u>       | <u>1,047,456</u>          | <u>132,951</u>  |
| <b>EXPENDITURES</b>                            |                         |                      |                           |   |
| Materials and services                         | 212,083                 | 453,534              | 445,312                   | 8,222   |
| Debt service:                                  |                         |                      |                           |   |
| Interest                                       | 19,310,225              | 17,313,282           | 9,422,121                 | 7,891,161   |
| <b>Total expenditures</b>                      | <u>19,522,308</u>       | <u>17,766,816</u>    | <u>9,867,433</u>          | <u>7,899,383</u>  |
| <b>Revenues over (under) expenditures</b>      | <u>(18,537,315)</u>     | <u>(16,852,311)</u>  | <u>(8,819,977)</u>        | <u>8,032,334</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |                      |                           |   |
| Transfers from other funds:                    |                         |                      |                           |   |
| General  | 3,904,191               | 2,928,143            | 2,928,143                 | -   |
| Transportation Operating                       | 1,878,425               | 1,408,819            | 1,408,819                 | -   |
| Emergency Communication                        | 109,155                 | 81,866               | 81,866                    | -   |
| Planning and Development Operating             | 543,555                 | 407,666              | 407,666                   | -   |
| Sewer System Operating                         | 1,374,423               | 1,030,817            | -                         | (1,030,817)   |
| Hydroelectric Power Operating                  | 10,241                  | 7,681                | -                         | (7,681)   |
| Water  | 1,444,766               | 1,083,574            | -                         | (1,083,574)   |
| Golf   | 93,251                  | 69,938               | -                         | (69,938)  |
| Portland International Raceway                 | 16,846                  | 12,634               | -                         | (12,634)  |
| Solid Waste Management                         | 28,075                  | 21,056               | -                         | (21,056)  |
| Spectator Facilities Operating                 | 13,107                  | 9,830                | 9,830                     | -   |
| Environmental Remediation                      | 588                     | 441                  | -                         | (441)   |
| Local Improvement District Construction        | 32,409                  | 24,307               | 24,307                    | -   |
| Parks Construction                             | 37,409                  | 28,057               | 28,057                    | -   |
| Fire and Police Disability and Retirement      | 25,804                  | 25,804               | -                         | (25,804)  |
| Health Insurance Operating                     | 15,755                  | 11,816               | -                         | (11,816)  |
| Facilities Services Operating                  | 115,719                 | 86,790               | -                         | (86,790)  |
| Fleet Services Operating                       | 203,734                 | 152,801              | -                         | (152,801)   |
| Printing and Distribution Services Operating   | 79,895                  | 59,922               | -                         | (59,922)  |
| Communication Services Operating               | 104,219                 | 78,164               | -                         | (78,164)  |
| Insurance and Claims Operating                 | 35,888                  | 26,916               | -                         | (26,916)  |
| Workers' Compensation Self-insurance Operating | 35,888                  | 26,916               | -                         | (26,916)  |
| Information Technology                         | 159,469                 | 119,602              | -                         | (119,602)   |
| <b>Total other financing sources (uses)</b>    | <u>10,262,812</u>       | <u>7,703,560</u>     | <u>4,888,688</u>          | <u>(2,814,872)</u>  |
| <b>Net change in fund balances</b>             | <u>(8,274,503)</u>      | <u>(9,148,751)</u>   | <u>(3,931,289)</u>        | <u>5,217,462</u>  |
| <b>Fund balances -- beginning</b>              | <u>20,819,403</u>       | <u>21,693,651</u>    | <u>22,759,376</u>         | <u>1,065,725</u>  |
| <b>Fund balances -- ending</b>                 | <u>\$ 12,544,900</u>    | <u>\$ 12,544,900</u> | <u>\$ 18,828,087</u>      | <u>\$ 6,283,187</u>   |

City of Portland, Oregon  
 South Park Block Redemption Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 For the Year Ended June 30, 2002

|                                    | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES:</b>                   |                         |                   |                           |   |
| Current year's taxes               | \$ 6,379,800            | \$ 6,379,800      | \$ 6,130,657              | \$ (249,143)  |
| Prior years' property taxes        | 198,400                 | 198,400           | 173,901                   | (24,499)  |
| Investment earnings                | 148,000                 | 148,000           | 119,053                   | (28,947)  |
| Other interest income              | -                       | -                 | 57                        | 57  |
| <b>Total revenues</b>              | <u>6,726,200</u>        | <u>6,726,200</u>  | <u>6,423,668</u>          | <u>(302,532)</u>  |
| <b>EXPENDITURES:</b>               |                         |                   |                           |   |
| Debt service:                      |                         |                   |                           |   |
| Principal                          | 4,158,757               | 4,858,876         | 4,530,000                 | 328,876   |
| Interest                           | 2,567,443               | 2,567,443         | 2,565,394                 | 2,049   |
| <b>Total expenditures</b>          | <u>6,726,200</u>        | <u>7,426,319</u>  | <u>7,095,394</u>          | <u>330,925</u>  |
| Revenues over (under) expenditures | -                       | (700,119)         | (671,726)                 | 28,393  |
| Fund balances -- beginning         | <u>589,375</u>          | <u>1,289,494</u>  | <u>1,444,798</u>          | <u>155,304</u>  |
| Fund balances -- ending            | <u>\$ 589,375</u>       | <u>\$ 589,375</u> | <u>\$ 773,072</u>         | <u>\$ 183,697</u>   |

**City of Portland, Oregon**  
**Airport Way Debt Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                    | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                    |                         |                   |                           |   |
| Current year's taxes               | \$ 6,974,500            | \$ 6,974,500      | \$ 6,837,722              | \$ (136,778)  |
| Prior years' property taxes        | 158,600                 | 158,600           | 193,501                   | 34,901  |
| Investment earnings                | 160,000                 | 160,000           | 99,821                    | (60,179)  |
| Other interest income              | -                       | -                 | 132                       | 132   |
|                                    | <u>7,293,100</u>        | <u>7,293,100</u>  | <u>7,131,176</u>          | <u>(161,924)</u>  |
| <b>EXPENDITURES</b>                |                         |                   |                           |   |
| Debt service:                      |                         |                   |                           |   |
| Principal                          | 3,458,391               | 3,573,304         | 3,375,000                 | 198,304   |
| Interest                           | <u>3,834,709</u>        | <u>3,834,709</u>  | <u>3,833,654</u>          | <u>1,055</u>  |
|                                    | <u>7,293,100</u>        | <u>7,408,013</u>  | <u>7,208,654</u>          | <u>199,359</u>  |
| Revenues over (under) expenditures | -                       | (114,913)         | (77,478)                  | 37,435  |
| Fund balances -- beginning         | <u>427,731</u>          | <u>542,644</u>    | <u>703,369</u>            | <u>160,725</u>  |
| Fund balances -- ending            | <u>\$ 427,731</u>       | <u>\$ 427,731</u> | <u>\$ 625,891</u>         | <u>\$ 198,160</u>   |

**City of Portland, Oregon**  
**Gas Tax Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                       |                         |                  |                           |   |
| Investment earnings                   | \$ -                    | \$ -             | \$ 8                      | \$ 8  |
| Other interest income                 | -                       | -                | 47                        | 47  |
| Total revenues                        | <u>-</u>                | <u>-</u>         | <u>55</u>                 | <u>55</u>   |
| <b>EXPENDITURES</b>                   |                         |                  |                           |   |
| Debt service:                         |                         |                  |                           |   |
| Principal                             | 360,001                 | 360,001          | 360,000                   | 1   |
| Interest                              | 431,961                 | 431,961          | 431,960                   | 1   |
| Total expenditures                    | <u>791,962</u>          | <u>791,962</u>   | <u>791,960</u>            | <u>2</u>  |
| Revenues over (under) expenditures    | <u>(791,962)</u>        | <u>(791,962)</u> | <u>(791,905)</u>          | <u>57</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                  |                           |   |
| Transfers from other funds:           |                         |                  |                           |   |
| Transportation Operating              | 525,782                 | 525,782          | 525,782                   | -   |
| Spectator Facilities Operating        | 266,180                 | 266,180          | 266,178                   | (2)   |
| Total other financing sources (uses)  | <u>791,962</u>          | <u>791,962</u>   | <u>791,960</u>            | <u>(2)</u>  |
| Net change in fund balances           | -                       | -                | 55                        | 55  |
| Fund balances -- beginning            | -                       | -                | 494                       | 494   |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 549</u>             | <u>\$ 549</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, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Current year's taxes               | \$ 3,063,964            | \$ 3,063,964     | \$ 2,609,513              | \$ (454,451)  |
| Prior years' property taxes        | 45,210                  | 45,210           | 42,080                    | (3,130)   |
| Investment earnings                | 69,000                  | 69,000           | 41,600                    | (27,400)  |
| Total revenues                     | <u>3,178,174</u>        | <u>3,178,174</u> | <u>2,693,193</u>          | <u>(484,981)</u>  |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Debt service:                      |                         |                  |                           |   |
| Principal                          | 2,227,274               | 2,227,274        | 2,530,000                 | (302,726)   |
| Interest                           | 950,900                 | 950,900          | 200,312                   | 750,588   |
| Total expenditures                 | <u>3,178,174</u>        | <u>3,178,174</u> | <u>2,730,312</u>          | <u>447,862</u>  |
| Revenues over (under) expenditures | -                       | -                | (37,119)                  | (37,119)  |
| Fund balances -- beginning         | -                       | -                | 114,554                   | 114,554   |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 77,435</u>          | <u>\$ 77,435</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, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Current year's taxes               | \$ 3,712,086            | \$ 3,824,043     | \$ 3,855,871              | \$ 31,828   |
| Prior years' property taxes        | 104,664                 | 104,664          | 114,902                   | 10,238  |
| Investment earnings                | 85,876                  | 85,876           | 61,050                    | (24,826)  |
| Miscellaneous                      | 456,500                 | -                | 12                        | 12  |
| Total revenues                     | <u>4,359,126</u>        | <u>4,014,583</u> | <u>4,031,835</u>          | <u>17,252</u>   |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Debt service:                      |                         |                  |                           |   |
| Principal                          | 2,856,870               | 4,089,110        | 3,737,695                 | 351,415   |
| Interest                           | 1,502,256               | 1,200            | 352,440                   | (351,240)   |
| Total expenditures                 | <u>4,359,126</u>        | <u>4,090,310</u> | <u>4,090,135</u>          | <u>175</u>  |
| Revenues over (under) expenditures | <u>-</u>                | <u>(75,727)</u>  | <u>(58,300)</u>           | <u>17,427</u>   |
| Fund balances -- beginning         | <u>-</u>                | <u>75,727</u>    | <u>158,295</u>            | <u>82,568</u>   |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 99,995</u>          | <u>\$ 99,995</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, 2002**

|                                    | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                    |                         |                     |                           |   |
| Assessments                        | \$ 3,537,459            | \$ 3,537,459        | \$ 5,144,372              | \$ 1,606,913  |
| Investment earnings                | 392,819                 | 392,819             | 271,565                   | (121,254)   |
| Other interest income              | <u>2,716,479</u>        | <u>2,716,479</u>    | <u>1,587,349</u>          | <u>(1,129,130)</u>  |
| Total revenues                     | <u>6,646,757</u>        | <u>6,646,757</u>    | <u>7,003,286</u>          | <u>356,529</u>  |
| <b>EXPENDITURES</b>                |                         |                     |                           |   |
| Debt service:                      |                         |                     |                           |   |
| Principal                          | 4,535,000               | 4,535,000           | 4,710,000                 | (175,000)   |
| Interest                           | <u>1,731,278</u>        | <u>1,731,278</u>    | <u>782,003</u>            | <u>949,275</u>  |
| Total expenditures                 | <u>6,266,278</u>        | <u>6,266,278</u>    | <u>5,492,003</u>          | <u>774,275</u>  |
| Revenues over (under) expenditures | 380,479                 | 380,479             | 1,511,283                 | 1,130,804   |
| Fund balances -- beginning         | <u>4,817,920</u>        | <u>4,817,920</u>    | <u>6,068,451</u>          | <u>1,250,531</u>  |
| Fund balances -- ending            | <u>\$ 5,198,399</u>     | <u>\$ 5,198,399</u> | <u>\$ 7,579,734</u>       | <u>\$ 2,381,335</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, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Current year's taxes               | \$ 6,175,200            | \$ 6,175,200     | \$ 5,927,013              | \$ (248,187)  |
| Prior years' property taxes        | 138,100                 | 138,100          | 174,356                   | 36,256  |
| Investment earnings                | 142,000                 | 142,000          | 150,759                   | 8,759   |
| Total revenues                     | <u>6,455,300</u>        | <u>6,455,300</u> | <u>6,252,128</u>          | <u>(203,172)</u>  |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Debt service:                      |                         |                  |                           |   |
| Principal                          | 3,349,100               | 3,349,100        | 2,200,000                 | 1,149,100   |
| Interest                           | <u>3,106,200</u>        | <u>3,106,200</u> | <u>3,103,632</u>          | <u>2,568</u>  |
| Total expenditures                 | <u>6,455,300</u>        | <u>6,455,300</u> | <u>5,303,632</u>          | <u>1,151,668</u>  |
| Revenues over (under) expenditures | -                       | -                | 948,496                   | 948,496   |
| Fund balances -- beginning         | -                       | -                | 2,225,976                 | 2,225,976   |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 3,174,472</u>       | <u>\$ 3,174,472</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, 2002**

|                                    | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|----------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>   |                           |   |
| <b>REVENUES</b>                    |                         |                |                           |   |
| Current year's taxes               | \$ 578,211              | \$ 578,211     | \$ 280,755                | \$ (297,456)  |
| Prior years' property taxes        | 1,766                   | 1,766          | 1,715                     | (51)  |
| Investment earnings                | 13,000                  | 13,000         | 4,748                     | (8,252)   |
| <b>Total revenues</b>              | <u>592,977</u>          | <u>592,977</u> | <u>287,218</u>            | <u>(305,759)</u>  |
| <b>EXPENDITURES</b>                |                         |                |                           |   |
| Debt service:                      |                         |                |                           |   |
| Principal                          | 335,927                 | 351,782        | 270,000                   | 81,782  |
| Interest                           | 257,050                 | 257,050        | 14,755                    | 242,295   |
| <b>Total expenditures</b>          | <u>592,977</u>          | <u>608,832</u> | <u>284,755</u>            | <u>324,077</u>  |
| Revenues over (under) expenditures | -                       | (15,855)       | 2,463                     | 18,318  |
| Fund balances -- beginning         | -                       | 15,855         | 18,039                    | 2,184   |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ 20,502</u>          | <u>\$ 20,502</u>  |

**City of Portland, Oregon**  
**Special Projects Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                       |                         |                     |                           |   |
| Investment earnings                   | \$ 224,840              | \$ 224,840          | \$ 175,637                | \$ (49,203)   |
| Other interest income                 | -                       | -                   | 2                         | 2   |
| Miscellaneous                         | <u>4,193,813</u>        | <u>4,367,054</u>    | <u>4,215,595</u>          | <u>(151,459)</u>  |
| Total revenues                        | <u>4,418,653</u>        | <u>4,591,894</u>    | <u>4,391,234</u>          | <u>(200,660)</u>  |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Debt service:                         |                         |                     |                           |   |
| Principal                             | -                       | 60,000              | 60,000                    | -   |
| Interest                              | <u>5,711,063</u>        | <u>5,839,304</u>    | <u>5,820,238</u>          | <u>19,066</u>   |
| Total expenditures                    | <u>5,711,063</u>        | <u>5,899,304</u>    | <u>5,880,238</u>          | <u>19,066</u>   |
| Revenues over (under) expenditures    | <u>(1,292,410)</u>      | <u>(1,307,410)</u>  | <u>(1,489,004)</u>        | <u>(181,594)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Special Finance & Resource            | <u>-</u>                | <u>15,000</u>       | <u>9,133</u>              | <u>(5,867)</u>  |
| Net change in fund balances           | <u>(1,292,410)</u>      | <u>(1,292,410)</u>  | <u>(1,479,871)</u>        | <u>(187,461)</u>  |
| Fund balances -- beginning            | <u>4,876,136</u>        | <u>4,876,136</u>    | <u>5,074,383</u>          | <u>198,247</u>  |
| Fund balances -- ending               | <u>\$ 3,583,726</u>     | <u>\$ 3,583,726</u> | <u>\$ 3,594,512</u>       | <u>\$ 10,786</u>  |

**City of Portland, Oregon**  
**Governmental Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                       |                         |                     |                           |   |
| Billings for interfund services:      |                         |                     |                           |   |
| General                               | \$ 29,142               | \$ 29,142           | \$ 29,140                 | \$ (2)  |
| Total revenues                        | <u>29,142</u>           | <u>29,142</u>       | <u>29,140</u>             | <u>(2)</u>  |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Materials and services                | 3,168                   | 3,168               | 1,403                     | 1,765   |
| Debt service:                         |                         |                     |                           |   |
| Principal                             | 6,816,144               | 9,234,840           | 8,127,749                 | 1,107,091   |
| Interest                              | 1,414,774               | 1,414,774           | 967,566                   | 447,208   |
| Total expenditures                    | <u>8,234,086</u>        | <u>10,652,782</u>   | <u>9,096,718</u>          | <u>1,556,064</u>  |
| Revenues over (under) expenditures    | <u>(8,204,944)</u>      | <u>(10,623,640)</u> | <u>(9,067,578)</u>        | <u>1,556,062</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers from other funds:           |                         |                     |                           |   |
| General                               | 3,809,720               | 3,809,720           | 3,696,379                 | (113,341)   |
| Housing Investment                    | 4,081,304               | 6,500,000           | 3,016,609                 | (3,483,391)   |
| Capital Improvement                   | 48,920                  | 48,920              | 48,920                    | -   |
| Parks Construction                    | 265,000                 | 265,000             | 55,346                    | (209,654)   |
| Bonds and notes issued                | -                       | -                   | 2,231,495                 | 2,231,495   |
| Bond and note premium                 | -                       | -                   | 18,505                    | 18,505  |
| Total other financing sources (uses)  | <u>8,204,944</u>        | <u>10,623,640</u>   | <u>9,067,254</u>          | <u>(1,556,386)</u>  |
| Net change in fund balances           | -                       | -                   | (324)                     | (324)   |
| Fund balances -- beginning            | <u>-</u>                | <u>-</u>            | <u>52,474</u>             | <u>52,474</u>   |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 52,150</u>          | <u>\$ 52,150</u>  |



**BRASS ANIMALS IN BUS MALL**

# 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, 2002**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                        |                         |                     |                           |   |
| Investment earnings                    | \$ 416,000              | \$ 416,000          | \$ 597,786                | \$ 181,786  |
| Miscellaneous                          | -                       | -                   | 16,240                    | 16,240  |
| Sale of capital asset                  | -                       | -                   | 94,280                    | 94,280  |
| Total revenues                         | <u>416,000</u>          | <u>416,000</u>      | <u>708,306</u>            | <u>292,306</u>  |
| <b>EXPENDITURES</b>                    |                         |                     |                           |   |
| Materials and services                 | 3,690,000               | 3,894,950           | 1,822,800                 | 2,072,150   |
| Capital outlay                         | 9,290,000               | 8,790,000           | 4,549,759                 | 4,240,241   |
| General operating contingencies        | 436,091                 | 306,895             | -                         | 306,895   |
| Overhead charges - General Fund        | 51,909                  | 55,694              | 55,694                    | -   |
| Total expenditures                     | <u>13,468,000</u>       | <u>13,047,539</u>   | <u>6,428,253</u>          | <u>6,619,286</u>  |
| Revenues over (under) expenditures     | <u>(13,052,000)</u>     | <u>(12,631,539)</u> | <u>(5,719,947)</u>        | <u>6,911,592</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                         |                     |                           |   |
| Transfers to other funds:              |                         |                     |                           |   |
| Facilities Services Operating          | <u>(2,167,000)</u>      | <u>(2,587,461)</u>  | <u>(2,517,664)</u>        | <u>69,797</u>   |
| Total other financing sources and uses | <u>(2,167,000)</u>      | <u>(2,587,461)</u>  | <u>(2,517,664)</u>        | <u>69,797</u>   |
| Net change in fund balances            | (15,219,000)            | (15,219,000)        | (8,237,611)               | 6,981,389   |
| Fund balances -- beginning             | <u>15,219,000</u>       | <u>15,219,000</u>   | <u>18,767,468</u>         | <u>3,548,468</u>  |
| Fund balances -- ending                | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 10,529,857</u>      | <u>\$ 10,529,857</u>  |

**City of Portland, Oregon**  
**Local Improvement District Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                               |                         |                     |                           |   |
| Assessment to other fund:                     |                         |                     |                           |   |
| Housing and Community Development             | \$ 514,635              | \$ 754,809          | \$ 81,629                 | \$ (673,180)  |
| Assessments                                   | 1,300,000               | 1,300,000           | 6,440,098                 | 5,140,098   |
| Refunds                                       | 600                     | 600                 | 10,362                    | 9,762   |
| Investment earnings                           | 110,000                 | 110,000             | 126,511                   | 16,511  |
| Other interest income                         | 525,000                 | 525,000             | 198,943                   | (326,057)   |
| Miscellaneous                                 | -                       | -                   | 525                       | 525   |
| Miscellaneous service charges                 | 712,000                 | 712,000             | 1,582,731                 | 870,731   |
| <b>Total revenues</b>                         | <b>3,162,235</b>        | <b>3,402,409</b>    | <b>8,440,799</b>          | <b>5,038,390</b>  |
| <b>EXPENDITURES</b>                           |                         |                     |                           |   |
| Materials and services                        | 5,829,025               | 5,829,025           | 3,112,913                 | 2,716,112   |
| Capital outlay                                | 3,100,000               | 3,100,000           | 853,601                   | 2,246,399   |
| General operating contingencies               | 269,436                 | 293,384             | -                         | 293,384   |
| Overhead charges - General Fund               | 150,883                 | 135,037             | 135,037                   | -   |
| Debt service:                                 |                         |                     |                           |   |
| Principal                                     | 15,620,000              | 15,620,000          | 7,679,847                 | 7,940,153   |
| Interest                                      | 770,000                 | 770,000             | 434,894                   | 335,106   |
| <b>Total expenditures</b>                     | <b>25,739,344</b>       | <b>25,747,446</b>   | <b>12,216,292</b>         | <b>13,531,154</b>   |
| <b>Revenues over (under) expenditures</b>     | <b>(22,577,109)</b>     | <b>(22,345,037)</b> | <b>(3,775,493)</b>        | <b>18,569,544</b>   |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                         |                     |                           |   |
| Transfers from other funds:                   |                         |                     |                           |   |
| Transportation Operating                      | 6,366                   | 6,366               | 6,366                     | -   |
| Sewer System Operating                        | 26,685                  | 26,685              | 26,685                    | -   |
| Sewer System Construction                     | 19,948                  | 19,948              | 19,948                    | -   |
| Transfers to other funds:                     |                         |                     |                           |   |
| Pension Debt Redemption                       | (32,409)                | (24,307)            | (24,307)                  | -   |
| Sewer System Construction                     | (2,000,000)             | (2,000,000)         | -                         | 2,000,000   |
| Bonds and notes issued                        | 23,757,994              | 23,517,820          | 3,447,798                 | (20,070,022)  |
| <b>Total other financing sources and uses</b> | <b>21,778,584</b>       | <b>21,546,512</b>   | <b>3,476,490</b>          | <b>(18,070,022)</b>   |
| <b>Net change in fund balances</b>            | <b>(798,525)</b>        | <b>(798,525)</b>    | <b>(299,003)</b>          | <b>499,522</b>  |
| <b>Fund balances -- beginning</b>             | <b>798,525</b>          | <b>798,525</b>      | <b>1,198,250</b>          | <b>399,725</b>  |
| <b>Fund balances -- ending</b>                | <b>\$ -</b>             | <b>\$ -</b>         | <b>\$ 899,247</b>         | <b>\$ 899,247</b>   |

**City of Portland, Oregon  
Capital Improvement Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                       |                         |                  |                           |   |
| Investment earnings                   | \$ -                    | \$ -             | \$ 567                    | \$ 567  |
| Other interest income                 | 4,690                   | 4,690            | 22,798                    | 18,108  |
| Total revenues                        | <u>4,690</u>            | <u>4,690</u>     | <u>23,365</u>             | <u>18,675</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                  |                           |   |
| Transfers to other funds:             |                         |                  |                           |   |
| Governmental Bond Redemption          | (48,920)                | (48,920)         | (48,920)                  | -   |
| Revenues over (under) expenditures    | (44,230)                | (44,230)         | (25,555)                  | 18,675  |
| Fund balances -- beginning            | 93,904                  | 93,904           | 91,172                    | (2,732)   |
| Fund balances -- ending               | <u>\$ 49,674</u>        | <u>\$ 49,674</u> | <u>\$ 65,617</u>          | <u>\$ 15,943</u>  |

**City of Portland, Oregon**  
**Parks Bond Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                            | <u>Budgeted Amounts</u> |              |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|----------------------------|-------------------------|--------------|---------------------------|---|
|                            | <u>Original</u>         | <u>Final</u> | <u>Actual<br/>Amounts</u> |   |
| Fund balances -- beginning | \$ -                    | \$ -         | \$ (15,577)               | \$ (15,577)   |
| Fund balances -- ending    | <u>\$ -</u>             | <u>\$ -</u>  | <u>\$ (15,577)</u>        | <u>\$ (15,577)</u>  |

**City of Portland, Oregon**  
**Parks Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES</b>                               |                         |                    |                           |   |
| Local cost sharing                            | \$ 1,907,000            | \$ 5,492,205       | \$ 3,967,679              | \$ (1,524,526)  |
| Service charges and fees:                     |                         |                    |                           | -   |
| Public works and utility charges              | 1,300,000               | 1,300,000          | 1,827,377                 | 527,377   |
| Rents and reimbursements                      | -                       | 7,000              | 8,575                     | 1,575   |
| Billings for interfund services:              |                         |                    |                           |   |
| Sewer System Operating                        | -                       | 7,000              | -                         | (7,000)   |
| Golf  | 120,000                 | 120,000            | 35,286                    | (84,714)  |
| Portland Parks Memorial Trust                 | 220,000                 | 302,438            | 101,856                   | (200,582)   |
| Assessments                                   | -                       | -                  | 383,378                   | 383,378   |
| Private grants and donations                  | -                       | 75,000             | 11,000                    | (64,000)  |
| Investment earnings                           | 189,266                 | 189,266            | 66,782                    | (122,484)   |
| Other interest income                         | -                       | -                  | 37,388                    | 37,388  |
|   | <u>3,736,266</u>        | <u>7,492,909</u>   | <u>6,439,321</u>          | <u>(1,053,588)</u>  |
| <b>Total revenues</b>                         |                         |                    |                           |   |
| <b>EXPENDITURES</b>                           |                         |                    |                           |   |
| Personal services                             | 1,082,485               | 1,119,485          | 1,016,438                 | 103,047   |
| Materials and services                        | 1,054,494               | 2,006,394          | 1,368,244                 | 638,150   |
| Capital outlay                                | 4,589,699               | 9,939,104          | 7,068,477                 | 2,870,627   |
| General operating contingencies               | 1,113,635               | 188,322            | -                         | 188,322   |
| Overhead charges - General Fund               | 86,722                  | 137,590            | 137,590                   | -   |
| Debt service:                                 |                         |                    |                           |   |
| Interest                                      | -                       | -                  | 17,538                    | (17,538)  |
|   | <u>7,927,035</u>        | <u>13,390,895</u>  | <u>9,608,287</u>          | <u>3,782,608</u>  |
| <b>Total expenditures</b>                     |                         |                    |                           |   |
| Revenues over (under) expenditures            | <u>(4,190,769)</u>      | <u>(5,897,986)</u> | <u>(3,168,966)</u>        | <u>2,729,020</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                         |                    |                           |   |
| Transfers from other funds:                   |                         |                    |                           |   |
| General                                       | 2,143,450               | 2,133,450          | 2,143,450                 | 10,000  |
| Portland Parks Memorial Trust                 | -                       | 60,000             | -                         | (60,000)  |
| Federal Grants                                | -                       | 47,865             | (20,934)                  | (68,799)  |
| Transfers to other funds:                     |                         |                    |                           |   |
| Pension Debt Redemption                       | (37,409)                | (28,057)           | (28,057)                  | -   |
| Governmental Bond Redemption                  | (265,000)               | (265,000)          | (55,346)                  | 209,654   |
| Bonds and notes issued                        | -                       | 1,600,000          | 500,000                   | (1,100,000)   |
|   | <u>1,841,041</u>        | <u>3,548,258</u>   | <u>2,539,113</u>          | <u>(1,009,145)</u>  |
| <b>Total other financing sources and uses</b> |                         |                    |                           |   |
| Net change in fund balances                   | (2,349,728)             | (2,349,728)        | (629,853)                 | 1,719,875   |
| Fund balances – beginning                     | 2,349,728               | 2,349,728          | 2,343,490                 | (6,238)   |
| Fund balances – ending                        | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 1,713,637</u>       | <u>\$ 1,713,637</u>   |



PARKING GARAGE - SW 3RD & ALDER

# Permanent Fund Budget and Actual

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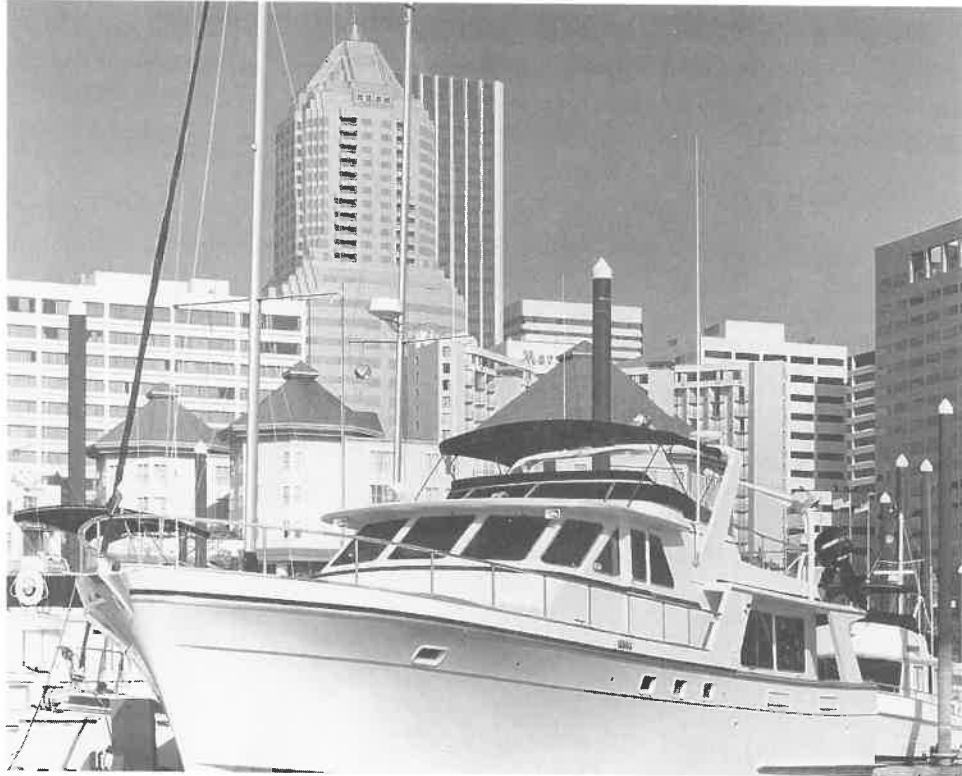
## ***Parks Endowment Fund***

This fund is established in place of the F.L. Beach Curbside Rose Award Trust Fund in order to comply with requirements of the Governmental Accounting Standards Board per pronouncement 34 and to properly transact the financial affairs of the City of Portland. Fund proceeds are used to encourage planting and maintaining roses through a system of annual competitive awards.

**City of Portland, Oregon**  
**Parks Endowment Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES</b>                       |                         |              |                           |   |
| Investment earnings                   | \$ -                    | \$ -         | \$ 1,042                  | \$ 1,042  |
| <b>EXPENDITURES</b>                   |                         |              |                           |   |
| Materials and services                | -                       | -            | 584                       | (584)   |
| Revenues over (under) expenditures    | -                       | -            | 458                       | 458   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |              |                           |   |
| Transfers from other funds:           |                         |              |                           |   |
| Portland Parks Memorial Trust         | -                       | -            | 28,346                    | 28,346  |
| Net change in fund balances           | -                       | -            | 28,804                    | 28,804  |
| Fund balances -- beginning            | -                       | 29,000       | -                         | (29,000)  |
| Fund balances -- ending               | \$ -                    | \$ 29,000    | \$ 28,804                 | \$ (196)  |

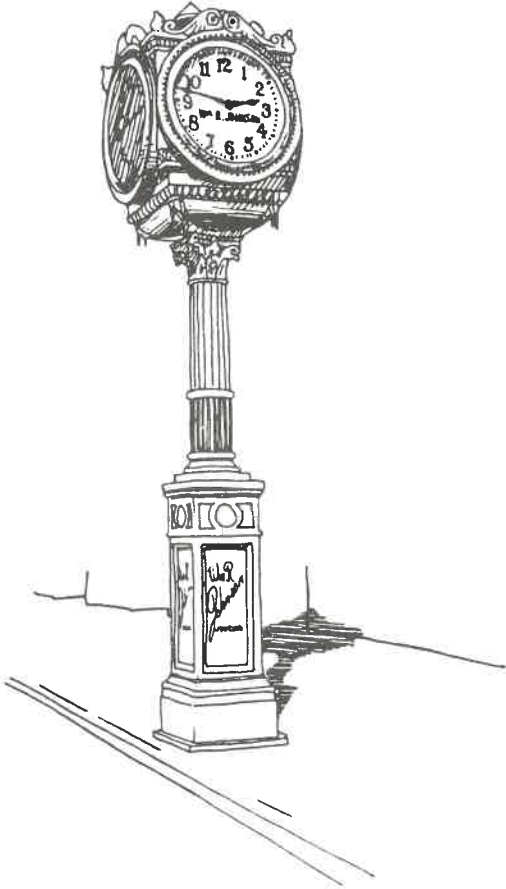




**MARINA**

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

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Johnson Street Clock, 1880

# 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

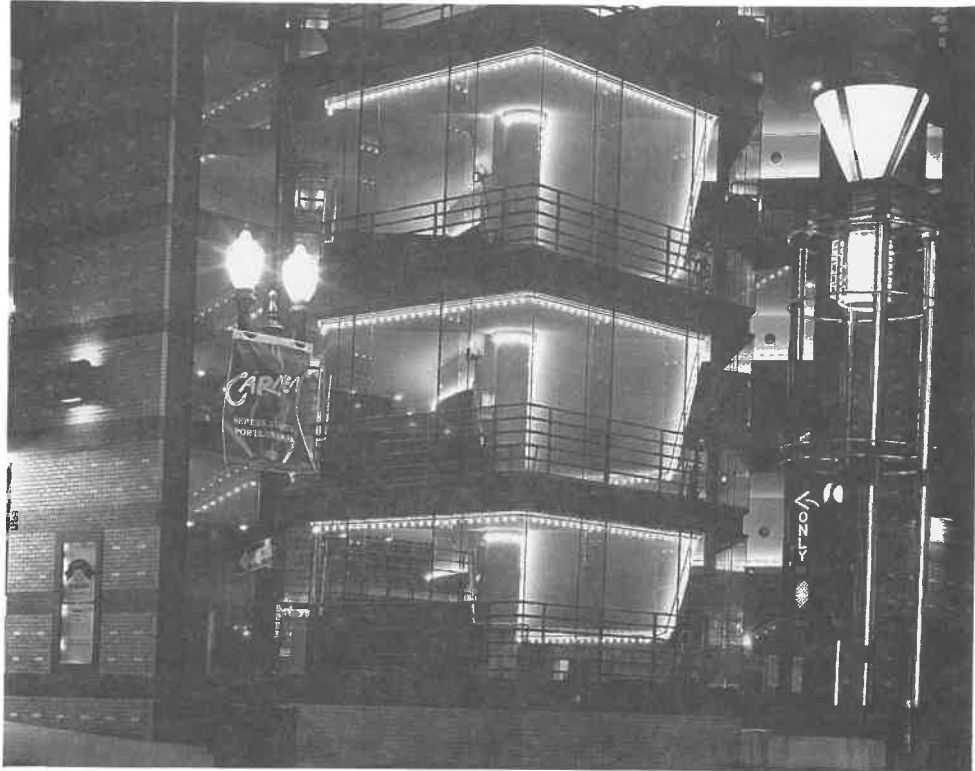
### SOLID WASTE MANAGEMENT OPERATING FUND

### PARKING FACILITIES FUND:

- Parking Facilities Fund
- Morrison Park West Bond Redemption Fund
- Morrison Park East Bond Redemption Fund
- Parking Facilities Debt Redemption Fund
- Old Town Parking Bond Redemption Fund

### SPECTATOR FACILITIES OPERATING FUND

### ENVIRONMENTAL REMEDIATION FUND



**PORTLAND CENTER FOR PERFORMING ARTS**

**City of Portland, Oregon**  
**Sewer System Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                           |                         |                     |                           |   |
| Service charges and fees:                 |                         |                     |                           |   |
| Construction permits                      | \$ 168,000              | \$ 168,000          | \$ 101,120                | \$ (66,880)   |
| Other permits                             | 282,000                 | 282,000             | 290,712                   | 8,712   |
| State cost sharing                        | 96,801                  | 96,801              | 76,117                    | (20,684)  |
| Local cost sharing                        | 902,623                 | 892,273             | 1,034,144                 | 141,871   |
| Public works and utility charges          | 143,493,787             | 143,493,787         | 156,962,152               | 13,468,365  |
| Miscellaneous service charges             | -                       | -                   | 228,313                   | 228,313   |
| Rents and reimbursements                  | 74,498                  | 74,498              | 123,607                   | 49,109  |
| Miscellaneous:                            |                         |                     |                           |   |
| Private grants and donations              | 453,769                 | 629,899             | 318,933                   | (310,966)   |
| Investment earnings                       | 900,000                 | 900,000             | 552,102                   | (347,898)   |
| Miscellaneous                             | 57,485                  | 57,485              | 24,740                    | (32,745)  |
| Sale of capital asset                     | -                       | -                   | 76,900                    | 76,900  |
| Billings for interfund services:          |                         |                     |                           |   |
| General                                   | 86,279                  | 189,779             | 132,835                   | (56,944)  |
| Transportation Operating                  | 533,400                 | 569,590             | 568,220                   | (1,370)   |
| Water                                     | 100,000                 | 100,000             | 120,452                   | 20,452  |
| Golf                                      | -                       | 40,000              | -                         | (40,000)  |
| Portland International Raceway            | 60,000                  | 60,000              | 55,000                    | (5,000)   |
| Solid Waste Management                    | 28,970                  | 28,970              | 38,330                    | 9,360   |
| Environmental Remediation                 | 38,915                  | 38,915              | 8,384                     | (30,531)  |
| Parks Construction                        | 10,000                  | 10,000              | 46,224                    | 36,224  |
| Facilities Services Operating             | -                       | -                   | 24,976                    | 24,976  |
| Sales - other                             | 94,454                  | 94,454              | 217,171                   | 122,717   |
| Refunds                                   | 1,241                   | 1,241               | 68,501                    | 67,260  |
| <b>Total revenues</b>                     | <b>147,382,222</b>      | <b>147,727,692</b>  | <b>161,068,933</b>        | <b>13,341,241</b>   |
| <b>EXPENDITURES</b>                       |                         |                     |                           |   |
| Personal services                         | 34,917,237              | 36,097,664          | 34,255,512                | 1,842,152   |
| Materials and services                    | 60,337,306              | 77,017,979          | 72,878,185                | 4,139,794   |
| Capital outlay                            | 56,845,774              | 52,086,014          | 38,597,240                | 13,488,774  |
| General operating contingencies           | 7,375,689               | 6,701,813           | -                         | 6,701,813   |
| Overhead charges - General Fund           | 1,883,975               | 1,495,879           | 1,495,879                 | -   |
| Debt service:                             |                         |                     |                           |   |
| Principal                                 | -                       | -                   | 142,300                   | (142,300)   |
| Interest                                  | -                       | -                   | 1,124,883                 | (1,124,883)   |
| <b>Total expenditures</b>                 | <b>161,359,981</b>      | <b>173,399,349</b>  | <b>148,493,999</b>        | <b>24,905,350</b>   |
| <b>Revenues over (under) expenditures</b> | <b>(13,977,759)</b>     | <b>(25,671,657)</b> | <b>12,574,934</b>         | <b>38,246,591</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, 2002**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                         |                     |                           |   |
| Transfers from other funds:                  |                         |                     |                           |   |
| General                                      | -                       | 222,000             | 222,000                   | -   |
| Environmental Remediation                    | 10,610                  | 460,610             | 451,468                   | (9,142)   |
| Sewer System Construction                    | 90,583,913              | 91,086,475          | 82,866,056                | (8,220,419)   |
| Sewer System Rate Stabilization              | 4,700,000               | 19,390,615          | 5,275,000                 | (14,115,615)  |
| Communication Services Operating             | -                       | 159,314             | 159,314                   | -   |
| Federal Grants                               | 688,872                 | 966,919             | 396,462                   | (570,457)   |
| Transfers to other funds:                    |                         |                     |                           |   |
| General                                      | (9,750,000)             | (9,750,000)         | (11,048,119)              | (1,298,119)   |
| Pension Debt Redemption                      | (1,374,423)             | (1,030,817)         | -                         | 1,030,817   |
| Sewer System Debt Redemption                 | (61,434,191)            | (61,434,191)        | (61,406,210)              | 27,981  |
| Local Improvement District Construction      | (26,685)                | (26,685)            | (26,685)                  | -   |
| Sewer System Construction                    | (47,130,585)            | (47,130,585)        | (20,000,000)              | 27,130,585  |
| Sewer System Rate Stabilization              | -                       | (8,522,135)         | -                         | 8,522,135   |
| Printing and Distribution Services Operating | (25,000)                | (25,000)            | (16,953)                  | 8,047   |
| Total other financing sources (uses)         | <u>(23,757,489)</u>     | <u>(15,633,480)</u> | <u>(3,127,667)</u>        | <u>12,505,813</u>   |
| Net change in fund balances                  | (37,735,248)            | (41,305,137)        | 9,447,267                 | 50,752,404  |
| Fund balances -- beginning                   | <u>37,735,248</u>       | <u>41,305,137</u>   | <u>41,405,699</u>         | <u>100,562</u>  |
| Fund balances -- ending                      | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 50,852,966</u>      | <u>\$ 50,852,966</u>  |

**City of Portland, Oregon**  
**Sewer System Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                       |                         |                     |                           |   |
| Investment earnings                   | \$ 25,000               | \$ 25,000           | \$ 11,165                 | \$ (13,835)   |
| Other interest income                 | -                       | -                   | 5,234                     | 5,234   |
| Total revenues                        | <u>25,000</u>           | <u>25,000</u>       | <u>16,399</u>             | <u>(8,601)</u>  |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Debt Service:                         |                         |                     |                           |   |
| Principal                             | 22,699,323              | 22,699,323          | 22,699,323                | -   |
| Interest                              | 38,735,513              | 38,735,513          | 38,734,463                | 1,050   |
| Total expenditures                    | <u>61,434,836</u>       | <u>61,434,836</u>   | <u>61,433,786</u>         | <u>1,050</u>  |
| Revenues over (under) expenditures    | (61,409,836)            | (61,409,836)        | (61,417,387)              | (7,551)   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers from other funds:           |                         |                     |                           |   |
| Sewer System Operating                | 61,434,191              | 61,434,191          | 61,406,210                | (27,981)  |
| Net change in fund balances           | 24,355                  | 24,355              | (11,177)                  | (35,532)  |
| Fund balances -- beginning            | <u>2,217,911</u>        | <u>2,217,911</u>    | <u>2,836,593</u>          | <u>618,682</u>  |
| Fund balances -- ending               | <u>\$ 2,242,266</u>     | <u>\$ 2,242,266</u> | <u>\$ 2,825,416</u>       | <u>\$ 583,150</u>   |



**City of Portland, Oregon**  
**Sewer System Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                         |                         |                     |                           |   |
| Service charges and fees:               |                         |                     |                           |   |
| Local cost sharing                      | \$ -                    | \$ -                | \$ 42,298                 | \$ 42,298   |
| Miscellaneous:                          |                         |                     |                           |   |
| Public works and utility charges        | 729,910                 | 729,910             | 816,442                   | 86,532  |
| Refunds                                 | -                       | -                   | 159,850                   | 159,850   |
| Investment earnings                     | 5,475,000               | 5,475,000           | 3,273,960                 | (2,201,040)   |
| Total revenues                          | <u>6,204,910</u>        | <u>6,204,910</u>    | <u>4,292,550</u>          | <u>(1,912,360)</u>  |
| <b>EXPENDITURES</b>                     |                         |                     |                           |   |
| Materials and services                  | -                       | 300                 | 169                       | 131   |
| General operating contingencies         | 72,769,455              | 72,769,155          | -                         | 72,769,155  |
| Total expenditures                      | <u>72,769,455</u>       | <u>72,769,455</u>   | <u>169</u>                | <u>72,769,286</u>   |
| Revenues over (under) expenditures      | <u>(66,564,545)</u>     | <u>(66,564,545)</u> | <u>4,292,381</u>          | <u>70,856,926</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                         |                     |                           |   |
| Transfers from other funds:             |                         |                     |                           |   |
| Sewer System Operating                  | 47,130,585              | 47,130,585          | 20,000,000                | (27,130,585)  |
| Local Improvement District Construction | 2,000,000               | 2,000,000           | -                         | (2,000,000)   |
| Federal Grants                          | 1,928,374               | 2,430,936           | 2,430,936                 | -   |
| Transfers to other funds:               |                         |                     |                           |   |
| Sewer System Operating                  | (90,583,913)            | (91,086,475)        | (82,866,056)              | 8,220,419   |
| Local Improvement District Construction | (19,948)                | (19,948)            | (19,948)                  | -   |
| Total other financing sources (uses)    | <u>(39,544,902)</u>     | <u>(39,544,902)</u> | <u>(60,455,068)</u>       | <u>(20,910,166)</u>   |
| Net change in fund balances             | (106,109,447)           | (106,109,447)       | (56,162,687)              | 49,946,760  |
| Fund balances -- beginning              | 106,109,447             | 106,109,447         | 113,031,613               | 6,922,166   |
| Fund balances -- ending                 | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 56,868,926</u>      | <u>\$ 56,868,926</u>  |

**City of Portland, Oregon**  
**Sewer System Rate Stabilization Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES</b>                       |                         |              |                           |   |
| Investment earnings                   | \$ 170,615              | \$ 695,615   | \$ 322,954                | \$ (372,661)  |
| <b>EXPENDITURES</b>                   |                         |              |                           |   |
| General operating contingencies       | 646,026                 | 9,027,135    | -                         | 9,027,135   |
| Revenues over (under) expenditures    | (475,411)               | (8,331,520)  | 322,954                   | 8,654,474   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |              |                           |   |
| Transfers from other funds:           |                         |              |                           |   |
| Sewer System Operating                | -                       | 8,522,135    | -                         | (8,522,135)   |
| Transfers to other funds:             |                         |              |                           |   |
| Sewer System Operating                | (4,700,000)             | (19,390,615) | (5,275,000)               | 14,115,615  |
| Total other financing sources (uses)  | (4,700,000)             | (10,868,480) | (5,275,000)               | 5,593,480   |
| Net change in fund balances           | (5,175,411)             | (19,200,000) | (4,952,046)               | 14,247,954  |
| Fund balances -- beginning            | 5,175,411               | 19,200,000   | 7,980,169                 | (11,219,831)  |
| Fund balances -- ending               | \$ -                    | \$ -         | \$ 3,028,123              | \$ 3,028,123  |

**City of Portland, Oregon  
Sewer System Safety Net Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Investment earnings                | \$ 10,000               | \$ 10,000        | \$ -                      | \$ (10,000)   |
| Loan repayments                    | 230,000                 | 230,000          | 59,484                    | (170,516)   |
| Total revenues                     | <u>240,000</u>          | <u>240,000</u>   | <u>59,484</u>             | <u>(180,516)</u>  |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Materials and services             | 200,000                 | 200,000          | -                         | 200,000   |
| General operating contingencies    | 1,988,337               | 1,988,337        | -                         | 1,988,337   |
| Debt service:                      |                         |                  |                           |   |
| Interest                           | 30,000                  | 30,000           | -                         | 30,000  |
| Total expenditures                 | <u>2,218,337</u>        | <u>2,218,337</u> | <u>-</u>                  | <u>2,218,337</u>  |
| Revenues over (under) expenditures | (1,978,337)             | (1,978,337)      | 59,484                    | 2,037,821   |
| Fund balances -- beginning         | <u>1,978,337</u>        | <u>1,978,337</u> | <u>996,383</u>            | <u>(981,954)</u>  |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 1,055,867</u>       | <u>\$ 1,055,867</u>   |

**City of Portland, Oregon**  
**Sewer Revolving Loan Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                    | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|------------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                    |                         |                  |                           |   |
| Public works and utility charges   | \$ 35,000               | \$ 35,000        | \$ 22,355                 | \$ (12,645)   |
| Investment earnings                | 50,000                  | 50,000           | 45,328                    | (4,672)   |
| Loan repayments                    | 35,000                  | 35,000           | 25,834                    | (9,166)   |
| Total revenues                     | <u>120,000</u>          | <u>120,000</u>   | <u>93,517</u>             | <u>(26,483)</u>   |
| <b>EXPENDITURES</b>                |                         |                  |                           |   |
| Materials and services             | 36,000                  | 36,000           | 26,860                    | 9,140   |
| General operating contingencies    | 1,634,788               | 1,634,788        | -                         | 1,634,788   |
| Total expenditures                 | <u>1,670,788</u>        | <u>1,670,788</u> | <u>26,860</u>             | <u>1,643,928</u>  |
| Revenues over (under) expenditures | (1,550,788)             | (1,550,788)      | 66,657                    | 1,617,445   |
| Fund balances -- beginning         | <u>1,550,788</u>        | <u>1,550,788</u> | <u>1,552,592</u>          | <u>1,804</u>  |
| Fund balances -- ending            | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 1,619,249</u>       | <u>\$ 1,619,249</u>   |

**City of Portland, Oregon**  
**Water Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                           |                         |                     |                           |   |
| Service charges and fees:                 |                         |                     |                           |   |
| Public works and utility charges          | \$ 66,486,528           | \$ 66,486,528       | \$ 69,132,861             | \$ 2,646,333  |
| Rents and reimbursements                  | 275,000                 | 275,000             | 318,404                   | 43,404  |
| Miscellaneous service charges             | 75,000                  | 75,000              | 120,542                   | 45,542  |
| Miscellaneous and interest:               |                         |                     |                           |   |
| Local cost sharing                        | 10,072                  | 10,072              | 11,180                    | 1,108   |
| Sales - other                             | 641,812                 | 641,812             | 91,228                    | (550,584)   |
| Refunds                                   | 75,000                  | 75,000              | 108,828                   | 33,828  |
| Investment earnings                       | 636,848                 | 636,848             | 690,325                   | 53,477  |
| Other interest income                     | -                       | -                   | 17,538                    | 17,538  |
| Miscellaneous                             | -                       | -                   | 619,950                   | 619,950   |
| Sale of capital asset                     | -                       | -                   | 197,136                   | 197,136   |
| Billings for interfund services:          |                         |                     |                           |   |
| General                                   | 5,000                   | 37,000              | 35,962                    | (1,038)   |
| Transportation Operating                  | 211,100                 | 211,100             | 516,869                   | 305,769   |
| Sewer System Operating                    | 5,476,105               | 6,151,105           | 6,704,562                 | 553,457   |
| Hydroelectric Power Operating             | 84,590                  | 84,590              | 64,175                    | (20,415)  |
| FRES Facilities Bond Construction         | -                       | -                   | 5,170                     | 5,170   |
| Parks Construction                        | -                       | -                   | 21,738                    | 21,738  |
| Facilities Services Operating             | -                       | -                   | 14,709                    | 14,709  |
| Fleet Services Operating                  | 83,580                  | 83,580              | 83,513                    | (67)  |
| Communication Services Operating          | -                       | -                   | 12,212                    | 12,212  |
| <b>Total revenues</b>                     | <u>74,060,635</u>       | <u>74,767,635</u>   | <u>78,766,902</u>         | <u>3,999,267</u>  |
| <b>EXPENDITURES</b>                       |                         |                     |                           |   |
| Personal services                         | 36,505,382              | 36,505,382          | 35,152,757                | 1,352,625   |
| Materials and services                    | 28,964,562              | 30,971,931          | 32,176,930                | (1,204,999)   |
| Capital outlay                            | 13,319,700              | 13,319,700          | 3,352,992                 | 9,966,708   |
| General operating contingencies           | 10,796,748              | 10,058,444          | -                         | 10,058,444  |
| Overhead charges - General Fund           | 1,910,288               | 1,778,621           | 1,778,621                 | -   |
| Debt service:                             |                         |                     |                           |   |
| Interest                                  | 667,080                 | 667,080             | 1,072,773                 | (405,693)   |
| <b>Total expenditures</b>                 | <u>92,163,760</u>       | <u>93,301,158</u>   | <u>73,534,073</u>         | <u>19,767,085</u>   |
| <b>Revenues over (under) expenditures</b> | <u>(18,103,125)</u>     | <u>(18,533,523)</u> | <u>5,232,829</u>          | <u>23,766,352</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, 2002**

**OTHER FINANCING SOURCES (USES)**

|  |                   |                   |                      |                      |
|--|-------------------|-------------------|----------------------|----------------------|
| Transfers from other funds:                  |                   |                   |                      |                      |
| Water Construction                           | 30,889,299        | 30,889,299        | 21,770,746           | (9,118,553)          |
| Portland Parks Memorial Trust                | -                 | 46,705            | -                    | (46,705)             |
| Federal Grants                               | 175,000           | 197,500           | (147,398)            | (344,898)            |
| Transfers to other funds:                    |                   |                   |                      |                      |
| General                                      | (3,717,679)       | (3,717,679)       | (3,740,457)          | (22,778)             |
| Pension Debt Redemption                      | (1,444,766)       | (1,083,573)       | -                    | 1,083,573            |
| Water Bond Sinking                           | (13,129,819)      | (13,129,819)      | (13,406,914)         | (277,095)            |
| Washington Co. Supply Bond Redemption        | (203,585)         | (203,585)         | (203,585)            | -                    |
| Water Construction                           | (10,553,708)      | (10,553,708)      | (10,499,386)         | 54,322               |
| Printing and Distribution Services Operating | (13,000)          | (13,000)          | (3,500)              | 9,500                |
| Communication Services Operating             | (24,400)          | (24,400)          | -                    | 24,400               |
|  | <u>1,977,342</u>  | <u>2,407,740</u>  | <u>(6,230,494)</u>   | <u>(8,638,234)</u>   |
| Total other financing sources (uses)         |                   |                   |                      |                      |
| Net change in fund balance                   | (16,125,783)      | (16,125,783)      | (997,665)            | 15,128,118           |
| Fund balances -- beginning                   | <u>16,125,783</u> | <u>16,125,783</u> | <u>18,879,771</u>    | <u>2,753,988</u>     |
| Fund balances -- ending                      | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ 17,882,106</u> | <u>\$ 17,882,106</u> |

**City of Portland, Oregon  
Water Bond Sinking Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                       |                         |                     |                           |   |
| Investment earnings                   | \$ -                    | \$ -                | \$ 6,590                  | \$ 6,590  |
| Other interest income                 | -                       | -                   | 1,558                     | 1,558   |
| Total revenues                        | <u>-</u>                | <u>-</u>            | <u>8,148</u>              | <u>8,148</u>  |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Debt service:                         |                         |                     |                           |   |
| Principal                             | 7,117,087               | 7,117,087           | 7,117,087                 | -   |
| Interest                              | 6,921,326               | 6,921,326           | 6,317,812                 | 603,514   |
| Total expenditures                    | <u>14,038,413</u>       | <u>14,038,413</u>   | <u>13,434,899</u>         | <u>603,514</u>  |
| Revenues over (under) expenditures    | <u>(14,038,413)</u>     | <u>(14,038,413)</u> | <u>(13,426,751)</u>       | <u>611,662</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers from other funds:           |                         |                     |                           |   |
| Water                                 | 13,129,819              | 13,129,819          | 13,406,914                | 277,095   |
| Water Construction                    | 908,594                 | 908,594             | 17,988                    | (890,606)   |
| Total other financing sources         | <u>14,038,413</u>       | <u>14,038,413</u>   | <u>13,424,902</u>         | <u>(613,511)</u>  |
| Net change in fund balance            | -                       | -                   | (1,849)                   | (1,849)   |
| Fund balances -- beginning            | <u>-</u>                | <u>-</u>            | <u>5,554</u>              | <u>5,554</u>  |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 3,705</u>           | <u>\$ 3,705</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, 2002**

|                                       | <u>Budgeted Amounts</u> |                     |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        | <u>Actual<br/>Amounts</u> |   |
| <b>REVENUES</b>                       |                         |                     |                           |   |
| Public works and utility charges      | \$ 1,866,330            | \$ 1,866,331        | \$ 1,632,375              | \$ (233,956)  |
| Local cost sharing                    | -                       | -                   | 110,981                   | 110,981   |
| Investment earnings                   | -                       | -                   | 3,186                     | 3,186   |
| Total revenues                        | <u>1,866,330</u>        | <u>1,866,331</u>    | <u>1,746,542</u>          | <u>(119,789)</u>  |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Debt service:                         |                         |                     |                           |   |
| Principal                             | 1,745,000               | 1,745,000           | 1,745,000                 | -   |
| Interest                              | 290,851                 | 290,852             | 290,851                   | 1   |
| Total expenditures                    | <u>2,035,851</u>        | <u>2,035,852</u>    | <u>2,035,851</u>          | <u>1</u>  |
| Revenues over (under) expenditures    | <u>(169,521)</u>        | <u>(169,521)</u>    | <u>(289,309)</u>          | <u>(119,788)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers from other funds:           |                         |                     |                           |   |
| Water                                 | 203,585                 | 203,585             | 203,585                   | -   |
| Net change in fund balances           | 34,064                  | 34,064              | (85,724)                  | (119,788)   |
| Fund balances -- beginning            | <u>1,566,277</u>        | <u>1,566,277</u>    | <u>1,688,089</u>          | <u>121,812</u>  |
| Fund balances -- ending               | <u>\$ 1,600,341</u>     | <u>\$ 1,600,341</u> | <u>\$ 1,602,365</u>       | <u>\$ 2,024</u>   |



**City of Portland, Oregon**  
**Water Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                      | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|----------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>         |                           |   |
| <b>REVENUES</b>                       |                         |                      |                           |   |
| Service charges and fees:             |                         |                      |                           |   |
| Public works and utility charges      | \$ 1,775,000            | \$ 1,775,000         | \$ 3,425,828              | \$ 1,650,828  |
| Investment earnings                   | 1,128,594               | 1,128,594            | 286,527                   | (842,067)   |
| Total revenues                        | <u>2,903,594</u>        | <u>2,903,594</u>     | <u>3,712,355</u>          | <u>808,761</u>  |
| <b>EXPENDITURES</b>                   |                         |                      |                           |   |
| General operating contingencies       | 4,769,684               | 4,769,684            | -                         | 4,769,684   |
| Total expenditures                    | <u>4,769,684</u>        | <u>4,769,684</u>     | <u>-</u>                  | <u>4,769,684</u>  |
| Revenues over (under) expenditures    | <u>(1,866,090)</u>      | <u>(1,866,090)</u>   | <u>3,712,355</u>          | <u>5,578,445</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                      |                           |   |
| Transfers from other funds:           |                         |                      |                           |   |
| Water                                 | 10,553,708              | 10,553,708           | 10,499,386                | (54,322)  |
| Transfers to other funds:             |                         |                      |                           |   |
| Water                                 | (30,889,299)            | (30,889,299)         | (21,770,746)              | 9,118,553   |
| Water Bond Sinking                    | (908,594)               | (908,594)            | (17,988)                  | 890,606   |
| Bonds and notes issued                | <u>33,750,000</u>       | <u>33,750,000</u>    | <u>6,356,054</u>          | <u>(27,393,946)</u>   |
| Total other financing sources (uses)  | <u>12,505,815</u>       | <u>12,505,815</u>    | <u>(4,933,294)</u>        | <u>(17,439,109)</u>   |
| Net change in fund balances           | 10,639,725              | 10,639,725           | (1,220,939)               | (11,860,664)  |
| Fund balances -- beginning            | <u>9,617,658</u>        | <u>9,617,658</u>     | <u>8,035,447</u>          | <u>(1,582,211)</u>  |
| Fund balances -- ending               | <u>\$ 20,257,383</u>    | <u>\$ 20,257,383</u> | <u>\$ 6,814,508</u>       | <u>\$ (13,442,875)</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, 2002**

|                            | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|----------------------------|-------------------------|---------------------|---------------------------|---|
|                            | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>            |                         |                     |                           |   |
| Investment earnings        | \$ 68,157               | \$ 68,157           | \$ 57,638                 | \$ (10,519)   |
| Fund balances -- beginning | <u>1,549,023</u>        | <u>1,549,023</u>    | <u>1,554,293</u>          | <u>5,270</u>  |
| Fund balances -- ending    | <u>\$ 1,617,180</u>     | <u>\$ 1,617,180</u> | <u>\$ 1,611,931</u>       | <u>\$ (5,249)</u>   |

**City of Portland, Oregon**  
**Hydroelectric Power Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                             |                         |                  |                           |   |
| Sales - other                               | \$ 500,652              | \$ 500,652       | \$ 500,952                | \$ 300  |
| Investment earnings                         | 15,000                  | 15,000           | 13,068                    | (1,932)   |
| Miscellaneous                               | 1,000                   | 1,000            | 416                       | (584)   |
| Billings for interfund services:            |                         |                  |                           |   |
| Water                                       | 46,500                  | 46,500           | 29,994                    | (16,506)  |
| Total revenues                              | <u>563,152</u>          | <u>563,152</u>   | <u>544,430</u>            | <u>(18,722)</u>   |
| <b>EXPENDITURES</b>                         |                         |                  |                           |   |
| Personal services                           | 243,120                 | 243,120          | 198,940                   | 44,180  |
| Materials and services                      | 470,204                 | 280,204          | 196,091                   | 84,113  |
| General operating contingencies             | 175,002                 | 181,882          | -                         | 181,882   |
| Overhead charges - General Fund             | 52,139                  | 47,819           | 47,819                    | -   |
| Debt service:                               |                         |                  |                           |   |
| Interest                                    | -                       | -                | 8,372                     | (8,372)   |
| Total expenditures                          | <u>940,465</u>          | <u>753,025</u>   | <u>451,222</u>            | <u>301,803</u>  |
| Revenues over (under) expenditures          | <u>(377,313)</u>        | <u>(189,873)</u> | <u>93,208</u>             | <u>283,081</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                  |                           |   |
| Transfers from other funds:                 |                         |                  |                           |   |
| Hydroelectric Power Renewal and Replacement | 240,000                 | 50,000           | 32,230                    | (17,770)  |
| Transfers to other funds:                   |                         |                  |                           |   |
| General                                     | (150,000)               | (150,000)        | (150,000)                 | -   |
| Pension Debt Redemption                     | (10,241)                | (7,681)          | -                         | 7,681   |
| Total other financing sources (uses)        | <u>79,759</u>           | <u>(107,681)</u> | <u>(117,770)</u>          | <u>(10,089)</u>   |
| Net change in fund balances                 | <u>(297,554)</u>        | <u>(297,554)</u> | <u>(24,562)</u>           | <u>272,992</u>  |
| Fund balances -- beginning                  | <u>297,554</u>          | <u>297,554</u>   | <u>317,150</u>            | <u>19,596</u>   |
| Fund balances -- ending                     | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 292,588</u>         | <u>\$ 292,588</u>   |

**City of Portland, Oregon**  
**Hydroelectric Power Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                             |                         |                     |                           |   |
| Sales - other                               | \$ 3,372,880            | \$ 3,372,880        | \$ 3,387,327              | \$ 14,447   |
| Other interest income                       | 229,100                 | 229,100             | 120,217                   | (108,883)   |
| Total revenues                              | <u>3,601,980</u>        | <u>3,601,980</u>    | <u>3,507,544</u>          | <u>(94,436)</u>   |
| <b>EXPENDITURES</b>                         |                         |                     |                           |   |
| Debt service:                               |                         |                     |                           |   |
| Principal                                   | 1,635,000               | 1,635,000           | 1,635,000                 | -   |
| Interest                                    | 2,059,627               | 2,059,627           | 2,059,627                 | -   |
| Total expenditures                          | <u>3,694,627</u>        | <u>3,694,627</u>    | <u>3,694,627</u>          | <u>-</u>  |
| Revenues over (under) expenditures          | (92,647)                | (92,647)            | (187,083)                 | (94,436)  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                     |                           |   |
| Transfers from other funds:                 |                         |                     |                           |   |
| Hydroelectric Power Renewal and Replacement | 175,000                 | 175,000             | 149,103                   | (25,897)  |
| Net changes in fund balances                | 82,353                  | 82,353              | (37,980)                  | (120,333)   |
| Fund balances -- beginning                  | 4,357,950               | 4,357,950           | 4,361,389                 | 3,439   |
| Fund balances --ending                      | <u>\$ 4,440,303</u>     | <u>\$ 4,440,303</u> | <u>\$ 4,323,409</u>       | <u>\$ (116,894)</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, 2002**

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES:</b>                      |                         |              |                           |   |
| Other interest income                 | \$ 407,000              | \$ 407,000   | \$ 214,247                | \$ (192,753)  |
| <b>EXPENDITURES</b>                   |                         |              |                           |   |
| General operating contingencies       | 8,033,664               | 8,223,664    | -                         | 8,223,664   |
| Revenues over (under) expenditures    | (7,626,664)             | (7,816,664)  | 214,247                   | 8,030,911   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |              |                           |   |
| Transfers to other funds:             |                         |              |                           |   |
| Hydroelectric Power Operating         | (240,000)               | (50,000)     | (32,230)                  | 17,770  |
| Hydroelectric Power Bond Redemption   | (175,000)               | (175,000)    | (149,103)                 | 25,897  |
| Total other financing sources (uses)  | (415,000)               | (225,000)    | (181,333)                 | 43,667  |
| Net changes in fund balances          | (8,041,664)             | (8,041,664)  | 32,914                    | 8,074,578   |
| Fund balances -- beginning            | 8,041,664               | 8,041,664    | 8,043,488                 | 1,824   |
| Fund balances -- ending               | \$ -                    | \$ -         | \$ 8,076,402              | \$ 8,076,402  |

**City of Portland, Oregon  
Golf Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|-------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES:</b>                            |                         |                   |                           |   |
| Service charges and fees:                   |                         |                   |                           |   |
| Concessions                                 | \$ 194,985              | \$ 194,985        | \$ 237,714                | \$ 42,729   |
| Parks and recreation facilities fees        | 7,221,904               | 7,221,904         | 5,794,112                 | (1,427,792)   |
| Rents and reimbursements                    | -                       | -                 | 2,086                     | 2,086   |
| Miscellaneous:                              |                         |                   |                           |   |
| Sales - other                               | 10,800                  | 10,800            | 4,899                     | (5,901)   |
| Investment earnings                         | 80,000                  | 80,000            | 35,282                    | (44,718)  |
| Miscellaneous                               | -                       | -                 | 174                       | 174   |
| <b>Total revenues</b>                       | <b>7,507,689</b>        | <b>7,507,689</b>  | <b>6,074,267</b>          | <b>(1,433,422)</b>  |
| <b>EXPENDITURES:</b>                        |                         |                   |                           |   |
| Personal services                           | 2,498,252               | 2,722,566         | 2,631,476                 | 91,090  |
| Materials and services                      | 2,878,751               | 3,162,265         | 2,607,065                 | 555,200   |
| Capital outlay                              | 4,189,384               | 4,344,551         | 774,170                   | 3,570,381   |
| General operating contingencies             | 2,176,337               | 1,558,091         | -                         | 1,558,091   |
| Overhead charges - General Fund             | 137,430                 | 86,429            | 86,429                    | -   |
| Debt Service:                               |                         |                   |                           |   |
| Principal                                   | -                       | -                 | 106,133                   | (106,133)   |
| Interest                                    | 518,000                 | 518,000           | 77,617                    | 440,383   |
| <b>Total expenditures</b>                   | <b>12,398,154</b>       | <b>12,391,902</b> | <b>6,282,890</b>          | <b>6,109,012</b>  |
| Revenues over (under) expenditures          | (4,890,465)             | (4,884,213)       | (208,623)                 | 4,675,590   |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                   |                           |   |
| Transfers to other funds:                   |                         |                   |                           |   |
| Pension Debt Redemption                     | (93,251)                | (69,938)          | -                         | 69,938  |
| Golf Revenue Bond Redemption                | (300,000)               | (300,000)         | (132,500)                 | 167,500   |
| Fleet Services Operating                    | -                       | (111,109)         | (108,860)                 | 2,249   |
| Bonds and notes issued                      | 4,549,417               | 4,549,417         | -                         | (4,549,417)   |
| <b>Total other financing sources (uses)</b> | <b>4,156,166</b>        | <b>4,068,370</b>  | <b>(241,360)</b>          | <b>(4,309,730)</b>  |
| Net changes in fund balances                | (734,299)               | (815,843)         | (449,983)                 | 365,860   |
| Fund balances -- beginning                  | 734,299                 | 815,843           | 816,586                   | 743   |
| Fund balances -- ending                     | \$ -                    | \$ -              | \$ 366,603                | \$ 366,603  |

**City of Portland, Oregon**  
**Golf Revenue Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES:</b>                      |                         |                  |                           |   |
| Investment earnings                   | \$ 12,000               | \$ 12,000        | \$ 431                    | \$ (11,569)   |
| Total revenues                        | <u>12,000</u>           | <u>12,000</u>    | <u>431</u>                | <u>(11,569)</u>   |
| <b>EXPENDITURES:</b>                  |                         |                  |                           |   |
| Debt service:                         |                         |                  |                           |   |
| Principal                             | 300,000                 | 300,000          | -                         | 300,000   |
| Interest                              | -                       | -                | 141,770                   | (141,770)   |
| Total expenditures                    | <u>300,000</u>          | <u>300,000</u>   | <u>141,770</u>            | <u>158,230</u>  |
| Revenues over (under) expenditures    | (288,000)               | (288,000)        | (141,339)                 | 146,661   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                  |                           |   |
| Transfers from other funds:           |                         |                  |                           |   |
| Golf                                  | <u>300,000</u>          | <u>300,000</u>   | <u>132,500</u>            | <u>(167,500)</u>  |
| Net change in fund balances           | 12,000                  | 12,000           | (8,839)                   | (20,839)  |
| Fund balances -- beginning            | <u>9,268</u>            | <u>9,268</u>     | <u>10,980</u>             | <u>1,712</u>  |
| Fund balances -- ending               | <u>\$ 21,268</u>        | <u>\$ 21,268</u> | <u>\$ 2,141</u>           | <u>\$ (19,127)</u>  |

City of Portland, Oregon  
Portland International Raceway Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES:</b>                      |                         |                  |                           |   |
| Concessions                           | \$ 175,000              | \$ 175,000       | \$ 159,891                | \$ (15,109)   |
| Local cost sharing                    | 75,000                  | -                | -                         | -   |
| Rents and reimbursements              | 708,000                 | 1,024,000        | 1,039,223                 | 15,223  |
| Billings for interfund services:      |                         |                  |                           |   |
| General                               | -                       | 19,200           | 20,800                    | 1,600   |
| Portland Parks Memorial Trust         | -                       | 20,000           | 20,000                    | -   |
| Investment earnings                   | 10,000                  | 10,000           | -                         | (10,000)  |
| Miscellaneous                         | -                       | -                | 21,270                    | 21,270  |
|                                       | <u>968,000</u>          | <u>1,248,200</u> | <u>1,261,184</u>          | <u>12,984</u>   |
| <b>EXPENDITURES:</b>                  |                         |                  |                           |   |
| Personal services                     | 433,842                 | 480,954          | 475,821                   | 5,133   |
| Materials and services                | 543,454                 | 849,919          | 794,699                   | 55,220  |
| Capital outlay                        | -                       | 111,918          | 111,871                   | 47  |
| General operating contingencies       | 155,409                 | 37,183           | -                         | 37,183  |
| Overhead charges - General Fund       | 20,996                  | 5,512            | 5,512                     | -   |
| Debt service:                         |                         |                  |                           |   |
| Interest                              | -                       | -                | 13,630                    | (13,630)  |
|                                       | <u>1,153,701</u>        | <u>1,485,486</u> | <u>1,401,533</u>          | <u>83,953</u>   |
| Revenues over (under) expenditures    | <u>(185,701)</u>        | <u>(237,286)</u> | <u>(140,349)</u>          | <u>96,937</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                  |                           |   |
| Transfers from other funds:           |                         |                  |                           |   |
| Portland Parks Memorial Trust         | -                       | 150,000          | 150,000                   | -   |
| Federal Grants                        | -                       | 7,599            | 7,599                     | -   |
| Transfers to other funds:             |                         |                  |                           |   |
| Pension Debt Redemption               | (16,846)                | (12,634)         | -                         | 12,634  |
|                                       | <u>(16,846)</u>         | <u>144,965</u>   | <u>157,599</u>            | <u>12,634</u>   |
| Net changes in fund balances          | (202,547)               | (92,321)         | 17,250                    | 109,571   |
| Fund balances -- beginning            | <u>202,547</u>          | <u>92,321</u>    | <u>92,321</u>             | <u>-</u>  |
| Fund Balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 109,571</u>         | <u>\$ 109,571</u>   |



**City of Portland, Oregon**  
**Solid Waste Management Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|--------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES</b>                             |                         |                    |                           |   |
| Service charges and fees:                   |                         |                    |                           |   |
| Public utility licenses                     | \$ 1,558,564            | \$ 1,558,564       | \$ 1,578,275              | \$ 19,711   |
| Other permits                               | -                       | -                  | 4,260                     | 4,260   |
| Public works and utility charges            | 1,087,409               | 1,087,409          | 851,772                   | (235,637)   |
| Miscellaneous service charges               | -                       | -                  | 9,158                     | 9,158   |
| Rents and reimbursements                    | 7,239                   | 7,239              | 7,239                     | -   |
| Billings for interfund services:            |                         |                    |                           |   |
| Sewer System Operating                      | 42,074                  | -                  | -                         | -   |
| Refunds                                     | -                       | -                  | 529                       | 529   |
| Local cost sharing                          | 275,000                 | 447,555            | 381,640                   | (65,915)  |
| Investment earnings                         | 163,201                 | 163,201            | 141,637                   | (21,564)  |
| Miscellaneous                               | 4,500                   | 4,500              | 4,340                     | (160)   |
| <b>Total revenues</b>                       | <u>3,137,987</u>        | <u>3,268,468</u>   | <u>2,978,850</u>          | <u>(289,618)</u>  |
| <b>EXPENDITURES</b>                         |                         |                    |                           |   |
| Personal services                           | 715,325                 | 710,123            | 706,327                   | 3,796   |
| Materials and services                      | 2,776,492               | 3,020,088          | 2,002,344                 | 1,017,744   |
| General operating contingencies             | 1,644,482               | 1,603,232          | -                         | 1,603,232   |
| Overhead charges - General Fund             | 125,104                 | 137,373            | 137,373                   | -   |
| Debt service:                               |                         |                    |                           |   |
| Interest                                    | -                       | -                  | 22,939                    | (22,939)  |
| <b>Total expenditures</b>                   | <u>5,261,403</u>        | <u>5,470,816</u>   | <u>2,868,983</u>          | <u>2,601,833</u>  |
| <b>Revenues over (under) expenditures</b>   | <u>(2,123,416)</u>      | <u>(2,202,348)</u> | <u>109,867</u>            | <u>2,312,215</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                    |                           |   |
| Transfers from other funds:                 |                         |                    |                           |   |
| Federal Grants                              | -                       | 81,535             | 81,535                    | -   |
| Transfers to other funds:                   |                         |                    |                           |   |
| General                                     | (1,071,155)             | (1,283,424)        | (705,215)                 | 578,209   |
| Planning and Development Operating          | (133,785)               | (133,785)          | (133,785)                 | -   |
| Pension Debt Redemption                     | (28,075)                | (21,056)           | -                         | 21,056  |
| Fleet Services Operating                    | -                       | (21,000)           | (18,897)                  | 2,103   |
| <b>Total other financing sources (uses)</b> | <u>(1,233,015)</u>      | <u>(1,377,730)</u> | <u>(776,362)</u>          | <u>601,368</u>  |
| <b>Net changes in fund balances</b>         | <u>(3,356,431)</u>      | <u>(3,580,078)</u> | <u>(666,495)</u>          | <u>2,913,583</u>  |
| Fund balances -- beginning                  | <u>3,356,431</u>        | <u>3,580,078</u>   | <u>3,946,928</u>          | <u>366,850</u>  |
| Fund balances -- ending                     | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 3,280,433</u>       | <u>\$ 3,280,433</u>   |

**City of Portland, Oregon**  
**Parking Facilities Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                    |                           | <b>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|--------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>       | <u>Actual<br/>Amounts</u> |   |
| <b>REVENUES</b>                                |                         |                    |                           |   |
| Parking fees                                   | \$ 9,290,880            | \$ 9,290,880       | \$ 8,703,133              | \$ (587,747)  |
| Rents and reimbursements                       | 963,250                 | 963,250            | 1,078,239                 | 114,989   |
| Billings for interfund services:               |                         |                    |                           |   |
| General  | 336,000                 | 336,000            | 345,716                   | 9,716   |
| Transportation Operating                       | 85,285                  | 99,885             | 96,176                    | (3,709)   |
| Sewer System Operating                         | 53,280                  | 53,280             | 57,728                    | 4,448   |
| Hydroelectric Power Operating                  | 1,680                   | 1,680              | 1,680                     | -   |
| Water  | 65,520                  | 65,520             | 61,842                    | (3,678)   |
| Golf   | 3,360                   | 3,360              | 2,400                     | (960)   |
| Solid Waste Management                         | 480                     | 480                | -                         | (480)   |
| Parks Construction                             | 3,360                   | 3,360              | 3,360                     | -   |
| Facilities Services Operating                  | 160,756                 | 160,756            | 160,756                   | -   |
| Printing and Distribution Services Operating   | 6,720                   | 6,720              | 6,720                     | -   |
| Communication Services Operating               | 10,080                  | 10,080             | 10,080                    | -   |
| Insurance and Claims Operating                 | 2,520                   | 2,520              | 3,810                     | 1,290   |
| Workers' Compensation Self-insurance Operating | 2,520                   | 2,520              | 3,810                     | 1,290   |
| Investment earnings                            | 192,000                 | 192,000            | 267,931                   | 75,931  |
| Miscellaneous                                  | -                       | -                  | 561                       | 561   |
|  | <u>11,177,691</u>       | <u>11,192,291</u>  | <u>10,803,942</u>         | <u>(388,349)</u>  |
| <b>Total revenues</b>                          |                         |                    |                           |   |
| <b>EXPENDITURES</b>                            |                         |                    |                           |   |
| Materials and services                         | 7,283,408               | 7,538,223          | 5,262,067                 | 2,276,156   |
| General operating contingencies                | 2,805,852               | 3,675,968          | -                         | 3,675,968   |
| Overhead charges - General Fund                | 84,175                  | 65,929             | 65,929                    | -   |
|  | <u>10,173,435</u>       | <u>11,280,120</u>  | <u>5,327,996</u>          | <u>5,952,124</u>  |
| <b>Total expenditures</b>                      |                         |                    |                           |   |
| Revenues over (under) expenditures             | <u>1,004,256</u>        | <u>(87,829)</u>    | <u>5,475,946</u>          | <u>5,563,775</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |                    |                           |   |
| Transfers from other funds:                    |                         |                    |                           |   |
| General  | 13,283                  | -                  | -                         | -   |
| Transfers to other funds:                      |                         |                    |                           |   |
| General  | (196,130)               | (196,130)          | (196,130)                 | -   |
| Transportation Operating                       | (1,341,684)             | (1,341,684)        | (1,341,684)               | -   |
| Waterfront Renewal Bond Sinking                | (690,000)               | (690,000)          | (690,000)                 | -   |
| Morrison Park West Bond Redemption             | (340,965)               | (340,965)          | (317,933)                 | 23,032  |
| Morrison Park East Bond Redemption             | (406,088)               | (406,088)          | (369,817)                 | 36,271  |
| Parking Facilities Debt Redemption             | (2,487,213)             | (2,436,038)        | (2,423,082)               | 12,956  |
| Old Town Parking Bond Redemption               | (662,298)               | (639,614)          | (491,852)                 | 147,762   |
| Bonds and notes issued                         | -                       | 147,028            | 147,028                   | -   |
|  | <u>(6,111,095)</u>      | <u>(5,903,491)</u> | <u>(5,683,470)</u>        | <u>220,021</u>  |
| <b>Total other financing sources (uses)</b>    |                         |                    |                           |   |
| Net changes in fund balances                   | (5,106,839)             | (5,991,320)        | (207,524)                 | 5,783,796   |
| Fund balances -- beginning                     | 5,106,839               | 5,991,320          | 5,991,322                 | 2   |
| Fund balances -- ending                        | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 5,783,798</u>       | <u>\$ 5,783,798</u>   |

**City of Portland, Oregon**  
**Morrison Park West Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                       |                         |                   |                           |   |
| Other interest income                 | \$ -                    | \$ -              | \$ 220                    | \$ 220  |
| Total revenues                        | <u>-</u>                | <u>-</u>          | <u>220</u>                | <u>220</u>  |
| <b>EXPENDITURES</b>                   |                         |                   |                           |   |
| Debt service:                         |                         |                   |                           |   |
|                                       | 295,000                 | 295,000           | 940,000                   | (645,000)   |
|                                       | 45,965                  | 45,965            | 19,122                    | 26,843  |
| Total expenditures                    | <u>340,965</u>          | <u>340,965</u>    | <u>959,122</u>            | <u>(618,157)</u>  |
| Revenues over (under) expenditures    | <u>(340,965)</u>        | <u>(340,965)</u>  | <u>(958,902)</u>          | <u>(617,937)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                   |                           |   |
| Transfers from other funds:           |                         |                   |                           |   |
|                                       | 340,965                 | 340,965           | 317,933                   | (23,032)  |
| Bonds and notes issued                | -                       | -                 | 283,318                   | 283,318   |
| Bond and note premium                 | -                       | -                 | 780                       | 780   |
| Total other financing sources (uses)  | <u>340,965</u>          | <u>340,965</u>    | <u>602,031</u>            | <u>261,066</u>  |
| Net changes in fund balances          | -                       | -                 | (356,871)                 | (356,871)   |
| Fund balances -- beginning            | <u>333,348</u>          | <u>333,348</u>    | <u>356,871</u>            | <u>23,523</u>   |
| Fund balances -- ending               | <u>\$ 333,348</u>       | <u>\$ 333,348</u> | <u>\$ -</u>               | <u>\$ (333,348)</u>   |

City of Portland, Oregon  
Morrison Park East Bond Redemption Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2002

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                       |                         |                   |                           |   |
| Other interest income                 | \$ -                    | \$ -              | \$ 32                     | \$ 32   |
| Total revenues                        | <u>-</u>                | <u>-</u>          | <u>32</u>                 | <u>32</u>   |
| <b>EXPENDITURES</b>                   |                         |                   |                           |   |
| Debt service:                         |                         |                   |                           |   |
| Principal                             | 335,000                 | 335,000           | 1,460,000                 | (1,125,000)   |
| Interest                              | 71,088                  | 71,088            | 52,171                    | 18,917  |
| Total expenditures                    | <u>406,088</u>          | <u>406,088</u>    | <u>1,512,171</u>          | <u>(1,106,083)</u>  |
| Revenues over (under) expenditures    | <u>(406,088)</u>        | <u>(406,088)</u>  | <u>(1,512,139)</u>        | <u>(1,106,051)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                   |                           |   |
| Transfers from other funds:           |                         |                   |                           |   |
| Parking Facilities                    | 406,088                 | 406,088           | 369,817                   | (36,271)  |
| Bonds and notes issued                | -                       | -                 | 721,673                   | 721,673   |
| Bond and note premium                 | -                       | -                 | 5,343                     | 5,343   |
| Total other financing sources (uses)  | <u>406,088</u>          | <u>406,088</u>    | <u>1,096,833</u>          | <u>690,745</u>  |
| Net changes in fund balances          | -                       | -                 | (415,306)                 | (415,306)   |
| Fund balances -- beginning            | <u>389,878</u>          | <u>389,878</u>    | <u>415,307</u>            | <u>25,429</u>   |
| Fund balances -- ending               | <u>\$ 389,878</u>       | <u>\$ 389,878</u> | <u>\$ 1</u>               | <u>\$ (389,877)</u>   |

**City of Portland, Oregon**  
**Parking Facilities Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>REVENUES</b>                       |                         |                    |                           |   |
| Investment earnings                   | \$ -                    | \$ -               | \$ 504                    | \$ 504  |
| Other interest income                 | -                       | -                  | 1,947                     | 1,947   |
| Total revenues                        | <u>-</u>                | <u>-</u>           | <u>2,451</u>              | <u>2,451</u>  |
| <b>EXPENDITURES</b>                   |                         |                    |                           |   |
| Debt service:                         |                         |                    |                           |   |
| Principal                             | 890,000                 | 897,684            | 4,775,000                 | (3,877,316)   |
| Interest                              | 1,597,213               | 1,540,723          | 1,549,582                 | (8,859)   |
| Total expenditures                    | <u>2,487,213</u>        | <u>2,438,407</u>   | <u>6,324,582</u>          | <u>(3,886,175)</u>  |
| Revenues over (under) expenditures    | <u>(2,487,213)</u>      | <u>(2,438,407)</u> | <u>(6,322,131)</u>        | <u>(3,883,724)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                    |                           |   |
| Transfers from other funds:           |                         |                    |                           |   |
| Parking Facilities                    | 2,487,213               | 2,436,038          | 2,423,082                 | (12,956)  |
| Bonds and notes issued                | -                       | -                  | 3,869,720                 | 3,869,720   |
| Bond and note premium                 | -                       | -                  | 30,280                    | 30,280  |
| Total other financing sources (uses)  | <u>2,487,213</u>        | <u>2,436,038</u>   | <u>6,323,082</u>          | <u>3,887,044</u>  |
| Net changes in fund balances          | -                       | (2,369)            | 951                       | 3,320   |
| Fund balances -- beginning            | -                       | 2,369              | 2,369                     | -   |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 3,320</u>           | <u>\$ 3,320</u>   |

City of Portland, Oregon  
 Old Town Parking Bond Redemption Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 For the Year Ended June 30, 2002

|                                       | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|--------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES</b>                       |                         |              |                           |   |
| Other interest income                 | \$ -                    | \$ -         | \$ 18                     | \$ 18   |
| Total revenues                        | -                       | -            | 18                        | 18  |
| <b>EXPENDITURES</b>                   |                         |              |                           |   |
| Debt service:                         |                         |              |                           |   |
| Principal                             | 325,000                 | 325,000      | 5,550,000                 | (5,225,000)   |
| Interest                              | 337,298                 | 314,614      | 156,261                   | 158,353   |
| Total expenditures                    | 662,298                 | 639,614      | 5,706,261                 | (5,066,647)   |
| Revenues over (under) expenditures    | (662,298)               | (639,614)    | (5,706,243)               | (5,066,629)   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |              |                           |   |
| Transfers from other funds:           |                         |              |                           |   |
| Parking Facilities                    | 662,298                 | 639,614      | 491,852                   | (147,762)   |
| Bonds and notes issued                | -                       | -            | 5,178,261                 | 5,178,261   |
| Bond and note premium                 | -                       | -            | 29,679                    | 29,679  |
| Total other financing sources (uses)  | 662,298                 | 639,614      | 5,699,792                 | 5,060,178   |
| Net changes in fund balances          | -                       | -            | (6,451)                   | (6,451)   |
| Fund balances – beginning             | -                       | -            | 6,451                     | 6,451   |
| Fund balances – ending                | \$ -                    | \$ -         | \$ -                      | \$ -  |

**City of Portland, Oregon**  
**Spectator Facilities Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                       |                         |                     |                           |   |
| Local cost sharing                    | \$ -                    | \$ 2,140,260        | \$ 2,140,261              | \$ 1  |
| Parking fees                          | 1,427,810               | 1,427,810           | 1,237,048                 | (190,762)   |
| Rents and reimbursements              | 6,071,912               | 5,195,991           | 5,258,206                 | 62,215  |
| Refunds                               | -                       | -                   | 2,634                     | 2,634   |
| Investment earnings                   | 500,738                 | 619,879             | 723,271                   | 103,392   |
| Other interest income                 | 5,356                   | 35,214              | 34,476                    | (738)   |
| Miscellaneous                         | 136,278                 | 74,278              | 77,805                    | 3,527   |
| Sale of capital asset                 | -                       | -                   | 22,624                    | 22,624  |
|                                       | <u>8,142,094</u>        | <u>9,493,432</u>    | <u>9,496,325</u>          | <u>2,893</u>  |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Materials and services                | 863,927                 | 1,987,527           | 1,816,094                 | 171,433   |
| Capital outlay                        | 200,000                 | 2,700,000           | 2,056,239                 | 643,761   |
| General operating contingencies       | 3,353,858               | 6,944,028           | -                         | 6,944,028   |
| Overhead charges - General Fund       | 268,575                 | 390,993             | 390,993                   | -   |
| Debt service:                         |                         |                     |                           |   |
| Principal                             | 1,045,000               | 11,155,000          | 10,795,834                | 359,166   |
| Interest                              | 5,468,379               | 4,858,379           | 4,790,443                 | 67,936  |
|                                       | <u>11,199,739</u>       | <u>28,035,927</u>   | <u>19,849,603</u>         | <u>8,186,324</u>  |
| Revenues over (under) expenditures    | <u>(3,057,645)</u>      | <u>(18,542,495)</u> | <u>(10,353,278)</u>       | <u>8,189,217</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers to other funds:             |                         |                     |                           |   |
| Pension Debt Redemption               | (13,107)                | (9,830)             | (9,830)                   | -   |
| Gas Tax Bond Redemption               | (266,180)               | (266,180)           | (266,178)                 | 2   |
| Bonds and notes issued                | -                       | 2,146,448           | 2,150,614                 | 4,166   |
|                                       | <u>(279,287)</u>        | <u>1,870,438</u>    | <u>1,874,606</u>          | <u>4,168</u>  |
| Net change in fund balances           | <u>(3,336,932)</u>      | <u>(16,672,057)</u> | <u>(8,478,672)</u>        | <u>8,193,385</u>  |
| Fund balances -- beginning            | <u>3,336,932</u>        | <u>16,672,057</u>   | <u>16,643,550</u>         | <u>(28,507)</u>   |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 8,164,878</u>       | <u>\$ 8,164,878</u>   |

**City of Portland, Oregon**  
**Environmental Remediation Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|                                       | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                       |                         |                  |                           |   |
| Service charges and fees:             |                         |                  |                           |   |
| Rents and reimbursements              | \$ 559,600              | \$ 559,600       | \$ 547,564                | \$ (12,036)   |
| Investment earnings                   | 38,148                  | 38,148           | 29,931                    | (8,217)   |
| <br>                                  |                         |                  |                           |   |
| Total revenues                        | <u>597,748</u>          | <u>597,748</u>   | <u>577,495</u>            | <u>(20,253)</u>   |
| <br>                                  |                         |                  |                           |   |
| <b>EXPENDITURES</b>                   |                         |                  |                           |   |
| Personal services                     | -                       | 10,000           | 9,158                     | 842   |
| Materials and services                | 226,074                 | 216,074          | 144,288                   | 71,786  |
| Capital outlay                        | 325,000                 | 325,000          | -                         | 325,000   |
| General operating contingencies       | 633,429                 | 186,194          | -                         | 186,194   |
| Overhead charges - General Fund       | 2,618                   | -                | -                         | -   |
| Debt service:                         |                         |                  |                           |   |
| Interest                              | -                       | -                | 474                       | (474)   |
| <br>                                  |                         |                  |                           |   |
| Total expenditures                    | <u>1,187,121</u>        | <u>737,268</u>   | <u>153,920</u>            | <u>583,348</u>  |
| <br>                                  |                         |                  |                           |   |
| Revenues over (under) expenditures    | <u>(589,373)</u>        | <u>(139,520)</u> | <u>423,575</u>            | <u>563,095</u>  |
| <br>                                  |                         |                  |                           |   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                  |                           |   |
| Transfers to other funds:             |                         |                  |                           |   |
| Sewer System Operating                | (10,610)                | (460,610)        | (451,468)                 | 9,142   |
| Pension Debt Redemption               | (588)                   | (441)            | -                         | 441   |
| <br>                                  |                         |                  |                           |   |
| Total other financing sources (uses)  | <u>(11,198)</u>         | <u>(461,051)</u> | <u>(451,468)</u>          | <u>9,583</u>  |
| <br>                                  |                         |                  |                           |   |
| Net changes in fund balances          | (600,571)               | (600,571)        | (27,893)                  | 572,678   |
| <br>                                  |                         |                  |                           |   |
| Fund balances -- beginning            | <u>600,571</u>          | <u>600,571</u>   | <u>616,682</u>            | <u>16,111</u>   |
| <br>                                  |                         |                  |                           |   |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 588,789</u>         | <u>\$ 588,789</u>   |



# 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, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                       |                         |                     |                           |   |
| Health care charges                   | \$ 30,631,803           | \$ 30,631,803       | \$ 29,998,680             | \$ (633,123)  |
| Investment earnings                   | 1,184,287               | 1,031,788           | 983,978                   | (47,810)  |
| Miscellaneous                         | 2,709,620               | 2,910,176           | 3,062,435                 | 152,259   |
| Total revenues                        | <u>34,525,710</u>       | <u>34,573,767</u>   | <u>34,045,093</u>         | <u>(528,674)</u>  |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Personal services                     | 387,264                 | 397,649             | 375,569                   | 22,080  |
| Materials and services                | 39,502,243              | 41,947,866          | 38,538,201                | 3,409,665   |
| General operating contingencies       | 24,129,181              | 20,105,021          | -                         | 20,105,021  |
| Overhead charges - General Fund       | 181,357                 | 174,237             | 174,237                   | -   |
| Debt service:                         |                         |                     |                           |   |
| Interest                              | -                       | -                   | 12,876                    | (12,876)  |
| Total expenditures                    | <u>64,200,045</u>       | <u>62,624,773</u>   | <u>39,100,883</u>         | <u>23,523,890</u>   |
| Revenues over (under) expenditures    | <u>(29,674,335)</u>     | <u>(28,051,006)</u> | <u>(5,055,790)</u>        | <u>22,995,216</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers to other funds:             |                         |                     |                           |   |
| Pension Debt Redemption               | (15,755)                | (11,816)            | -                         | 11,816  |
| Total other financing sources (uses)  | <u>(15,755)</u>         | <u>(11,816)</u>     | <u>-</u>                  | <u>11,816</u>   |
| Net change in fund balances           | (29,690,090)            | (28,062,822)        | (5,055,790)               | 23,007,032  |
| Fund balances -- beginning            | <u>29,690,090</u>       | <u>28,062,822</u>   | <u>28,063,182</u>         | <u>360</u>  |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 23,007,392</u>      | <u>\$ 23,007,392</u>  |

**City of Portland, Oregon**  
**Facilities Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                                |                         |                   |                           |   |
| Service charges and fees:                      |                         |                   |                           |   |
| Parking fees                                   | \$ 238,106              | \$ 238,106        | \$ 254,276                | \$ 16,170   |
| Miscellaneous service charges                  | 15,078                  | 15,078            | 38,427                    | 23,349  |
| Rents and reimbursements                       | 1,447,117               | 1,447,117         | 1,524,589                 | 77,472  |
| Local cost sharing revenues:                   |                         |                   |                           |   |
| State cost sharing                             | 156,012                 | 156,012           | 159,917                   | 3,905   |
| Multnomah County cost sharing                  | 749,219                 | 749,219           | 701,329                   | (47,890)  |
| Other  | 785,457                 | 2,349,882         | 2,931,862                 | 581,980   |
| Miscellaneous and interest:                    |                         |                   |                           |   |
| Investment earnings                            | 146,363                 | 146,363           | 355,849                   | 209,486   |
| Other interest income                          | -                       | -                 | 2,313                     | 2,313   |
| Miscellaneous                                  | -                       | -                 | 284,910                   | 284,910   |
| Billings for interfund services:               |                         |                   |                           |   |
| General  | 8,204,714               | 8,238,486         | 8,268,943                 | 30,457  |
| Transportation Operating                       | 1,735,900               | 1,842,693         | 1,812,920                 | (29,773)  |
| Emergency Communication                        | 294,590                 | 294,590           | 276,533                   | (18,057)  |
| Planning and Development Operating             | 2,264,707               | 2,264,707         | 2,251,632                 | (13,075)  |
| Cable  | 18,278                  | 18,278            | 16,550                    | (1,728)   |
| Sewer System Operating                         | 1,200,042               | 1,250,042         | 1,327,892                 | 77,850  |
| Water  | 1,575,371               | 1,575,371         | 1,624,903                 | 49,532  |
| Solid Waste Management                         | 56,342                  | 4,708             | 3,688                     | (1,020)   |
| Parking Facilities                             | 3,354,523               | 3,340,534         | 1,360,775                 | (1,979,759)   |
| Spectator Facilities Operating                 | 2,950                   | 2,950             | -                         | (2,950)   |
| Environmental Remediation                      | 135,307                 | 135,307           | 133,662                   | (1,645)   |
| FRES Facilities Bond Construction              | 3,690,000               | 3,690,000         | 1,541,343                 | (2,148,657)   |
| Parks Construction                             | -                       | -                 | 29                        | 29  |
| Fire and Police Disability and Retirement      | -                       | -                 | 65                        | 65  |
| Health Insurance Operating                     | 14,236                  | 14,236            | 14,230                    | (6)   |
| Fleet Services Operating                       | 1,396,533               | 1,509,916         | 1,367,734                 | (142,182)   |
| Printing and Distribution Services Operating   | 187,364                 | 187,364           | 182,617                   | (4,747)   |
| Communication Services Operating               | 386,751                 | 395,978           | 425,200                   | 29,222  |
| Insurance and Claims Operating                 | 51,849                  | 56,849            | 50,763                    | (6,086)   |
| Workers' Compensation Self-insurance Operating | 51,869                  | 56,869            | 51,964                    | (4,905)   |
| Information Technology                         | 505,346                 | 505,346           | 554,093                   | 48,747  |
| <b>Total revenues</b>                          | <b>28,664,024</b>       | <b>30,486,001</b> | <b>27,519,008</b>         | <b>(2,966,993)</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, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Personal services                     | 2,644,889               | 2,731,395           | 2,497,793                 | 233,602   |
| Materials and services                | 17,192,596              | 20,081,913          | 13,066,571                | 7,015,342   |
| Capital outlay                        | 2,051,528               | 6,415,133           | 5,432,466                 | 982,667   |
| General operating contingencies       | 9,008,127               | 5,492,428           | -                         | 5,492,428   |
| Overhead charges - General Fund       | 831,782                 | 936,782             | 937,088                   | (306)   |
| Debt service:                         |                         |                     |                           |   |
| Principal                             | 6,208,005               | 6,208,005           | 6,202,024                 | 5,981   |
| Interest                              | 3,873,728               | 3,874,335           | 3,897,132                 | (22,797)  |
| <br>                                  |                         |                     |                           |   |
| Total expenditures                    | <u>41,810,655</u>       | <u>45,739,991</u>   | <u>32,033,074</u>         | <u>13,706,917</u>   |
| <br>                                  |                         |                     |                           |   |
| Revenues over (under) expenditures    | <u>(13,146,631)</u>     | <u>(15,253,990)</u> | <u>(4,514,066)</u>        | <u>10,739,924</u>   |
| <br>                                  |                         |                     |                           |   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers from other funds:           |                         |                     |                           |   |
| General                               | 3,389,350               | 3,444,050           | 3,447,046                 | 2,996   |
| Emergency Communication               | 500,000                 | 500,000             | 500,000                   | -   |
| Public Safety Fund                    | 700,000                 | 732,032             | 732,023                   | (9)   |
| FRES Facilities Bond Construction     | 2,167,000               | 2,587,461           | 2,517,664                 | (69,797)  |
| Communication Services Operating      | -                       | 40,000              | 40,000                    | -   |
| Transfers to other funds:             |                         |                     |                           |   |
| Pension Debt Redemption               | (115,719)               | (86,790)            | -                         | 86,790  |
| Communication Services Operating      | -                       | (40,000)            | -                         | 40,000  |
| Bonds and notes issued                | -                       | 220,000             | 220,000                   | -   |
| Bond and note premium                 | -                       | -                   | 1,501                     | 1,501   |
| <br>                                  |                         |                     |                           |   |
| Total other financing sources (uses)  | <u>6,640,631</u>        | <u>7,396,753</u>    | <u>7,458,234</u>          | <u>61,481</u>   |
| <br>                                  |                         |                     |                           |   |
| Net change in fund balances           | <u>(6,506,000)</u>      | <u>(7,857,237)</u>  | <u>2,944,168</u>          | <u>10,801,405</u>   |
| <br>                                  |                         |                     |                           |   |
| Fund balances -- beginning            | <u>6,506,000</u>        | <u>7,857,237</u>    | <u>7,926,010</u>          | <u>68,773</u>   |
| <br>                                  |                         |                     |                           |   |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 10,870,178</u>      | <u>\$ 10,870,178</u>  |

**City of Portland, Oregon**  
**Fleet Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES</b>                                |                         |                   |                           |   |
| Public works and utility charges               | \$ 5,000                | \$ 5,000          | \$ 17,398                 | \$ 12,398   |
| Miscellaneous service charges                  | -                       | -                 | 80,173                    | 80,173  |
| Sales - other                                  | 1,000                   | 1,000             | 1,798                     | 798   |
| Refunds  | -                       | -                 | 18,484                    | 18,484  |
| Investment earnings                            | 600,000                 | 600,000           | 682,838                   | 82,838  |
| Miscellaneous                                  | 1,000                   | 1,000             | 82,725                    | 81,725  |
| Sale of capital asset                          | 300,000                 | 300,000           | 1,041,153                 | 741,153   |
| Billings for interfund services:               |                         |                   |                           |   |
| General  | 7,942,260               | 7,042,260         | 7,121,405                 | 79,145  |
| Transportation Operating                       | 6,818,263               | 6,818,263         | 6,626,799                 | (191,464)   |
| Emergency Communication                        | 7,298                   | 7,298             | 4,848                     | (2,450)   |
| Planning and Development Operating             | 318,215                 | 318,215           | 303,515                   | (14,700)  |
| Cable  | 309                     | 309               | 147                       | (162)   |
| Sewer System Operating                         | 450,783                 | 450,783           | 421,764                   | (29,019)  |
| Hydroelectric Power Operating                  | 3,715                   | 3,715             | 3,211                     | (504)   |
| Water  | 1,732,561               | 1,732,561         | 1,569,949                 | (162,612)   |
| Golf   | 240,645                 | 240,645           | 105,823                   | (134,822)   |
| Portland International Raceway                 | 5,035                   | 5,035             | 5,035                     | -   |
| Solid Waste Management                         | 8,362                   | 8,362             | 3,758                     | (4,604)   |
| Parks Construction                             | 4,710                   | 4,710             | 6,554                     | 1,844   |
| Health Insurance Operating                     | 206                     | 206               | 91                        | (115)   |
| Facilities Services Operating                  | 58,162                  | 58,162            | 50,590                    | (7,572)   |
| Printing and Distribution Services Operating   | 34,406                  | 34,406            | 24,772                    | (9,634)   |
| Communication Services Operating               | 51,996                  | 51,996            | 53,473                    | 1,477   |
| Insurance and Claims Operating                 | 2,785                   | 2,785             | 2,125                     | (660)   |
| Workers' Compensation Self-insurance Operating | 2,785                   | 2,785             | 1,150                     | (1,635)   |
| Information Technology                         | 1,442                   | 1,442             | 488                       | (954)   |
| <b>Total revenues</b>                          | <b>18,590,938</b>       | <b>17,690,938</b> | <b>18,230,066</b>         | <b>539,128</b>  |

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, 2002**

|                                       | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|---------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>EXPENDITURES</b>                   |                         |                     |                           |   |
| Personal services                     | 5,412,996               | 5,412,996           | 5,061,753                 | 351,243   |
| Materials and services                | 9,987,030               | 9,961,651           | 8,556,330                 | 1,405,321   |
| Capital outlay                        | 6,350,000               | 9,287,884           | 4,081,078                 | 5,206,806   |
| General operating contingencies       | 1,758,866               | 2,259,929           | -                         | 2,259,929   |
| Overhead charges - General Fund       | 555,907                 | 591,376             | 591,376                   | -   |
| Debt service:                         |                         |                     |                           |   |
| Principal                             | 78,954                  | 78,954              | 76,430                    | 2,524   |
| Interest                              | -                       | -                   | 168,402                   | (168,402)   |
|                                       | <u>24,143,753</u>       | <u>27,592,790</u>   | <u>18,535,369</u>         | <u>9,057,421</u>  |
| Revenues over (under) expenditures    | <u>(5,552,815)</u>      | <u>(9,901,852)</u>  | <u>(305,303)</u>          | <u>9,596,549</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b> |                         |                     |                           |   |
| Transfers from other funds:           |                         |                     |                           |   |
| General                               | 250,000                 | 749,724             | 674,557                   | (75,167)  |
| Transportation Operating              | -                       | 291,426             | 262,997                   | (28,429)  |
| Golf                                  | -                       | 111,109             | 108,860                   | (2,249)   |
| Solid Waste Management                | -                       | 21,000              | 18,897                    | (2,103)   |
| Communication Services Operating      | -                       | 35,292              | 27,669                    | (7,623)   |
| Transfers to other funds:             |                         |                     |                           |   |
| Pension Debt Redemption               | <u>(203,734)</u>        | <u>(152,801)</u>    | <u>-</u>                  | <u>152,801</u>  |
|                                       | <u>46,266</u>           | <u>1,055,750</u>    | <u>1,092,980</u>          | <u>37,230</u>   |
| Net change in fund balances           | <u>(5,506,549)</u>      | <u>(8,846,102)</u>  | <u>787,677</u>            | <u>9,633,779</u>  |
| Fund balances -- beginning            | <u>15,100,099</u>       | <u>18,439,652</u>   | <u>18,439,649</u>         | <u>(3)</u>  |
| Fund balances -- ending               | <u>\$ 9,593,550</u>     | <u>\$ 9,593,550</u> | <u>\$ 19,227,326</u>      | <u>\$ 9,633,776</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, 2002**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES</b>                                |                         |                  |                           |   |
| Local cost sharing revenues:                   |                         |                  |                           |   |
| State cost sharing                             | \$ 256,846              | \$ 256,846       | \$ 274,418                | \$ 17,572   |
| Multnomah County cost sharing                  | 942,349                 | 942,349          | 637,426                   | (304,923)   |
| Other  | 233,773                 | 233,773          | 205,168                   | (28,605)  |
| Miscellaneous service charges                  | 270,917                 | 270,917          | 261,390                   | (9,527)   |
| Investment earnings                            | 40,000                  | 40,000           | 30,330                    | (9,670)   |
| Miscellaneous                                  | -                       | -                | 47                        | 47  |
| Billings for interfund services:               |                         |                  |                           |   |
| General  | 2,365,701               | 2,338,768        | 2,087,866                 | (250,902)   |
| Transportation Operating                       | 471,602                 | 471,602          | 387,177                   | (84,425)  |
| Emergency Communication                        | 36,449                  | 36,449           | 17,353                    | (19,096)  |
| Planning and Development Operating             | 591,971                 | 538,971          | 494,132                   | (44,839)  |
| Cable  | 13,818                  | 13,818           | 8,227                     | (5,591)   |
| Sewer System Operating                         | 682,869                 | 682,869          | 504,349                   | (178,520)   |
| Hydroelectric Power Operating                  | 2,650                   | 2,650            | 2,233                     | (417)   |
| Water  | 987,979                 | 987,979          | 715,482                   | (272,497)   |
| Golf   | 737                     | 737              | 482                       | (255)   |
| Portland International Raceway                 | 829                     | 829              | 347                       | (482)   |
| Solid Waste Management                         | 143,626                 | 143,626          | 86,847                    | (56,779)  |
| Parking Facilities                             | 756                     | 756              | 2,571                     | 1,815   |
| Spectator Facilities Operating                 | 976                     | 976              | 102                       | (874)   |
| Parks Construction                             | 14,500                  | 14,500           | 10,986                    | (3,514)   |
| Portland Parks Memorial Trust                  | -                       | -                | 6,563                     | 6,563   |
| Fire and Police Disability and Retirement      | 34,156                  | 31,868           | 36,165                    | 4,297   |
| Health Insurance Operating                     | 27,272                  | 27,272           | 28,791                    | 1,519   |
| Facilities Services Operating                  | 51,734                  | 51,734           | 41,069                    | (10,665)  |
| Fleet Services Operating                       | 25,155                  | 25,155           | 20,027                    | (5,128)   |
| Communication Services Operating               | 25,734                  | 25,734           | 10,361                    | (15,373)  |
| Insurance and Claims Operating                 | 25,736                  | 25,736           | 13,451                    | (12,285)  |
| Workers' Compensation Self-insurance Operating | 25,736                  | 25,736           | 8,758                     | (16,978)  |
| Information Technology                         | 23,050                  | 23,050           | 10,497                    | (12,553)  |
| <br>   |                         |                  |                           |   |
| Total revenues                                 | <u>7,296,921</u>        | <u>7,214,700</u> | <u>5,902,615</u>          | <u>(1,312,085)</u>  |

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, 2002**

|                                       | Budgeted Amounts |             | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---------------------------------------|------------------|-------------|-------------------|---|
|                                       | Original         | Final       |                   |   |
| <b>EXPENDITURES</b>                   |                  |             |                   |   |
| Personal services                     | 1,829,368        | 1,795,087   | 1,771,696         | 23,391  |
| Materials and services                | 4,599,080        | 4,599,306   | 3,846,158         | 753,148   |
| Capital outlay                        | 537,000          | 667,900     | 265,317           | 402,583   |
| General operating contingencies       | 1,008,767        | 1,026,480   | -                 | 1,026,480   |
| Overhead charges - General Fund       | 228,723          | 209,384     | 209,384           | -   |
| Debt service:                         |                  |             |                   |   |
| Interest                              | -                | -           | 64,578            | (64,578)  |
| Total expenditures                    | 8,202,938        | 8,298,157   | 6,157,133         | 2,141,024   |
| Revenues over (under) expenditures    | (906,017)        | (1,083,457) | (254,518)         | 828,939   |
| <b>OTHER FINANCING SOURCES (USES)</b> |                  |             |                   |   |
| Transfers from other funds:           |                  |             |                   |   |
| General                               | -                | 142,150     | 132,230           | (9,920)   |
| Sewer System Operating                | 25,000           | 25,000      | 16,953            | (8,047)   |
| Water                                 | 13,000           | 13,000      | 3,500             | (9,500)   |
| Communication Services Operating      | -                | 1,000       | 1,000             | -   |
| Information Technology                | -                | 3,000       | 3,000             | -   |
| Transfers to other funds:             |                  |             |                   |   |
| Pension Debt Redemption               | (79,895)         | (59,922)    | -                 | 59,922  |
| Total other financing sources (uses)  | (41,895)         | 124,228     | 156,683           | 32,455  |
| Net change in fund balances           | (947,912)        | (959,229)   | (97,835)          | 861,394   |
| Fund balances -- beginning            | 947,912          | 959,229     | 959,230           | 1   |
| Fund balances -- ending               | \$ -             | \$ -        | \$ 861,395        | \$ 861,395  |



**City of Portland, Oregon**  
**Communication Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES:</b>                               |                         |                   |                           |   |
| Miscellaneous service charges                  | \$ 1,696,493            | \$ 1,708,093      | \$ 1,822,227              | \$ 114,134  |
| Rents and reimbursements                       | 73,000                  | 73,000            | 79,059                    | 6,059   |
| Investment earnings                            | 455,000                 | 455,000           | 382,763                   | (72,237)  |
| Miscellaneous                                  | 2,000                   | 2,000             | 5,043                     | 3,043   |
| Sales - other                                  | 2,000                   | 2,000             | 115,662                   | 113,662   |
| Billings for interfund services:               |                         |                   |                           |   |
| General  | 4,942,989               | 5,070,846         | 5,052,333                 | (18,513)  |
| Transportation Operating                       | 890,150                 | 890,150           | 929,543                   | 39,393  |
| Emergency Communication                        | 428,229                 | 428,229           | 389,470                   | (38,759)  |
| Planning and Development Operating             | 430,202                 | 430,202           | 409,832                   | (20,370)  |
| Cable  | 5,380                   | 6,380             | 4,299                     | (2,081)   |
| Sewer System Operating                         | 740,275                 | 1,661,735         | 1,658,355                 | (3,380)   |
| Hydroelectric Power Operating                  | 6,956                   | 6,956             | 5,737                     | (1,219)   |
| Water  | 1,328,869               | 1,328,869         | 1,206,213                 | (122,656)   |
| Golf   | 12,487                  | 12,487            | 15,892                    | 3,405   |
| Portland International Raceway                 | 11,176                  | 11,176            | 11,242                    | 66  |
| Solid Waste Management                         | 12,405                  | 24,205            | 24,361                    | 156   |
| Parking Facilities                             | 15,283                  | 15,283            | 16,267                    | 984   |
| Spectator Facilities Operating                 | 476                     | 476               | 172                       | (304)   |
| FRES Facilities Bond Construction              | -                       | -                 | 18,646                    | 18,646  |
| Parks Construction                             | 9,806                   | 9,806             | 12,287                    | 2,481   |
| Portland Parks Memorial Trust                  | 372                     | 372               | 372                       | -   |
| Fire and Police Disability and Retirement      | 13,131                  | 28,631            | 14,582                    | (14,049)  |
| Health Insurance Operating                     | 6,868                   | 8,200             | 8,344                     | 144   |
| Facilities Services Operating                  | 430,186                 | 633,253           | 592,229                   | (41,024)  |
| Fleet Services Operating                       | 40,681                  | 40,681            | 35,917                    | (4,764)   |
| Printing and Distribution Services Operating   | 31,655                  | 31,655            | 29,956                    | (1,699)   |
| Insurance and Claims Operating                 | 11,871                  | 11,871            | 11,471                    | (400)   |
| Workers' Compensation Self-insurance Operating | 12,705                  | 12,705            | 11,187                    | (1,518)   |
| Information Technology                         | 86,617                  | 148,717           | 139,711                   | (9,006)   |
| Total revenues                                 | <u>11,697,262</u>       | <u>13,052,978</u> | <u>13,003,172</u>         | <u>(49,806)</u>   |

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, 2002**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|---------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>EXPENDITURES:</b>                         |                         |                     |                           |   |
| Personal services                            | 3,012,772               | 3,109,597           | 2,856,527                 | 253,070   |
| Materials and services                       | 10,102,231              | 12,181,513          | 9,226,854                 | 2,954,659   |
| Capital outlay                               | 3,836,000               | 4,635,622           | 2,600,113                 | 2,035,509   |
| General operating contingencies              | 6,862,388               | 8,212,291           | -                         | 8,212,291   |
| Overhead charges - General Fund              | 237,278                 | 258,237             | 258,237                   | -   |
| Debt service:                                |                         |                     |                           |   |
| Principal                                    | 690,073                 | 690,073             | 250,073                   | 440,000   |
| Interest                                     | 541,137                 | 625,890             | 346,312                   | 279,578   |
| <b>Total expenditures</b>                    | <u>25,281,879</u>       | <u>29,713,223</u>   | <u>15,538,116</u>         | <u>14,175,107</u>   |
| Revenues over (under) expenditures           | <u>(13,584,617)</u>     | <u>(16,660,245)</u> | <u>(2,534,944)</u>        | <u>14,125,301</u>   |
| <b>OTHER FINANCIAL SOURCES (USES)</b>        |                         |                     |                           |   |
| Transfers from other funds:                  |                         |                     |                           |   |
| General                                      | -                       | 227,597             | 175,264                   | (52,333)  |
| Transportation Operating                     | -                       | 16,350              | 14,820                    | (1,530)   |
| Cable  | -                       | 280,980             | 280,980                   | -   |
| Water  | 24,400                  | 24,400              | -                         | (24,400)  |
| Facilities Services Operating                | -                       | 40,000              | -                         | (40,000)  |
| Federal Grants                               | -                       | 2,500               | -                         | (2,500)   |
| Transfers to other funds:                    |                         |                     |                           |   |
| General                                      | -                       | (33,300)            | (33,300)                  | -   |
| Sewer System Operating                       | -                       | (159,314)           | (159,314)                 | -   |
| Pension Debt Redemption                      | (104,219)               | (78,164)            | -                         | 78,164  |
| Facilities Services Operating                | -                       | (40,000)            | (40,000)                  | -   |
| Fleet Services Operating                     | -                       | (35,292)            | (27,669)                  | 7,623   |
| Printing and Distribution Services Operating | -                       | (1,000)             | (1,000)                   | -   |
| Bonds and notes issued                       | 7,790,000               | 7,790,000           | 7,795,000                 | 5,000   |
| Bond and note premium                        | -                       | -                   | 45,283                    | 45,283  |
| <b>Total other financing sources (uses)</b>  | <u>7,710,181</u>        | <u>8,034,757</u>    | <u>8,050,064</u>          | <u>15,307</u>   |
| Net change in fund balances                  | (5,874,436)             | (8,625,488)         | 5,515,120                 | 14,140,608  |
| Fund balances -- beginning                   | <u>5,874,436</u>        | <u>8,625,488</u>    | <u>8,625,489</u>          | <u>1</u>  |
| Fund balances -- ending                      | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 14,140,609</u>      | <u>\$ 14,140,609</u>  |

**City of Portland, Oregon**  
**Insurance and Claims Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                           |   |
| <b>REVENUES:</b>                               |                         |                  |                           |   |
| Investment earnings                            | \$ 479,035              | \$ 479,035       | \$ 420,869                | \$ (58,166)   |
| Miscellaneous                                  | 54,590                  | 54,590           | 56,719                    | 2,129   |
| Billings for interfund services:               |                         |                  |                           |   |
| General  | 4,132,581               | 4,057,581        | 4,057,581                 | -   |
| Transportation Operating                       | 1,171,142               | 1,151,142        | 1,151,142                 | -   |
| Emergency Communication                        | 215,919                 | 215,919          | 215,919                   | -   |
| Planning and Development Operating             | 549,960                 | 549,960          | 549,960                   | -   |
| Cable  | 8,248                   | 8,248            | 8,248                     | -   |
| Sewer System Operating                         | 631,947                 | 581,947          | 581,947                   | -   |
| Hydroelectric Power Operating                  | 29,850                  | 29,850           | 29,850                    | -   |
| Water  | 559,766                 | 524,766          | 524,766                   | -   |
| Golf   | 40,846                  | 40,846           | 40,846                    | -   |
| Portland International Raceway                 | 21,206                  | 21,206           | 21,206                    | -   |
| Solid Waste Management                         | 13,919                  | 13,919           | 13,919                    | -   |
| Parking Facilities                             | 45,196                  | 45,196           | 45,196                    | -   |
| Health Insurance Operating                     | 3,935                   | 3,935            | 3,935                     | -   |
| Facilities Services Operating                  | 99,664                  | 99,664           | 99,664                    | -   |
| Fleet Services Operating                       | 61,966                  | 61,966           | 61,966                    | -   |
| Printing and Distribution Services Operating   | 26,964                  | 26,964           | 26,964                    | -   |
| Communication Services Operating               | 39,336                  | 39,336           | 39,336                    | -   |
| Workers' Compensation Self-insurance Operating | 5,592                   | 5,592            | 5,592                     | -   |
| Information Technology                         | 29,914                  | 29,914           | 29,914                    | -   |
|  | -                       | -                | -                         | -   |
| Total revenues                                 | <u>8,221,576</u>        | <u>8,041,576</u> | <u>7,985,539</u>          | <u>(56,037)</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, 2002**

|                                       | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---------------------------------------|-------------------------|-------------------|---------------------------|---|
|                                       | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>EXPENDITURES:</b>                  |                         |                   |                           |   |
| Personal services                     | 707,699                 | 801,381           | 743,211                   | 58,170  |
| Materials and services                | 5,852,156               | 5,766,467         | 4,510,055                 | 1,256,412   |
| General operating contingencies       | 11,059,416              | 12,456,569        | -                         | 12,456,569  |
| Overhead charges - General Fund       | 147,119                 | 124,306           | 124,306                   | -   |
| Debt service:                         |                         |                   |                           |   |
| Interest                              | -                       | -                 | 29,225                    | (29,225)  |
|                                       |                         |                   |                           |   |
| Total expenditures                    | <u>17,766,390</u>       | <u>19,148,723</u> | <u>5,406,797</u>          | <u>13,741,926</u>   |
| Revenues over (under) expenditures    | (9,544,814)             | (11,107,147)      | 2,578,742                 | 13,685,889  |
| <b>OTHER FINANCIAL SOURCES (USES)</b> |                         |                   |                           |   |
| Transfers to other funds:             |                         |                   |                           |   |
| Pension Debt Redemption               | (35,888)                | (26,916)          | -                         | 26,916  |
|                                       |                         |                   |                           |   |
| Net change in fund balances           | (9,580,702)             | (11,134,063)      | 2,578,742                 | 13,712,805  |
| Fund balances -- beginning            | <u>9,580,702</u>        | <u>11,134,063</u> | <u>11,134,404</u>         | <u>341</u>  |
| Fund balances -- ending               | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ 13,713,146</u>      | <u>\$ 13,713,146</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, 2002**

|  | <u>Budgeted Amounts</u> |                   |                           | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-------------------------|-------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>      | <u>Actual<br/>Amounts</u> |   |
| <b>REVENUES:</b>                             |                         |                   |                           |   |
| Investment earnings                          | \$ 611,010              | \$ 611,010        | \$ 478,939                | \$ (132,071)  |
| Miscellaneous                                | 164,443                 | 164,443           | 164,718                   | 275   |
| Billings for interfund services:             |                         |                   |                           |   |
| General                                      | 1,196,109               | 1,156,109         | 1,156,109                 | -   |
| Transportation Operating                     | 598,876                 | 588,876           | 588,876                   | -   |
| Emergency Communication                      | 88,508                  | 88,508            | 88,508                    | -   |
| Planning and Development Operating           | 118,458                 | 118,458           | 118,458                   | -   |
| Cable  | 2,658                   | 2,658             | 2,658                     | -   |
| Sewer System Operating                       | 170,542                 | 145,542           | 145,542                   | -   |
| Hydroelectric Power Operating                | 2,523                   | 2,523             | 2,523                     | -   |
| Water  | 407,241                 | 382,241           | 382,241                   | -   |
| Golf   | 30,946                  | 30,946            | 30,946                    | -   |
| Portland International Raceway               | 4,300                   | 4,300             | 4,300                     | -   |
| Solid Waste Management                       | 3,726                   | 3,726             | 3,726                     | -   |
| Health Insurance Operating                   | 2,267                   | 2,267             | 2,267                     | -   |
| Facilities Services Operating                | 17,482                  | 17,482            | 17,482                    | -   |
| Fleet Services Operating                     | 176,497                 | 176,497           | 176,497                   | -   |
| Printing and Distribution Services Operating | 15,058                  | 15,058            | 15,058                    | -   |
| Communication Services Operating             | 21,102                  | 21,102            | 21,102                    | -   |
| Insurance and Claims Operating               | 3,222                   | 3,222             | 3,222                     | -   |
| Information Technology                       | 17,236                  | 17,236            | 17,236                    | -   |
| Total revenues                               | <u>3,652,204</u>        | <u>3,552,204</u>  | <u>3,420,408</u>          | <u>(131,796)</u>  |
| <b>EXPENDITURES:</b>                         |                         |                   |                           |   |
| Personal services                            | 711,390                 | 802,618           | 789,402                   | 13,216  |
| Materials and services                       | 3,817,854               | 3,731,626         | 2,484,750                 | 1,246,876   |
| General operating contingencies              | 11,191,736              | 11,924,674        | -                         | 11,924,674  |
| Overhead charges - General Fund              | 115,534                 | 114,426           | 114,426                   | -   |
| Debt service:                                |                         |                   |                           |   |
| Interest                                     | -                       | -                 | 29,275                    | (29,275)  |
| Total expenditures                           | <u>15,836,514</u>       | <u>16,573,344</u> | <u>3,417,853</u>          | <u>13,155,491</u>   |
| Revenues over (under) expenditures           | (12,184,310)            | (13,021,140)      | 2,555                     | 13,023,695  |
| <b>OTHER FINANCIAL SOURCES (USES)</b>        |                         |                   |                           |   |
| Transfers to other funds:                    |                         |                   |                           |   |
| Pension Debt Redemption                      | (35,888)                | (26,916)          | -                         | 26,916  |
| Net change in fund balances                  | (12,220,198)            | (13,048,056)      | 2,555                     | 13,050,611  |
| Fund balances -- beginning                   | <u>12,220,198</u>       | <u>13,048,056</u> | <u>13,048,399</u>         | <u>343</u>  |
| Fund balances -- ending                      | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ 13,050,954</u>      | <u>\$ 13,050,954</u>                                      |

**City of Portland, Oregon**  
**Information Technology Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2002**

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|-------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>      |                           |   |
| <b>REVENUES:</b>                               |                         |                   |                           |   |
| Local cost sharing                             | \$ 104,304              | \$ 151,304        | \$ 199,534                | \$ 48,230   |
| Investment earnings                            | 120,000                 | 120,000           | 201,593                   | 81,593  |
| Miscellaneous                                  | 92,633                  | 92,633            | 46,813                    | (45,820)  |
| Billings for interfund services:               |                         |                   |                           |   |
| General  | 5,792,762               | 6,077,936         | 5,574,149                 | (503,787)   |
| Transportation Operating                       | 2,408,746               | 2,331,866         | 2,215,938                 | (115,928)   |
| Emergency Communication                        | 1,568,796               | 1,568,796         | 1,505,216                 | (63,580)  |
| Planning and Development Operating             | 792,815                 | 847,815           | 867,366                   | 19,551  |
| Public Safety                                  | 1,813                   | 1,813             | 1,813                     | -   |
| Cable  | 13,522                  | 13,522            | 11,639                    | (1,883)   |
| Sewer System Operating                         | 1,828,935               | 1,828,935         | 1,723,576                 | (105,359)   |
| Hydroelectric Power Operating                  | 2,772                   | 2,772             | 2,772                     | -   |
| Water  | 2,058,227               | 2,058,227         | 2,038,162                 | (20,065)  |
| Golf   | 15,039                  | 15,039            | 15,039                    | -   |
| Portland International Raceway                 | 2,315                   | 2,315             | 2,315                     | -   |
| Solid Waste Management                         | 26,767                  | 30,652            | 30,605                    | (47)  |
| Parking Facilities                             | 5,221                   | 5,221             | 5,221                     | -   |
| Environmental Remediation                      | 1,352                   | 1,352             | 1,352                     | -   |
| Parks Construction                             | 11,539                  | 11,539            | 11,539                    | -   |
| Fire and Police Disability and Retirement      | 14,641                  | 14,641            | 13,524                    | (1,117)   |
| Health Insurance Operating                     | 121,473                 | 136,297           | 139,418                   | 3,121   |
| Facilities Services Operating                  | 54,659                  | 54,659            | 51,847                    | (2,812)   |
| Fleet Services Operating                       | 38,733                  | 38,733            | 38,733                    | -   |
| Printing and Distribution Services Operating   | 200,742                 | 255,742           | 255,742                   | -   |
| Communication Services Operating               | 104,922                 | 104,922           | 106,450                   | 1,528   |
| Insurance and Claims Operating                 | 33,299                  | 33,299            | 26,876                    | (6,423)   |
| Workers' Compensation Self-insurance Operating | 33,299                  | 33,299            | 26,778                    | (6,521)   |
| <b>Total revenues</b>                          | <u>15,449,326</u>       | <u>15,833,329</u> | <u>15,114,010</u>         | <u>(719,319)</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, 2002**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|--------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>       |                           |   |
| <b>EXPENDITURES:</b>                         |                         |                    |                           |   |
| Personal services                            | 11,444,975              | 11,409,695         | 10,837,222                | 572,473   |
| Materials and services                       | 4,409,845               | 7,493,411          | 5,530,399                 | 1,963,012   |
| Capital outlay                               | 98,143                  | 621,773            | 495,936                   | 125,837   |
| General operating contingencies              | 5,779,623               | 3,059,897          | -                         | 3,059,897   |
| Overhead charges - General Fund              | 154,756                 | 215,116            | 215,116                   | -   |
| Debt service:                                |                         |                    |                           |   |
| Principal                                    | 1,048,300               | 1,048,300          | 810,000                   | 238,300   |
| Interest                                     | -                       | -                  | 358,811                   | (358,811)   |
|  | <u>22,935,642</u>       | <u>23,848,192</u>  | <u>18,247,484</u>         | <u>5,600,708</u>  |
| Total expenditures                           |                         |                    |                           |   |
| Revenues over (under) expenditures           | <u>(7,486,316)</u>      | <u>(8,014,863)</u> | <u>(3,133,474)</u>        | <u>4,881,389</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                         |                    |                           |   |
| Transfers from other funds:                  |                         |                    |                           |   |
| General                                      | 388,252                 | 388,252            | 388,252                   | -   |
| Transfers to other funds                     |                         |                    |                           |   |
| Pension Debt Redemption                      | (159,469)               | (119,602)          | -                         | 119,602   |
| Printing and Distribution Services Operating | -                       | (3,000)            | (3,000)                   | -   |
|  | <u>228,783</u>          | <u>265,650</u>     | <u>385,252</u>            | <u>119,602</u>  |
| Total other financing sources (uses)         |                         |                    |                           |   |
| Net change in fund balances                  | <u>(7,257,533)</u>      | <u>(7,749,213)</u> | <u>(2,748,222)</u>        | <u>5,000,991</u>  |
| Fund balances -- beginning                   | <u>7,257,533</u>        | <u>7,749,213</u>   | <u>7,749,211</u>          | <u>(2)</u>  |
| Fund balances -- ending                      | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 5,000,989</u>       | <u>\$ 5,000,989</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, 2002**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                           |   |
| <b>REVENUES</b>                                   |                         |                     |                           |   |
| Current year's taxes                              | \$ 58,300,350           | \$ 58,300,350       | \$ 58,199,998             | \$ (100,352)  |
| Prior years' property taxes                       | 1,400,000               | 1,400,000           | 1,833,331                 | 433,331   |
| Billing for interfund services:                   |                         |                     |                           |   |
| General   | 54,739                  | 54,739              | 43,919                    | (10,820)  |
| Miscellaneous revenues:                           |                         |                     |                           |   |
| Investment earnings                               | 1,200,000               | 1,200,000           | 843,594                   | (356,406)   |
| Miscellaneous                                     | 3,915                   | 3,915               | 17,312                    | 13,397  |
| <b>Total revenues</b>                             | <u>60,959,004</u>       | <u>60,959,004</u>   | <u>60,938,154</u>         | <u>(20,850)</u>   |
| <b>EXPENDITURES</b>                               |                         |                     |                           |   |
| Materials and services                            | 67,439,773              | 67,433,551          | 65,793,306                | 1,640,245   |
| Capital outlay                                    | 10,831                  | 10,831              | 6,525                     | 4,306   |
| General operating contingencies                   | 2,478,469               | 2,478,469           | -                         | 2,478,469   |
| Overhead charges - General Fund                   | 63,752                  | 69,974              | 69,974                    | -   |
| Debt service:                                     |                         |                     |                           |   |
| Principal   | 20,000,000              | 20,000,000          | 10,960,000                | 9,040,000   |
| Interest  | 500,000                 | 500,000             | 398,591                   | 101,409   |
| <b>Total expenditures</b>                         | <u>90,492,825</u>       | <u>90,492,825</u>   | <u>77,228,396</u>         | <u>13,264,429</u>   |
| <b>Revenues over (under) expenditures</b>         | <u>(29,533,821)</u>     | <u>(29,533,821)</u> | <u>(16,290,242)</u>       | <u>13,243,579</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                           | (25,804)                | (25,804)            | -                         | 25,804  |
| Bonds and notes issued                            | 20,000,000              | 20,000,000          | 10,960,000                | (9,040,000)   |
| Bond and note premium                             | -                       | -                   | 95,023                    | 95,023  |
| <b>Total other financing sources and uses</b>     | <u>20,724,196</u>       | <u>20,724,196</u>   | <u>11,055,023</u>         | <u>(9,669,173)</u>  |
| <b>Net change in fund balances</b>                | <u>(8,809,625)</u>      | <u>(8,809,625)</u>  | <u>(5,235,219)</u>        | <u>3,574,406</u>  |
| Fund balances -- beginning                        | 8,809,625               | 8,809,625           | 9,476,962                 | 667,337   |
| Fund balances -- ending                           | <u>\$ -</u>             | <u>\$ -</u>         | <u>\$ 4,241,743</u>       | <u>\$ 4,241,743</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, 2002**

|   | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(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  |
| <br>                                      |                         |                |                           |   |
| 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, 2002**

|                                    | <u>Budgeted Amounts</u> |              | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget -<br/>Positive<br/>(Negative)</u> |
|------------------------------------|-------------------------|--------------|---------------------------|---|
|                                    | <u>Original</u>         | <u>Final</u> |                           |   |
| <b>REVENUES</b>                    |                         |              |                           |   |
| Investment earnings                | \$ 9,000                | \$ 9,000     | \$ 3,532                  | \$ (5,468)  |
| <b>EXPENDITURES</b>                |                         |              |                           |   |
| Materials and services             | 7,000                   | 7,000        | 6,834                     | 166   |
| Revenues over (under) expenditures | 2,000                   | 2,000        | (3,302)                   | (5,302)   |
| <br>                               |                         |              |                           |   |
| Fund balances -- beginning         | 99,633                  | 99,633       | 98,320                    | (1,313)   |
| Fund balances -- ending            | \$ 101,633              | \$ 101,633   | \$ 95,018                 | \$ (6,615)  |



**JAPANESE GARDENS**

# Other Financial Schedules

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Capital Assets Used in the Operation of Governmental Funds:

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

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**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedules by Source<sup>1</sup>**  
**For the Year Ended June 30, 2002**

**Governmental funds capital assets by type:**

|  |                                |
|--|--------------------------------|
| Land   | \$ 53,498,749                  |
| Buildings                                      | 45,565,791                     |
| Improvements                                   | 140,285,632                    |
| Infrastructure                                 | 3,907,472,594                  |
| Equipment                                      | 33,733,346                     |
| Capitalized Leases                             | 1,775,370                      |
| Work in Progress                               | 30,960,713                     |
| <b>Total governmental funds capital assets</b> | <b>\$ <u>4,213,292,195</u></b> |

**Governmental funds capital assets by source:**

|  |                                |
|--|--------------------------------|
| General Fund                                   | \$ 113,033,967                 |
| Special Revenue Funds                          | 3,944,736,883                  |
| Capital Projects Funds                         | 107,626,936                    |
| Other Governmental Funds                       | 47,894,409                     |
| <b>Total governmental funds capital assets</b> | <b>\$ <u>4,213,292,195</u></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 by Function and Activity<sup>1</sup>  
 For the Year Ended June 30, 2002

| Function and Activity                          | Land                 | Buildings            | Improvements          | Equipment            | Capitalized<br>Leases | Infrastructure          | Construction<br>In<br>Progress | Total                   |
|--|----------------------|----------------------|-----------------------|----------------------|-----------------------|-------------------------|--------------------------------|-------------------------|
| Legislative, Admin and Support Services        | \$ 11,595,759        | \$ 15,181,023        | \$ 27,464,336         | \$ 2,645,819         | \$ -                  | \$ -                    | \$ -                           | \$ 56,886,937           |
| Public safety                                  | 4,657,372            | 7,718,147            | 5,172,824             | 23,119,563           | -                     | -                       | 5,588,818                      | 46,256,724              |
| Community Development                          | 157,279              | -                    | 64,473                | 215,019              | -                     | -                       | -                              | 436,771                 |
| Parks, Recreation and Culture                  | 17,575,309           | 4,688,243            | 90,122,561            | 1,097,780            | -                     | -                       | 9,931,662                      | 123,415,555             |
| Transportation and Parking                     | 8,267,946            | -                    | -                     | 5,445,656            | 1,775,370             | 3,907,472,594           | 15,440,233                     | 3,938,401,799           |
| Other  | 11,245,084           | 17,978,378           | 17,461,438            | 1,209,509            | -                     | -                       | -                              | 47,894,409              |
| <b>Total Governmental Funds Capital Assets</b> | <b>\$ 53,498,749</b> | <b>\$ 45,565,791</b> | <b>\$ 140,285,632</b> | <b>\$ 33,733,346</b> | <b>\$ 1,775,370</b>   | <b>\$ 3,907,472,594</b> | <b>\$ 30,960,713</b>           | <b>\$ 4,213,292,195</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, 2002

| Function                                       | Governmental<br>Funds Capital<br>Assets<br>July 1, 2001 | Additions            | Deductions           | Governmental<br>Funds Capital<br>Assets<br>June 30, 2002 |
|--|---|----------------------|----------------------|--|
| Legislative, Admin & Support Services          | \$ 73,917,492   | \$ 18,591            | \$ 17,049,146        | \$ 56,886,937  |
| Public safety                                  | 39,809,315  | 9,245,672            | 2,798,263            | 46,256,724   |
| Community Development                          | 815,566   | -                    | 378,795              | 436,771  |
| Parks, Recreation & Culture                    | 114,364,055   | 11,476,049           | 2,424,549            | 123,415,555  |
| Transportation & Parking                       | 3,906,787,462   | 32,484,672           | 870,335              | 3,938,401,799  |
| Other  | 61,327,368  | -                    | 13,432,959           | 47,894,409   |
| <b>Total governmental funds capital assets</b> | <b>\$ 4,197,021,258</b>                                 | <b>\$ 53,224,984</b> | <b>\$ 36,954,047</b> | <b>\$ 4,213,292,195</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  
Schedule of Bond Principal Transactions  
For the Year Ended June 30, 2002

| Bond Series  | Interest Rates   | Date of issue | Years of Maturity | Amount of Original Issue | Outstanding June 30, 2001 | Bonds Issued During Year | Bonds Allocated, Called and Matured During Year | Outstanding June 30, 2002 |
|--|------------------|---------------|-------------------|--------------------------|---------------------------|--------------------------|---|---------------------------|
| <b>GENERAL OBLIGATION BONDS</b>                              |                  |               |                   |                          |                           |                          |   |                           |
| Water bonds  | 1993A 4.30-5.10  | 08/01/93      | 2001-11           | \$ 20,070,000            | \$ 13,470,000             | \$ -                     | \$ 1,085,000                                    | 12,385,000                |
|  | 1993B 4.25-4.50  | 11/15/93      | 2001-05           | 27,950,000               | 13,550,000                | -                        | 2,560,000                                       | 10,990,000                |
|  | 1993C 4.25-4.50  | 11/15/93      | 2001-04           | 15,560,000               | 7,445,000                 | -                        | 1,745,000                                       | 5,700,000                 |
|  | 1994A 3.80-4.00  | 01/15/94      | 2001-04           | 5,140,000                | 1,500,000                 | -                        | 480,000   | 1,020,000                 |
| <b>Subtotal Water Bonds</b>                                  |                  |               |                   |                          | <b>35,965,000</b>         | <b>-</b>                 | <b>5,870,000</b>                                | <b>30,095,000</b>         |
| Other water districts' bonds assumed by annexation           |                  |               |                   |                          | 10,867                    | -                        | 2,087   | 8,780                     |
| <b>Total Water District Bonds</b>                            |                  |               |                   |                          | <b>35,975,867</b>         | <b>-</b>                 | <b>5,872,087</b>                                | <b>30,103,780</b>         |
| <b>Exposition Recreation Renovation and Facilities Bonds</b> |                  |               |                   |                          |                           |                          |   |                           |
| 1986C  | 5.50             | 12/01/86      | 2001-02           | 1,680,000                | 855,000                   | -                        | 855,000   | -                         |
| Parks bonds  | 1995A 5.10-5.75  | 03/01/95      | 2001-08           | 20,000,000               | 16,395,000                | -                        | 10,535,000                                      | 5,860,000                 |
|  | 1995B 5.10-5.75  | 03/01/95      | 2001-08           | 31,800,000               | 31,755,000                | -                        | 20,370,000                                      | 11,385,000                |
|  | 2001A 3.00-5.00  | 07/01/01      | 2001-15           | 29,810,000               | -                         | 29,810,000               | 235,000   | 29,575,000                |
| <b>Total Parks Bonds</b>                                     |                  |               |                   |                          | <b>48,150,000</b>         | <b>29,810,000</b>        | <b>31,140,000</b>                               | <b>46,820,000</b>         |
| <b>Emergency Facilities bonds</b>                            | 1999A 4.50-5.125 | 06/01/99      | 2001-19           | 24,500,000               | 22,880,000                | -                        | 860,000   | 22,020,000                |
| <b>TOTAL GENERAL OBLIGATION BONDS</b>                        |                  |               |                   |                          | <b>107,860,867</b>        | <b>29,810,000</b>        | <b>38,727,087</b>                               | <b>98,943,780</b>         |
| <b>SPECIAL ASSESSMENT BONDS</b>                              |                  |               |                   |                          |                           |                          |   |                           |
| DEQ  | 1990A 7.15       | 09/01/90      | 2002-10           | 2,910,000                | 230,000                   | -                        | 75,000  | 155,000                   |
| DEQ  | 1992A 6.45       | 02/27/92      | 2002              | 10,935,000               | 180,000                   | -                        | 180,000   | -                         |
| DEQ  | 1993 5.725       | 06/23/93      | 2002              | 57,440,000               | 720,000                   | -                        | 720,000   | -                         |
| DEQ  | 1994A 6.00       | 04/14/94      | 2002-14           | 19,100,000               | 1,350,000                 | -                        | 735,000   | 615,000                   |
| Limited Tax Improvement                                      | 1994A 5.75       | 05/01/94      | 2002-14           | 6,925,000                | 1,225,000                 | -                        | 260,000   | 965,000                   |
| Limited Tax Improvement                                      | 1995A 5.25       | 05/01/95      | 2002-15           | 6,210,000                | 1,000,000                 | -                        | 310,000   | 690,000                   |
| Limited Tax Improvement                                      | 1996A 5.55       | 06/01/96      | 2002-16           | 7,525,000                | 2,700,000                 | -                        | 535,000   | 2,165,000                 |
| Limited Tax Improvement                                      | 1998A 4.05-4.875 | 02/01/98      | 2002-18           | 8,460,000                | 3,255,000                 | -                        | 970,000   | 2,285,000                 |
| Limited Tax Improvement                                      | 1999A 4.20-5.00  | 03/01/98      | 2002-19           | 8,685,000                | 5,550,000                 | -                        | 925,000   | 4,625,000                 |
| <b>TOTAL SPECIAL ASSESSMENT BONDS</b>                        |                  |               |                   |                          | <b>16,210,000</b>         | <b>-</b>                 | <b>4,710,000</b>                                | <b>11,500,000</b>         |
| <b>URBAN RENEWAL AND REDEVELOPMENT BONDS</b>                 |                  |               |                   |                          |                           |                          |   |                           |
| South Park Blocks  | 1993C 4.60-5.00  | 08/01/93      | 2002-05           | 4,625,000                | 2,605,000                 | -                        | 470,000   | 2,135,000                 |
|  | 2000A 5.00-5.75  | 10/15/00      | 2002-20           | 23,325,000               | 23,325,000                | -                        | -   | 23,325,000                |
|  | 2000B 6.59-7.34  | 10/15/00      | 2002-13           | 16,560,000               | 15,915,000                | -                        | 730,000   | 15,185,000                |
| Waterfront Renewal   | 1986C 7.10-7.25  | 11/01/88      | 2001-08           | 17,793,704               | 3,157,208                 | -                        | 507,275   | 2,649,933                 |
|  | 1986L 6.00-6.40  | 03/01/92      | 2001-08           | 45,010,000               | 14,400,000                | -                        | 2,840,000                                       | 11,560,000                |
|  | 2000A 5.10-5.75  | 10/31/00      | 2001-20           | 33,060,000               | 33,060,000                | -                        | -   | 33,060,000                |
|  | 2000B 6.57-7.26  | 10/31/00      | 2001-13           | 24,970,000               | 24,550,000                | -                        | -   | 24,550,000                |
| Airport Way bonds  | 1994C 5.50-6.125 | 05/01/94      | 2001-10           | 17,805,000               | 13,130,000                | -                        | 905,000   | 12,225,000                |
|  | 2000A 5.00-6.00  | 06/01/00      | 2001-20           | 51,000,000               | 51,000,000                | -                        | -   | 51,000,000                |
|  | 2000B 7.30-7.33  | 06/01/00      | 2001-03           | 2,000,000                | 2,000,000                 | -                        | 1,090,000                                       | 910,000                   |
| Oregon   | 2000A 5.25-5.75  | 08/01/00      | 2001-20           | 32,900,000               | 32,900,000                | -                        | -   | 32,900,000                |
| Convention Center  | 2000B 7.45-7.75  | 08/01/00      | 2001-14           | 16,840,000               | 16,480,000                | -                        | -   | 16,480,000                |
| Parks Line of Credit   | *                | 2000          | *                 | 2,250,000                | 2,250,000                 | 500,000                  | 2,250,000                                       | 500,000                   |
| River District Line of Credit                                | *                | 2002          | *                 | -                        | -                         | 47,970,000               | 24,220,000                                      | 23,750,000                |
| Housing Preservation Line of Credit                          | *                | 2000          | *                 | 4,804,438                | 4,804,438                 | 4,416,000                | 2,816,000                                       | 6,404,438                 |
| Du Jour Proceeds   | *                | 2002          | *                 | 5,415,000                | -                         | 5,415,000                | 5,415,000                                       | -                         |
| <b>TOTAL URBAN RENEWAL AND REDEVELOPMENT BONDS</b>           |                  |               |                   |                          | <b>239,576,646</b>        | <b>58,301,000</b>        | <b>41,243,275</b>                               | <b>256,634,371</b>        |

\*variable rate, see Footnote 10

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City of Portland, Oregon  
 Schedule of Bond Principal Transactions  
 For the Year Ended June 30, 2002

| Bond Series  | Interest Rates | Date of issue | Years of Maturity | Amount of Original Issue | Outstanding June 30, 2001 | Bonds Issued During Year | Bonds Allocated, Called and Matured During Year | Outstanding June 30, 2002 |
|--|----------------|---------------|-------------------|--------------------------|---------------------------|--------------------------|---|---------------------------|
| <b>LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>                           |                |               |                   |                          |                           |                          |   |                           |
| <b>Governmental Funds</b>  |                |               |                   |                          |                           |                          |   |                           |
| Pension  | 1999C          | 7.27-7.701    | 11/01/99          | 2000-22                  | 111,165,000               | 111,165,000              | -   | -                         |
| Allocated to proprietary funds   |                |               |                   |                          | -                         | -                        | 33,059,174                                      | 78,105,826                |
|  | 1999C          | *             | 11/01/99          | 2000-29                  | 39,683,346                | 39,683,346               | -   | -                         |
| Allocated to proprietary funds   |                |               |                   |                          | -                         | -                        | 11,801,362                                      | 27,881,984                |
|  | 1999D&E        | 5.95          | 11/01/99          | 2009                     | 150,000,000               | 150,000,000              | -   | -                         |
| Allocated to proprietary fund  |                |               |                   |                          | -                         | -                        | 44,608,256                                      | 105,391,744               |
| 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 Arts  | 2001C          | 4.00-5.50     | 05/01/01          | 2001-21                  | 2,100,000                 | 2,100,000                | -   | 2,040,000                 |
| Streetcar Project  | 2002A          | 3.50-4.00     | 04/01/02          | 2002-06                  | 1,060,000                 | -                        | 1,060,000                                       | 1,060,000                 |
| System Development   | 2002A          | 3.00-4.50     | 04/01/02          | 2002-11                  | 2,245,000                 | -                        | 2,245,000                                       | 2,245,000                 |
| Capital Improvement and  | 1998B          | 3.8-4.75      | 06/15/98          | 1999-18                  | 8,499,490                 | 4,578,589                | -   | 3,010,686                 |
| Renovation   | 1999B          | 5.0-5.875     | 11/01/99          | 2001-20                  | 10,135,000                | 9,275,000                | -   | 8,145,000                 |
| Capital Projects Line of Credit  |                | *             | 06/26/97          | 2000-02                  | 3,002,465                 | 309,826                  | -   | -                         |
| <b>Total Limited Tax and Limited Tax Revenue Bonds: Governmental Funds</b> |                |               |                   |                          | <b>452,810,649</b>        | <b>3,305,000</b>         | <b>92,536,521</b>                               | <b>363,579,128</b>        |
| <b>Proprietary Funds</b>   |                |               |                   |                          |                           |                          |   |                           |
| Pension  |                |               |                   |                          |                           |                          |   |                           |
| Allocation of Pension Bonds  | 1999C          | 7.27-7.701    | 11/01/99          | 2000-22                  | -                         | 33,059,174               | -   | 33,059,174                |
|  | 1999C          | *             | 11/01/99          | 2000-29                  | -                         | 11,801,362               | -   | 11,801,362                |
|  | 1999D&E        | 5.95          | 11/01/99          | 2009                     | -                         | 44,608,256               | -   | 44,608,256                |
| Central City Streetcar   | 1999A          | 4.00-5.00     | 04/15/99          | 2001-24                  | 29,160,000                | 28,460,000               | -   | 27,970,000                |
| Arena  | 1996           | 6.70-7.75     | 08/01/96          | 1997-2016                | 10,295,000                | 8,745,000                | -   | 8,400,000                 |
|  | 1996A          | 7.00-8.05     | 07/15/96          | 1997-2016                | 11,565,000                | 7,865,000                | -   | 7,485,000                 |
|  | 1996B          | 4.65-5.70     | 07/15/96          | 1997-2016                | 2,920,000                 | 2,415,000                | -   | 2,305,000                 |
| Civic Stadium  | 2001D          | 6.00-7.00     | 05/15/01          | 2012                     | 35,000,000                | 35,000,000               | -   | 34,390,000                |
| Line of Credit   |                | *             | 05/18/01          | 2001-02                  | -                         | 6,990,219                | 2,150,614                                       | 9,140,833                 |
| Capital Improvement and  | 1996A          | 4.60-5.60     | 06/01/96          | 1999-16                  | 61,917,499                | 24,512,664               | -   | 23,382,737                |
| Renovation   | 1996A          | 4.60-5.375    | 06/01/96          | 1999-13                  | 1,001,462                 | 797,336                  | -   | 747,263                   |
|  | 1998B          | 3.90-4.05     | 06/01/98          | 1998-03                  | 250,510                   | 106,411                  | -   | 54,314                    |
|  | 1999B          | 5.00-5.50     | 11/01/99          | 1999-08                  | 2,935,000                 | 2,640,000                | -   | 2,265,000                 |
|  | 1999B          | 5.00-5.50     | 11/01/99          | 2000-06                  | 5,560,000                 | 4,440,000                | -   | 3,630,000                 |
|  | 2002A          | 3.00-4.50     | 04/01/02          | 2003-12                  | 220,000                   | -                        | 220,000   | 220,000                   |
| Capital Financing -  |                |               |                   |                          |                           |                          |   |                           |
| Facilities   | 1998A          | 4.10-5.00     | 04/15/98          | 1999-18                  | 28,900,000                | 26,860,000               | -   | 25,780,000                |
|  | 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 Funds</b>  |                |               |                   |                          | <b>148,831,630</b>        | <b>99,634,406</b>        | <b>14,572,930</b>                               | <b>233,893,106</b>        |
| <b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>                     |                |               |                   |                          | <b>601,642,279</b>        | <b>102,939,406</b>       | <b>107,109,451</b>                              | <b>597,472,234</b>        |
| <b>REVENUE BONDS</b>   |                |               |                   |                          |                           |                          |   |                           |
| <b>Governmental Funds</b>  |                |               |                   |                          |                           |                          |   |                           |
| Gas Tax  | 1996A          | 4.75-5.80     | 09/01/96          | 1997-16                  | 6,580,000                 | 5,495,000                | -   | 5,245,000                 |
|  | 1998A          | 4.00-5.00     | 06/01/98          | 1999-18                  | 3,070,000                 | 2,760,000                | -   | 2,650,000                 |
| Transportation   | LOC            | Variable      | 06/27/02          | 2003-06                  | -                         | -                        | 4,545,512                                       | 4,545,512                 |
| <b>Total Gas Tax Bonds</b>   |                |               |                   |                          | <b>8,255,000</b>          | <b>4,545,512</b>         | <b>360,000</b>                                  | <b>12,440,512</b>         |
| <b>Total Revenue Bonds: Governmental Funds</b>                             |                |               |                   |                          | <b>8,255,000</b>          | <b>4,545,512</b>         | <b>360,000</b>                                  | <b>12,440,512</b>         |

\*variable rate, see Footnote 10

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City of Portland, Oregon  
 Schedule of Bond Principal Transactions  
 For the Year Ended June 30, 2002

|  | Bond Series | Interest Rates | Date of issue | Years of Maturity | Amount of Original Issue | Outstanding June 30, 2001 | Bonds Issued During Year | Bonds Allocated, Called and Matured During Year | Outstanding June 30, 2002 |
|--|-------------|----------------|---------------|-------------------|--------------------------|---------------------------|--------------------------|---|---------------------------|
| <b>REVENUE BONDS, Continued</b>            |             |                |               |                   |                          |                           |                          |   |                           |
| <b>Proprietary Funds</b>                   |             |                |               |                   |                          |                           |                          |   |                           |
| Water                                      | 1993R       | 4.30-5.25      | 08/01/93      | 1994-14           | 25,000,000               | 19,320,000                | -                        | 1,090,000                                       | 18,230,000                |
|  | 1,995       | 4.30-5.50      | 11/15/95      | 1996-15           | 20,000,000               | 17,760,000                | -                        | 620,000   | 17,140,000                |
|  | 1997A       | 4.75-5.00      | 11/15/97      | 1998-17           | 30,000,000               | 27,850,000                | -                        | 790,000   | 27,060,000                |
|  | 2000A       | 5.00-5.50      | 03/15/00      | 2001-21           | 35,000,000               | 35,000,000                | -                        | 490,000   | 34,510,000                |
| <b>Total Water Bonds</b>                   |             |                |               |                   |                          | <b>99,930,000</b>         | <b>-</b>                 | <b>2,990,000</b>                                | <b>96,940,000</b>         |
| Golf Fund                                  | 2000A       | *              | 03/01/00      | 2000-03           | 3,600,000                | 3,600,000                 | -                        | -   | 3,600,000                 |
| *variable rate, see Footnote 10            |             |                |               |                   |                          |                           |                          |   |                           |
| Sewage Disposal Fund Revenue               | 1992A       | 5.40-6.00      | 09/15/92      | 1993-02           | 75,590,000               | 4,385,000                 | -                        | 2,130,000                                       | 2,255,000                 |
|  | 1992B       | 4.60-5.50      | 09/15/92      | 1993-05           | 21,860,000               | 8,395,000                 | -                        | 2,500,000                                       | 5,895,000                 |
|  | 1993A       | 4.40-5.20      | 07/15/93      | 1994-10           | 55,935,000               | 46,105,000                | -                        | 2,385,000                                       | 43,720,000                |
|  | 1994A       | 5.35-7.00      | 08/15/97      | 1995-04           | 64,665,000               | 28,770,000                | -                        | 9,090,000                                       | 19,680,000                |
|  | 1996A       | 5.125-5.50     | 11/01/96      | 1997-17           | 110,000,000              | 105,000,000               | -                        | 1,360,000                                       | 103,640,000               |
|  | 1997A       | 5.00-6.00      | 08/15/97      | 1998-15           | 262,500,000              | 256,560,000               | -                        | 820,000   | 255,740,000               |
|  | 1998A       | 3.70-5.125     | 09/15/98      | 1999-18           | 160,000,000              | 151,830,000               | -                        | 4,390,000                                       | 147,440,000               |
|  | 2000A       | 5.30-5.75      | 09/01/00      | 2001-20           | 146,000,000              | 146,000,000               | -                        | -   | 146,000,000               |
| <b>Total Sewage Disposal Revenue Bonds</b> |             |                |               |                   |                          | <b>747,045,000</b>        | <b>-</b>                 | <b>22,675,000</b>                               | <b>724,370,000</b>        |
| Hydroelectric Power                        | 1979A       | 6.60-7.00      | 06/01/79      | 1979-12           | 38,000,000               | 26,750,000                | -                        | 1,000,000                                       | 25,750,000                |
|  | 1993        | 5.90-6.50      | 08/01/93      | 1994-06           | 7,980,000                | 4,375,000                 | -                        | 635,000   | 3,740,000                 |
| <b>Total Hydroelectric Power Bonds</b>     |             |                |               |                   |                          | <b>31,125,000</b>         | <b>-</b>                 | <b>1,635,000</b>                                | <b>29,490,000</b>         |
| Parking Facilities Bonds                   | 1977        | 5.50           | 09/01/77      | 1978-04           | 4,635,000                | 1,460,000                 | -                        | 1,460,000                                       | -                         |
|  | 1977        | 5.80           | 12/01/77      | 1978-03           | 3,685,000                | 940,000                   | -                        | 940,000   | -                         |
|  | 1992        | 5.60-8.40      | 02/01/92      | 1992-12           | 6,810,000                | 5,550,000                 | -                        | 5,550,000                                       | -                         |
|  | 2001A       | 3.00-4.25      | 08/15/01      | 2002-12           | 10,200,000               | -                         | 10,200,000               | 385,000   | 9,815,000                 |
| <b>Total Parking Facilities Bonds</b>      |             |                |               |                   |                          | <b>7,950,000</b>          | <b>10,200,000</b>        | <b>8,335,000</b>                                | <b>9,815,000</b>          |
| Arena Bonds                                | 1996A       | 4.75-5.55      | 09/01/96      | 1997-09           | 5,380,000                | 5,065,000                 | -                        | 210,000   | 4,855,000                 |
|  | 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>12,503,102</b>         | <b>-</b>                 | <b>210,000</b>                                  | <b>12,293,102</b>         |
| <b>Total Revenue Bonds: Proprietary</b>    |             |                |               |                   |                          | <b>902,153,102</b>        | <b>10,200,000</b>        | <b>35,845,000</b>                               | <b>876,508,102</b>        |
| <b>TOTAL REVENUE BONDS</b>                 |             |                |               |                   |                          | <b>910,408,102</b>        | <b>14,745,512</b>        | <b>36,205,000</b>                               | <b>888,948,614</b>        |
| <b>TOTAL BONDED DEBT</b>                   |             |                |               |                   |                          | <b>\$ 1,875,697,894</b>   | <b>\$ 205,795,918</b>    | <b>\$ 227,994,813</b>                           | <b>\$ 1,853,498,999</b>   |
| Less unamortized discounts,                |             |                |               |                   |                          |                           |                          |   | (735,611)                 |
| Plus unamortized premiums                  |             |                |               |                   |                          |                           |                          |   |                           |
| Less deferred amount on refunding          |             |                |               |                   |                          |                           |                          |   | (11,720,070)              |
| <b>NET BONDED DEBT</b>                     |             |                |               |                   |                          |                           |                          |   | <b>\$ 1,841,043,318</b>   |

\*variable rate, see Footnote 10

City of Portland, Oregon  
Schedule of Bond Interest Transactions  
for the year ended June 30, 2002

| Bond Series  | Interest Rates | Date of issue | Unmatured Interest Outstanding June 30, 2001 | Unmatured and Accretion Interest on Bonds Issued/ Called During Year | Interest Matured During Year | Unmatured Interest Outstanding June 30, 2002 |                    |
|--|----------------|---------------|--|--|------------------------------|--|--------------------|
| <b>GENERAL OBLIGATION BONDS</b>                              |                |               |  |  |                              |  |                    |
| Water bonds  | 1993A          | 4.30-5.10     | 08/01/93                                     | \$ 3,571,820   | \$ -                         | \$ 620,630                                   | \$ 2,951,190       |
|  | 1993B          | 4.25-4.50     | 11/15/93                                     | 1,550,815  | -                            | 545,009                                      | 1,005,806          |
|  | 1993C          | 4.25-4.50     | 11/15/93                                     | 681,436  | -                            | 290,851                                      | 390,585            |
|  | 1994A          | 3.80-4.00     | 01/15/94                                     | 121,000  | -                            | 59,400                                       | 61,600             |
| <b>Subtotal Water Bonds</b>                                  |                |               |  | <b>5,925,071</b>   | <b>-</b>                     | <b>1,515,890</b>                             | <b>4,409,181</b>   |
| Other water districts' bonds assumed by annexation           |                |               |  | 1,265  | -                            | 449  | 816                |
| <b>Total Water District Bonds</b>                            |                |               |  | <b>5,926,336</b>   | <b>-</b>                     | <b>1,516,339</b>                             | <b>4,409,997</b>   |
| <b>Exposition Recreation Renovation and Facilities Bonds</b> |                |               |  |  |                              |  |                    |
|  | 1986C          | 5.50          | 12/01/86                                     | 23,513   | -                            | 23,513                                       | -                  |
| Parks bonds  | 1995A          | 5.10-5.75     | 03/01/95                                     | 7,755,900  | (6,251,640)                  | 354,100                                      | 1,150,160          |
|  | 1995B          | 5.10-5.75     | 03/01/95                                     | 14,889,712   | (12,007,311)                 | 680,253                                      | 2,202,148          |
|  | 2001A          | 3.00-5.00     | 07/01/01                                     | -  | 14,917,221                   | 1,244,008                                    | 13,673,213         |
| <b>Total Parks Bonds</b>                                     |                |               |  | <b>22,645,612</b>  | <b>(3,341,730)</b>           | <b>2,278,361</b>                             | <b>17,025,521</b>  |
| <b>Emergency Facilities Bonds</b>                            | 1999A          | 4.50-5.125    | 06/01/99                                     | 12,349,762   | -                            | 1,131,687                                    | 11,218,075         |
| <b>TOTAL GENERAL OBLIGATION BONDS</b>                        |                |               |  | <b>40,945,223</b>  | <b>(3,341,730)</b>           | <b>4,949,900</b>                             | <b>32,653,593</b>  |
| <b>SPECIAL ASSESSMENT BONDS</b>                              |                |               |  |  |                              |  |                    |
| DEQ  | 1990A          | 7.15          | 09/01/90                                     | 156,227  | (47,190)                     | 14,836                                       | 94,201             |
| DEQ  | 1992A          | 6.45          | 02/27/92                                     | 121,905  | (113,036)                    | 8,869  | -                  |
| DEQ  | 1993           | 5.725         | 06/23/93                                     | 989,280  | (968,670)                    | 20,610                                       | -                  |
| DEQ  | 1994A          | 6.00          | 04/14/94                                     | 1,053,000  | (541,500)                    | 68,700                                       | 442,800            |
| Limited Tax Improvement                                      | 1994A          | 5.75          | 05/01/94                                     | 915,687  | (183,136)                    | 66,700                                       | 665,851            |
| Limited Tax Improvement                                      | 1995A          | 5.25          | 05/01/95                                     | 735,000  | (215,775)                    | 48,300                                       | 470,925            |
| Limited Tax Improvement                                      | 1996A          | 5.55          | 06/01/96                                     | 2,247,750  | (424,159)                    | 141,386                                      | 1,682,205          |
| Limited Tax Improvement                                      | 1998A          | 4.05-4.875    | 03/01/96                                     | 1,904,567  | (312,976)                    | 145,536                                      | 1,446,055          |
| Limited Tax Improvement                                      | 1999A          | 4.20-5.00     | 03/01/98                                     | 3,562,765  | (193,369)                    | 267,065                                      | 3,102,331          |
| <b>TOTAL SPECIAL ASSESSMENT BONDS</b>                        |                |               |  | <b>11,686,181</b>  | <b>(2,999,811)</b>           | <b>782,002</b>                               | <b>7,904,368</b>   |
| <b>URBAN RENEWAL AND REDEVELOPMENT BONDS</b>                 |                |               |  |  |                              |  |                    |
| South Park Blocks  | 1993C          | 4.60-5.00     | 08/01/93                                     | 330,950  | -                            | 114,490                                      | 216,460            |
|  | 2000A          | 5.00-5.75     | 10/15/00                                     | 21,087,355   | -                            | 1,329,972                                    | 19,757,383         |
|  | 2000B          | 6.59-7.34     | 10/15/00                                     | 8,287,760  | -                            | 1,120,580                                    | 7,167,180          |
| Waterfront Renewal   | 1986C          | 7.05-7.25     | 11/01/88                                     | 6,802,792  | -                            | 737,725                                      | 6,065,067          |
|  | 1986L          | 6.00-6.40     | 03/01/92                                     | 3,605,900  | -                            | 900,055                                      | 2,705,845          |
|  | 2000A          | 5.1-5.75      | 10/31/00                                     | 30,236,906   | -                            | 1,866,274                                    | 28,370,632         |
|  | 2000B          | 6.57-7.26     | 10/31/00                                     | 14,165,747   | -                            | 1,735,206                                    | 12,430,541         |
| Airport Way Bonds  | 1994C          | 5.50-6.125    | 05/01/94                                     | 4,539,601  | -                            | 777,692                                      | 3,761,909          |
|  | 2000A          | 5.000-6.00    | 06/01/00                                     | 39,907,572   | -                            | 2,909,542                                    | 36,998,030         |
|  | 2000B          | 7.30-7.33     | 06/01/00                                     | 212,976  | -                            | 146,273                                      | 66,703             |
| Oregon Convention Center                                     | 2000A          | 5.25-5.75     | 08/01/00                                     | 30,061,658   | -                            | 1,852,082                                    | 28,209,576         |
| Convention Center  | 2000B          | 7.45-7.75     | 08/01/00                                     | 12,795,945   | -                            | 1,251,317                                    | 11,544,628         |
| Parks Line of Credit   | *              |               | 2000   | -  | 80,403                       | 55,346                                       | 25,057             |
| River District Line of Credit                                | *              |               | 2002   | -  | 544,732                      | -  | 544,732            |
| Housing Preservation Line of Credit                          | *              |               | 2000   | -  | 331,038                      | 199,206                                      | 131,832            |
| Du Jour Proceeds   | *              |               | 2002   | -  | 572                          | 572  | -                  |
| <b>TOTAL URBAN RENEWAL AND REDEVELOPMENT BONDS</b>           |                |               |  | <b>172,035,162</b>   | <b>956,745</b>               | <b>14,996,332</b>                            | <b>157,995,575</b> |

\*Variable rate, see Footnote 10

Continued next page

City of Portland, Oregon  
 Schedule of Bond Interest Transactions  
 for the year ended June 30, 2002

| Bond Series  | Interest Rates   | Date of issue | Unmatured Interest Outstanding June 30, 2001 | Unmatured and Accretion Interest on Bonds Issued/ Called During Year | Interest Matured During Year | Unmatured Interest Outstanding June 30, 2002 |
|--|------------------|---------------|--|--|------------------------------|--|
| <b>LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>                       |                  |               |  |  |                              |  |
| <b>Governmental Funds</b>  |                  |               |  |  |                              |  |
| Pension  | 1999C 7.27-7.701 | 11/01/99      | 156,728,508                                  | -  | 6,550,732                    | -  |
| Allocated to proprietary funds   |                  |               |  | (1,952,552)  |                              | 147,225,224                                  |
|  | 1999C *          | 11/01/99      | 273,401,654                                  |  |                              | 273,401,654                                  |
| Allocated to proprietary funds   | 1999D&E 5.95     | 11/01/99      | 130,908,925                                  | (5,197,740)  | 2,871,391                    | -  |
|  |                  |               |  | (855,869)  | -                            | 121,983,925                                  |
| Interstate Light Rail  | 2000A 4.25       | 12/15/00      | 5,310,375                                    | -  | 1,517,250                    | 3,793,125                                    |
| Oregon Convention Center   | 2001A 5.00-5.50  | 02/13/01      | 96,619,901                                   | -  | 4,193,813                    | 92,426,088                                   |
| Deferred Interest  | 2001B 4.52-5.36  | 02/13/01      | 21,416,112                                   | -  | -                            | 21,416,112                                   |
| Portland Center for Performing Arts                                    | 2001C 4.00-6.50  | 05/01/01      | 1,270,321                                    | -  | 113,241                      | 1,157,080                                    |
| Streetcar Project  | 2002A 3.50-4.00  | 04/01/02      | -  | 96,025   | -                            | 96,025                                       |
| System Development   | 2002A 3.00-4.50  | 04/01/02      | -  | 490,408  | -                            | 490,408                                      |
| Capital Improvement and Renovation                                     | 1998B 3.8-4.75   | 06/15/98      | 1,298,676                                    | -  | 197,538                      | 1,101,138                                    |
|  | 1999B 5.0-5.875  | 11/01/99      | 4,022,430                                    | -  | 505,140                      | 3,517,290                                    |
| Capital Projects Line of Credit  | *                | 06/26/97      | 4,462  | -  | 4,462                        | -  |
| <b>Total Limited Tax and Limited Tax Rev Bonds: Governmental Funds</b> |                  |               | <b>689,981,364</b>                           | <b>(7,419,728)</b>   | <b>15,953,567</b>            | <b>666,608,069</b>                           |
| <b>Proprietary Funds</b>   |                  |               |  |  |                              |  |
| Pension  | 1999C 7.27-7.701 | 11/01/99      | -  | 1,952,552  | 1,952,552                    | -  |
|  | 1999D&E 5.95     | 11/01/99      | -  | 855,869  | 855,869                      | -  |
| Central City Streetcar Arena   | 1999A 4.00-5.00  | 04/15/99      | 19,576,038                                   | -  | 1,307,213                    | 18,268,825                                   |
|  | 1996 6.70-7.75   | 08/01/96      | 6,364,697                                    | -  | 646,922                      | 5,717,775                                    |
|  | 1996A 7.00-8.05  | 07/15/96      | 5,217,520                                    | -  | 597,447                      | 4,620,073                                    |
|  | 1996B 4.65-5.70  | 07/15/96      | 1,194,578                                    | -  | 129,963                      | 1,064,615                                    |
| Civic Stadium  | 2001D 8.00-7.00  | 05/15/01      | 33,284,477                                   | -  | 2,529,047                    | 30,755,430                                   |
| Line of Credit   | *                | 05/18/01      | 39,589                                       | 230,113  | 269,702                      | -  |
| Capital Improvement and Renovation                                     | 1996A 4.60-5.60  | 06/01/96      | 11,820,163                                   | -  | 1,292,570                    | 10,527,593                                   |
|  | 1996A 4.60-5.375 | 06/01/96      | 296,701                                      | -  | 41,099                       | 255,602                                      |
|  | 1998B 3.90-4.05  | 06/01/98      | 6,483  | -  | 4,283                        | 2,200  |
|  | 1999B 5.00-5.50  | 11/01/99      | 514,237                                      | -  | 138,137                      | 376,100                                      |
|  | 1999B 5.00-5.50  | 11/01/99      | 703,050                                      | -  | 238,300                      | 464,750                                      |
|  | 2002A 3.00-4.50  | 04/01/02      | -  | 53,663   | -                            | 53,663                                       |
| Capital Financing - Facilities   | 1998A 4.10-5.00  | 04/15/98      | 13,310,750                                   | -  | 1,274,085                    | 12,036,665                                   |
|  | 2002A 4.00-4.625 | 04/01/02      | -  | 2,356,423  | -                            | 2,356,423                                    |
| <b>Limited Tax and Limited Tax Rev Bonds: Proprietary Funds</b>        |                  |               | <b>92,328,283</b>                            | <b>5,448,640</b>   | <b>11,277,189</b>            | <b>86,499,734</b>                            |
| <b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>                 |                  |               | <b>782,309,647</b>                           | <b>(1,971,088)</b>   | <b>27,230,756</b>            | <b>753,107,803</b>                           |
| <b>REVENUE BONDS</b>   |                  |               |  |  |                              |  |
| <b>Governmental Funds</b>  |                  |               |  |  |                              |  |
| Gas Tax  | 1996A 4.75-5.80  | 09/01/96      | 2,956,197                                    | -  | 303,835                      | 2,652,362                                    |
|  | 1998A 4.00-5.00  | 06/01/98      | 1,333,455                                    | -  | 128,125                      | 1,205,330                                    |
| Transportation   | LOC Variable     | 06/27/02      | -  | 455,531  | -                            | 455,531                                      |
| <b>Total GasTax Bonds</b>  |                  |               | <b>4,289,652</b>                             | <b>455,531</b>   | <b>431,960</b>               | <b>4,313,223</b>                             |
| <b>Total Revenue Bonds: Governmental Funds</b>                         |                  |               | <b>4,289,652</b>                             | <b>455,531</b>   | <b>431,960</b>               | <b>4,313,223</b>                             |

\*Variable rate, see Footnote 10

Continued next page

City of Portland, Oregon  
 Schedule of Bond Interest Transactions  
 for the year ended June 30, 2002

|  | Bond Series | Interest Rates | Date of issue | Unmatured Interest Outstanding June 30, 2001 | Unmatured and Accretion Interest on Bonds Issued/ Called During Year | Interest Matured During Year | Unmatured Interest Outstanding June 30, 2002 |
|--|-------------|----------------|---------------|--|--|------------------------------|--|
| <b>Proprietary Funds</b>                   |             |                |               |  |  |                              |  |
| Water                                      | 1993R       | 4.30-5.25      | 08/01/93      | 7,724,741                                    | -  | 947,977                      | 6,776,764                                    |
|  | 1995        | 4.40-5.50      | 11/15/95      | 9,340,100                                    | -  | 912,600                      | 8,427,500                                    |
|  | 1997A       | 4.75-5.00      | 11/15/97      | 15,527,875                                   | -  | 1,360,387                    | 14,167,488                                   |
|  | 2000A       | 5.00-5.50      | 03/15/00      | 28,923,956                                   | -  | 1,853,367                    | 27,070,589                                   |
| <b>Total Water Bonds</b>                   |             |                |               | <u>61,516,672</u>                            | <u>-</u>   | <u>5,074,331</u>             | <u>56,442,341</u>                            |
| Golf Fund bonds                            | 2000A       | *              | 03/01/00      | 164,528                                      | 127,242  | 141,770                      | 150,000                                      |
| Sewage Disposal Fund Revenue               | 1992A       | 5.40-6.00      | 09/15/92      | 243,547                                      | -  | 181,535                      | 62,012                                       |
|  | 1992B       | 4.60-5.50      | 09/15/92      | 988,600                                      | -  | 459,225                      | 529,375                                      |
|  | 1993A       | 4.40-5.20      | 07/15/93      | 13,991,530                                   | -  | 2,326,645                    | 11,664,885                                   |
|  | 1994A       | 5.35-7.00      | 08/15/97      | 3,212,185                                    | -  | 1,568,975                    | 1,643,210                                    |
|  | 1996A       | 5.125-5.50     | 11/01/96      | 76,863,681                                   | -  | 5,592,881                    | 71,270,800                                   |
|  | 1997A       | 5.00-6.00      | 08/15/97      | 128,089,800                                  | -  | 13,201,400                   | 114,888,400                                  |
|  | 1998A       | 3.70-5.125     | 09/15/98      | 84,224,268                                   | -  | 7,003,305                    | 77,220,963                                   |
|  | 2000A       | 5.30-5.75      | 09/01/00      | 155,157,087                                  | -  | 8,370,145                    | 146,786,942                                  |
| <b>Total Sewage Disposal Revenue Bonds</b> |             |                |               | <u>462,770,698</u>                           | <u>-</u>   | <u>38,704,111</u>            | <u>424,066,587</u>                           |
| Hydroelectric Power                        | 1979A       | 6.60-7.00      | 06/01/79      | 18,580,894                                   | -  | 1,828,563                    | 16,752,331                                   |
|  | 1993        | 5.90-6.50      | 08/01/93      | 882,517                                      | -  | 257,497                      | 625,020                                      |
| <b>Total Hydroelectric Power Bonds</b>     |             |                |               | <u>19,463,411</u>                            | <u>-</u>   | <u>2,086,060</u>             | <u>17,377,351</u>                            |
| Parking Facilities bonds                   | 1977        | 5.50           | 09/01/77      | 166,100                                      | (113,929)  | 52,171                       | -  |
|  | 1977        | 5.80           | 12/01/77      | 83,810                                       | (64,688)   | 19,122                       | -  |
|  | 1992A       | 5.60-6.40      | 02/01/92      | 2,570,164                                    | (2,413,903)  | 156,261                      | -  |
|  | 2001A       | 3.00-4.25      | 08/15/01      | -  | 2,201,785  | 233,510                      | 1,968,275                                    |
| <b>Total Parking Facilities Bonds</b>      |             |                |               | <u>2,820,074</u>                             | <u>(390,735)</u>   | <u>461,064</u>               | <u>1,968,275</u>                             |
| Arena bonds                                | 1996A       | 4.75-5.55      | 09/01/96      | 1,524,133                                    | -  | 268,893                      | 1,255,240                                    |
|  | 1996A       | 6.00-6.30      | 09/01/96      | 16,936,898                                   | -  | -                            | 16,936,898                                   |
| <b>Total Arena Bonds</b>                   |             |                |               | <u>18,461,031</u>                            | <u>-</u>   | <u>268,893</u>               | <u>18,192,138</u>                            |
| <b>Total Revenue Bonds: Proprietary</b>    |             |                |               | <u>565,196,414</u>                           | <u>(263,493)</u>   | <u>46,736,229</u>            | <u>518,196,692</u>                           |
| <b>TOTAL REVENUE BONDS</b>                 |             |                |               | <u>569,486,066</u>                           | <u>192,038</u>   | <u>47,168,189</u>            | <u>522,509,915</u>                           |
| <b>TOTAL BONDED DEBT INTEREST</b>          |             |                |               | <u>\$ 1,576,462,279</u>                      | <u>\$ (7,163,846)</u>  | <u>\$ 95,127,179</u>         | <u>\$ 1,474,171,254</u>                      |

\*Variable rate, see Footnote 10

City of Portland, Oregon  
 Schedule of Future Bond Principal Requirements  
 June 30, 2002

General Obligation Bonds

| Fiscal Year Ending | General Obligation Bonds |              |                      | Total        | Special Assessment | Urban Renewal and Redevelopment | Limited Tax and Limited Tax Revenue |              |              | Revenue Bonds |               |               | Total Bonded Debt |
|--------------------|--------------------------|--------------|----------------------|--------------|--------------------|---------------------------------|-------------------------------------|--------------|--------------|---------------|---------------|---------------|-------------------|
|                    | Water                    | Parks        | Emergency Facilities |              |                    |                                 | Governmental                        | Proprietary  | Total        | Governmental  | Proprietary   | Total         |                   |
| 2003               | \$ 6,080,000             | \$ 2,850,000 | 900,000              | \$ 9,830,000 | \$ 975,000         | \$ 37,539,575                   | \$ 2,450,686                        | \$ 5,994,314 | \$ 8,445,000 | \$ 4,925,512  | \$ 33,975,000 | \$ 38,900,512 | \$ 95,490,087     |
| 2004               | 6,310,000                | 2,780,000    | 930,000              | 10,020,000   | 450,000            | 7,255,302                       | 2,170,000                           | 6,475,000    | 8,645,000    | 395,000       | 31,950,000    | 32,345,000    | 58,715,302        |
| 2005               | 6,005,000                | 2,925,000    | 970,000              | 9,900,000    | -                  | 7,627,658                       | 38,275,000                          | 8,070,000    | 46,345,000   | 420,000       | 33,340,000    | 33,760,000    | 97,632,658        |
| 2006               | 4,170,000                | 3,080,000    | 1,010,000            | 8,260,000    | -                  | 8,042,093                       | 1,935,000                           | 7,345,000    | 9,280,000    | 435,000       | 33,430,000    | 33,865,000    | 59,447,093        |
| 2007               | 1,360,000                | 3,235,000    | 1,050,000            | 5,645,000    | -                  | 8,466,521                       | 4,510,000                           | 6,830,000    | 11,340,000   | 480,000       | 35,305,000    | 35,765,000    | 61,216,521        |
| 2008               | 1,430,000                | 3,410,000    | 1,100,000            | 5,940,000    | -                  | 8,967,704                       | 7,025,000                           | 7,895,000    | 14,920,000   | 475,000       | 37,105,000    | 37,580,000    | 67,407,704        |
| 2009               | 1,500,000                | 3,595,000    | 1,140,000            | 6,235,000    | -                  | 9,495,518                       | 8,600,000                           | 6,925,000    | 15,525,000   | 505,000       | 39,110,000    | 39,615,000    | 70,870,518        |
| 2010               | 1,580,000                | 3,745,000    | 1,200,000            | 6,525,000    | -                  | 11,065,000                      | 9,689,780                           | 7,325,000    | 16,994,780   | 535,000       | 40,476,247    | 41,011,247    | 75,598,027        |
| 2011               | 1,660,000                | 3,900,000    | 1,250,000            | 6,810,000    | 155,000            | 11,835,000                      | 11,094,440                          | 9,755,000    | 20,849,440   | 555,000       | 40,824,011    | 41,379,011    | 81,028,451        |
| 2012               | -                        | 4,075,000    | 1,310,000            | 5,385,000    | -                  | 12,635,000                      | 12,405,734                          | 7,490,000    | 19,895,734   | 585,000       | 42,369,128    | 42,954,128    | 80,869,862        |
| 2013               | -                        | 4,280,000    | 1,370,000            | 5,650,000    | -                  | 13,520,000                      | 14,223,250                          | 8,655,000    | 22,878,250   | 180,000       | 66,791,638    | 66,971,638    | 109,019,888       |
| 2014               | -                        | 4,470,000    | 1,440,000            | 5,910,000    | 1,580,000          | 14,425,000                      | 16,083,112                          | 9,525,000    | 25,588,112   | 190,000       | 53,561,946    | 53,751,946    | 101,255,058       |
| 2015               | -                        | 4,675,000    | 1,510,000            | 6,185,000    | 690,000            | 15,285,000                      | 18,105,530                          | 7,385,000    | 25,490,530   | 200,000       | 50,339,525    | 50,539,525    | 98,170,055        |
| 2016               | -                        | -            | 1,580,000            | 1,580,000    | 2,165,000          | 16,135,000                      | 20,301,940                          | 10,355,000   | 30,656,940   | 2,120,000     | 52,857,469    | 54,977,469    | 105,514,409       |
| 2017               | -                        | -            | 1,680,000            | 1,680,000    | -                  | 17,070,000                      | 22,924,000                          | 3,425,000    | 26,349,000   | 220,000       | 61,807,835    | 62,027,835    | 107,108,835       |
| 2018               | -                        | -            | 1,750,000            | 1,750,000    | 1,830,000          | 18,050,000                      | 25,380,720                          | 8,010,000    | 33,400,720   | 240,000       | 53,544,427    | 53,784,427    | 108,815,147       |
| 2019               | -                        | -            | 1,850,000            | 1,850,000    | 3,655,000          | 19,080,000                      | 28,094,480                          | 2,275,000    | 30,369,480   | -             | 53,968,419    | 53,968,419    | 108,922,899       |
| 2020               | -                        | -            | -                    | -            | -                  | 20,160,000                      | 31,277,480                          | 2,435,000    | 33,712,480   | -             | 56,432,457    | 56,432,457    | 110,304,937       |
| 2021               | -                        | -            | -                    | -            | -                  | -                               | 35,398,250                          | 7,545,000    | 42,941,250   | -             | 59,320,000    | 59,320,000    | 102,261,250       |
| 2022               | -                        | -            | -                    | -            | -                  | -                               | 39,672,172                          | 2,790,000    | 42,462,172   | -             | -             | -             | 42,462,172        |
| 2023               | -                        | -            | -                    | -            | -                  | -                               | 12,985,175                          | 2,220,000    | 15,205,175   | -             | -             | -             | 15,205,175        |
| 2024               | -                        | -            | -                    | -            | -                  | -                               | 13,075,423                          | 5,700,000    | 18,775,423   | -             | -             | -             | 18,775,423        |
| 2025               | -                        | -            | -                    | -            | -                  | -                               | 13,194,732                          | -            | 13,194,732   | -             | -             | -             | 13,194,732        |
| 2026               | -                        | -            | -                    | -            | -                  | -                               | 13,352,228                          | -            | 13,352,228   | -             | -             | -             | 13,352,228        |
| 2027               | -                        | -            | -                    | -            | -                  | -                               | 13,528,274                          | -            | 13,528,274   | -             | -             | -             | 13,528,274        |
| 2028               | -                        | -            | -                    | -            | -                  | -                               | 13,742,955                          | -            | 13,742,955   | -             | -             | -             | 13,742,955        |
| 2029               | -                        | -            | -                    | -            | -                  | -                               | 14,074,559                          | -            | 14,074,559   | -             | -             | -             | 14,074,559        |
| 2030               | -                        | -            | -                    | -            | -                  | -                               | 9,510,000                           | -            | 9,510,000    | -             | -             | -             | 9,510,000         |

|                 |            |               |               |               |               |                |                |                |                |               |                |                |                  |
|-----------------|------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|------------------|
| Total Principal | 30,095,000 | \$ 46,820,000 | \$ 22,020,000 | \$ 98,935,000 | \$ 11,500,000 | \$ 256,634,371 | \$ 453,047,920 | \$ 144,424,314 | \$ 597,472,234 | \$ 12,440,512 | \$ 876,508,102 | \$ 888,948,614 | \$ 1,853,490,219 |
|-----------------|------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|----------------|----------------|------------------|

|   |               |  |  |               |  |  |  |  |  |  |  |  |                  |
|---|---------------|--|--|---------------|--|--|--|--|--|--|--|--|------------------|
| Plus other water districts' bonds assumed by annexation |               |  |  |               |  |  |  |  |  |  |  |  |                  |
|   | 8,780         |  |  | 8,780         |  |  |  |  |  |  |  |  | 8,780            |
|   | \$ 30,103,780 |  |  | \$ 98,943,780 |  |  |  |  |  |  |  |  | \$ 1,853,498,999 |

| Fiscal Year Ending | Water         | Parks         | Emergency Facilities | Total         | Special Assessment | Urban Renewal and Redevelopment | Governmental   | Proprietary    | Total          | Governmental  | Proprietary    | Total          | Total Bonded Debt |
|--------------------|---------------|---------------|----------------------|---------------|--------------------|---------------------------------|----------------|----------------|----------------|---------------|----------------|----------------|-------------------|
| 2003               | \$ 6,088,780  | \$ 2,850,000  | \$ 900,000           | \$ 9,838,780  | \$ 975,000         | \$ 37,539,575                   | \$ 2,450,686   | \$ 5,994,314   | \$ 8,445,000   | \$ 4,925,512  | \$ 33,975,000  | \$ 38,900,512  | \$ 95,498,867     |
| 2004               | 6,310,000     | 2,780,000     | 930,000              | 10,020,000    | 450,000            | 7,255,302                       | 2,170,000      | 6,475,000      | 8,645,000      | 395,000       | 31,950,000     | 32,345,000     | 58,715,302        |
| 2005               | 6,005,000     | 2,925,000     | 970,000              | 9,900,000     | -                  | 7,627,658                       | 38,275,000     | 8,070,000      | 46,345,000     | 420,000       | 33,340,000     | 33,760,000     | 97,632,658        |
| 2006               | 4,170,000     | 3,080,000     | 1,010,000            | 8,260,000     | -                  | 8,042,093                       | 1,935,000      | 7,345,000      | 9,280,000      | 435,000       | 33,430,000     | 33,865,000     | 59,447,093        |
| 2007               | 1,360,000     | 3,235,000     | 1,050,000            | 5,645,000     | -                  | 8,466,521                       | 4,510,000      | 6,830,000      | 11,340,000     | 480,000       | 35,305,000     | 35,765,000     | 61,216,521        |
| 2008-2012          | 6,170,000     | 18,725,000    | 6,000,000            | 30,895,000    | 155,000            | 53,998,222                      | 48,794,954     | 39,390,000     | 88,184,954     | 2,655,000     | 199,884,386    | 202,539,386    | 375,772,582       |
| 2013-2017          | -             | 13,425,000    | 7,560,000            | 20,985,000    | 4,435,000          | 78,415,000                      | 91,617,832     | 39,345,000     | 130,962,832    | 2,910,000     | 285,358,413    | 288,268,413    | 521,066,245       |
| 2018-2022          | -             | -             | 3,600,000            | 3,600,000     | 5,485,000          | 57,290,000                      | 159,831,102    | 23,055,000     | 182,886,102    | 240,000       | 223,265,303    | 223,505,303    | 472,768,405       |
| 2023-2027          | -             | -             | -                    | -             | -                  | -                               | 66,135,832     | 7,920,000      | 74,055,832     | -             | -              | -              | 74,055,832        |
| 2028-2030          | -             | -             | -                    | -             | -                  | -                               | 37,327,514     | -              | 37,327,514     | -             | -              | -              | 37,327,514        |
|                    | \$ 30,103,780 | \$ 46,820,000 | \$ 22,020,000        | \$ 98,943,780 | \$ 11,500,000      | \$ 256,634,371                  | \$ 453,047,920 | \$ 144,424,314 | \$ 597,472,234 | \$ 12,440,512 | \$ 876,508,102 | \$ 888,948,614 | \$ 1,853,498,999  |

City of Portland, Oregon  
Schedule of Future Bond Interest Requirements  
June 30, 2002

| Fiscal<br>Year Ending<br>06/30                                      | General Obligation Bonds |                      |                         |                      |                       | Urban<br>Renewal and<br>Redevelopment | Limited Tax and Limited Tax Revenue |                      |                       | Revenue Bonds       |                       |                       | Total<br>Bonded<br>Debt<br>Interest |
|---|--------------------------|----------------------|-------------------------|----------------------|-----------------------|---------------------------------------|-------------------------------------|----------------------|-----------------------|---------------------|-----------------------|-----------------------|-------------------------------------|
|   | Water                    | Parks                | Emergency<br>Facilities | Total                | Special<br>Assessment |                                       | Governmental                        | Proprietary          | Total                 | Governmental        | Proprietary           | Total                 |                                     |
|   |                          |                      |                         |                      |                       |                                       |                                     |                      |                       |                     |                       |                       |                                     |
| 2003  | \$ 1,260,294             | \$ 2,262,003         | \$ 1,092,988            | \$ 4,615,285         | \$ 595,528            | \$ 15,109,091                         | \$ 23,929,259                       | \$ 8,017,639         | \$ 31,946,898         | \$ 548,916          | \$ 45,257,934         | \$ 45,806,850         | \$ 98,073,652                       |
| 2004  | 988,369                  | 2,127,635            | 1,052,487               | 4,168,491            | 550,869               | 14,041,379                            | 23,840,831                          | 7,766,516            | 31,607,347            | 543,897             | 43,591,569            | 44,135,466            | 94,503,552                          |
| 2005  | 701,563                  | 1,984,965            | 1,010,637               | 3,697,165            | 527,248               | 13,667,790                            | 22,973,298                          | 7,426,185            | 30,399,483            | 494,684             | 41,961,865            | 42,456,549            | 90,748,235                          |
| 2006  | 470,710                  | 1,833,155            | 966,987                 | 3,270,852            | 527,244               | 13,259,152                            | 22,083,091                          | 7,007,873            | 29,090,964            | 418,024             | 40,285,306            | 40,703,330            | 86,851,542                          |
| 2007  | 342,950                  | 1,673,125            | 921,538                 | 2,937,613            | 527,249               | 12,826,087                            | 21,988,064                          | 6,631,716            | 28,619,780            | 336,590             | 38,497,726            | 38,834,316            | 83,745,045                          |
| 2008  | 275,275                  | 1,502,650            | 869,037                 | 2,646,962            | 527,244               | 12,331,839                            | 21,701,225                          | 6,288,728            | 27,989,953            | 313,310             | 36,639,468            | 36,952,778            | 80,448,776                          |
| 2009  | 202,740                  | 1,319,575            | 814,037                 | 2,336,352            | 527,248               | 11,795,471                            | 21,235,247                          | 5,855,034            | 27,090,281            | 288,892             | 34,754,223            | 35,043,115            | 76,792,467                          |
| 2010  | 124,950                  | 1,170,383            | 757,038                 | 2,052,371            | 527,245               | 10,225,269                            | 21,336,514                          | 5,491,618            | 26,828,232            | 262,440             | 33,492,128            | 33,754,568            | 73,387,685                          |
| 2011  | 42,330                   | 1,011,220            | 698,238                 | 1,751,788            | 521,706               | 9,460,576                             | 20,877,037                          | 5,103,648            | 25,980,685            | 233,892             | 31,617,678            | 31,851,570            | 69,566,325                          |
| 2012  | -                        | 835,720              | 635,737                 | 1,471,457            | 516,162               | 8,655,949                             | 20,456,847                          | 4,537,641            | 24,994,488            | 203,858             | 29,710,685            | 29,914,543            | 65,552,599                          |
| 2013  | -                        | 631,970              | 570,238                 | 1,202,208            | 516,166               | 7,770,914                             | 20,010,683                          | 4,146,190            | 24,156,873            | 171,920             | 26,945,148            | 27,117,068            | 60,763,229                          |
| 2014  | -                        | 439,370              | 501,738                 | 941,108              | 516,162               | 6,862,459                             | 19,479,679                          | 3,648,895            | 23,128,574            | 163,280             | 23,880,474            | 24,043,754            | 55,492,057                          |
| 2015  | -                        | 233,750              | 427,938                 | 661,688              | 423,777               | 6,028,990                             | 18,800,355                          | 3,065,193            | 21,865,548            | 154,160             | 21,027,782            | 21,181,942            | 50,161,945                          |
| 2016  | -                        | -                    | 350,550                 | 350,550              | 387,551               | 5,154,647                             | 18,171,944                          | 2,654,943            | 20,826,887            | 144,360             | 18,668,937            | 18,813,297            | 45,532,932                          |
| 2017  | -                        | -                    | 269,575                 | 269,575              | 267,394               | 4,219,648                             | 17,445,037                          | 2,021,075            | 19,466,112            | 23,000              | 17,674,348            | 17,697,348            | 41,920,077                          |
| 2018  | -                        | -                    | 184,500                 | 184,500              | 267,393               | 3,244,305                             | 16,296,824                          | 1,817,490            | 18,114,314            | 12,000              | 14,933,593            | 14,945,593            | 36,756,105                          |
| 2019  | -                        | -                    | 94,812                  | 94,812               | 178,181               | 2,210,822                             | 14,889,577                          | 1,382,400            | 16,371,977            | -                   | 11,282,110            | 11,282,110            | 30,137,902                          |
| 2020  | -                        | -                    | -                       | -                    | -                     | -                                     | 13,512,686                          | 1,223,150            | 14,735,816            | -                   | 6,287,568             | 6,287,568             | 22,154,571                          |
| 2021  | -                        | -                    | -                       | -                    | -                     | -                                     | 10,689,176                          | 1,052,700            | 11,741,876            | -                   | 1,688,150             | 1,688,150             | 13,430,026                          |
| 2022  | -                        | -                    | -                       | -                    | -                     | -                                     | 7,823,925                           | 635,700              | 8,459,625             | -                   | -                     | -                     | 8,459,625                           |
| 2023  | -                        | -                    | -                       | -                    | -                     | -                                     | 36,546,537                          | 440,400              | 36,986,937            | -                   | -                     | -                     | 36,986,937                          |
| 2024  | -                        | -                    | -                       | -                    | -                     | -                                     | 38,039,290                          | 285,000              | 38,324,290            | -                   | -                     | -                     | 38,324,290                          |
| 2025  | -                        | -                    | -                       | -                    | -                     | -                                     | 39,571,480                          | -                    | 39,571,480            | -                   | -                     | -                     | 39,571,480                          |
| 2026  | -                        | -                    | -                       | -                    | -                     | -                                     | 41,133,834                          | -                    | 41,133,834            | -                   | -                     | -                     | 41,133,834                          |
| 2027  | -                        | -                    | -                       | -                    | -                     | -                                     | 42,733,164                          | -                    | 42,733,164            | -                   | -                     | -                     | 42,733,164                          |
| 2028  | -                        | -                    | -                       | -                    | -                     | -                                     | 44,383,870                          | -                    | 44,383,870            | -                   | -                     | -                     | 44,383,870                          |
| 2029  | -                        | -                    | -                       | -                    | -                     | -                                     | 46,071,128                          | -                    | 46,071,128            | -                   | -                     | -                     | 46,071,128                          |
| 2030  | -                        | -                    | -                       | -                    | -                     | -                                     | 487,388                             | -                    | 487,388               | -                   | -                     | -                     | 487,388                             |
| <b>Total Interest</b>   | <b>4,409,181</b>         | <b>\$ 17,025,521</b> | <b>\$ 11,216,075</b>    | <b>32,652,777</b>    | <b>\$ 7,904,367</b>   | <b>\$ 157,995,575</b>                 | <b>\$ 666,608,070</b>               | <b>\$ 86,499,734</b> | <b>\$ 753,107,804</b> | <b>\$ 4,313,223</b> | <b>\$ 518,196,692</b> | <b>\$ 522,509,915</b> | <b>1,474,170,438</b>                |
| Plus other<br>water districts'<br>bonds<br>assumed by<br>annexation | 816                      |                      |                         | 816                  |                       |                                       |                                     |                      |                       |                     |                       |                       | 816                                 |
|   | <b>\$ 4,409,997</b>      |                      |                         | <b>\$ 32,653,593</b> |                       |                                       |                                     |                      |                       |                     |                       |                       | <b>\$ 1,474,171,254</b>             |
| <b>Fiscal<br/>Year Ending<br/>06/30</b>                             |                          |                      |                         |                      |                       |                                       |                                     |                      |                       |                     |                       |                       |                                     |
| 2003  | \$ 1,281,110             | \$ 2,262,003         | \$ 1,092,988            | \$ 4,616,101         | \$ 595,528            | \$ 15,109,091                         | \$ 23,929,259                       | \$ 8,017,639         | \$ 31,946,898         | \$ 548,916          | \$ 45,257,934         | \$ 45,806,850         | \$ 98,074,468                       |
| 2004  | 988,369                  | 2,127,635            | 1,052,487               | 4,168,491            | 550,869               | 14,041,379                            | 23,840,831                          | 7,766,516            | 31,607,347            | 543,897             | 43,591,569            | 44,135,466            | 94,503,552                          |
| 2005  | 701,563                  | 1,984,965            | 1,010,637               | 3,697,165            | 527,248               | 13,667,790                            | 22,973,298                          | 7,426,185            | 30,399,483            | 494,684             | 41,961,865            | 42,456,549            | 90,748,235                          |
| 2006  | 470,710                  | 1,833,155            | 966,987                 | 3,270,852            | 527,244               | 13,259,152                            | 22,083,091                          | 7,007,873            | 29,090,964            | 418,024             | 40,285,306            | 40,703,330            | 86,851,542                          |
| 2007  | 342,950                  | 1,673,125            | 921,538                 | 2,937,613            | 527,249               | 12,826,087                            | 21,988,064                          | 6,631,716            | 28,619,780            | 336,590             | 38,497,726            | 38,834,316            | 83,745,045                          |
| 2008-2012   | 645,295                  | 5,839,548            | 3,774,087               | 10,258,930           | 2,619,605             | 52,469,104                            | 105,606,970                         | 27,276,689           | 132,883,639           | 1,302,392           | 166,214,182           | 167,516,574           | 365,747,852                         |
| 2013-2017   | -                        | 1,305,090            | 2,120,039               | 3,425,129            | 2,111,050             | 30,036,658                            | 93,907,698                          | 15,536,296           | 109,443,994           | 656,720             | 108,196,689           | 108,853,409           | 253,670,240                         |
| 2018-2022   | -                        | -                    | 279,312                 | 279,312              | 445,574               | 6,586,314                             | 63,312,168                          | 6,111,440            | 69,423,608            | 12,000              | 34,191,421            | 34,203,421            | 110,938,229                         |
| 2023-2027   | -                        | -                    | -                       | -                    | -                     | -                                     | 198,024,305                         | 725,400              | 198,749,705           | -                   | -                     | -                     | 198,749,705                         |
| 2028-2030   | -                        | -                    | -                       | -                    | -                     | -                                     | 90,942,386                          | -                    | 90,942,386            | -                   | -                     | -                     | 90,942,386                          |
|   | <b>\$ 4,409,997</b>      | <b>\$ 17,025,521</b> | <b>\$ 11,216,075</b>    | <b>\$ 32,653,593</b> | <b>\$ 7,904,367</b>   | <b>\$ 157,995,575</b>                 | <b>\$ 666,608,070</b>               | <b>\$ 86,499,734</b> | <b>\$ 753,107,804</b> | <b>\$ 4,313,223</b> | <b>\$ 518,196,692</b> | <b>\$ 522,509,915</b> | <b>\$ 1,474,171,254</b>             |

Note: This schedule does not include the allocation of the interest on the PERs Pension Bonds to Enterprise Funds, Internal Service Funds, and the Fiduciary Fund



City of Portland, Oregon  
 Schedule of Property Tax Transactions and Outstanding Balances  
 For the Year Ended June 30, 2002

| Tax Year     | Balance<br>Receivable<br>July 1,<br>2001 | Add Levy<br>as Extended<br>by Assessor | (Deduct)<br>Discounts | Add<br>Interest   | (Deduct)<br>Collections | Add<br>(Deduct)<br>Corrections<br>and<br>Adjustments | Balance<br>Receivable<br>June 30,<br>2002 |
|--------------|--|--|-----------------------|-------------------|-------------------------|--|---|
| 2001-02      |  | \$ 267,740,485                         | \$ (6,195,646)        | \$ 90,100         | \$ (249,631,465)        | \$ (1,430,459)                                       | \$ 10,573,015                             |
| 2000-01      | \$ 10,541,780                            | -                                      | -                     | 171,050           | (5,675,272)             | (711,923)  | 4,325,635                                 |
| 1999-00      | 3,947,215                                | -                                      | -                     | 150,095           | (1,791,976)             | (277,640)  | 2,027,694                                 |
| 1998-99      | 1,929,559                                | -                                      | -                     | 163,386           | (1,134,476)             | (129,993)  | 828,476                                   |
| 1997-98      | 844,228                                  | -                                      | -                     | 69,520            | (691,448)               | (37,176)   | 185,124                                   |
| 1996-97      | 95,149                                   | -                                      | -                     | 19                | (32,426)                | (10,039)   | 52,703                                    |
| 1995-96      | 35,699                                   | -                                      | -                     | 4,283             | (14,209)                | (7,997)  | 17,776                                    |
| 1994-95      | 21,674                                   | -                                      | -                     | 1,115             | (210,082)               | 201,825  | 14,532                                    |
| 1993-94      | 51,530                                   | -                                      | -                     | 714               | (2,431)                 | (1,255)  | 48,558                                    |
| 1992-93      | -  | -                                      | -                     | -                 | -                       | -  | -   |
| & prior      | 89,049                                   | -                                      | -                     | 4,619             | (11,595)                | (11,661)   | 70,412                                    |
| <b>Total</b> | <b>\$ 17,555,883</b>                     | <b>\$ 267,740,485</b>                  | <b>\$ (6,195,646)</b> | <b>\$ 654,902</b> | <b>\$ (259,195,380)</b> | <b>\$ (2,416,318)</b>                                | <b>\$ 18,143,925</b>                      |

SUMMARY BY FUND AND FUND TYPE:

|   |                |               |
|---|----------------|---------------|
| General Fund                            | \$ 204,986,273 | \$ 14,479,097 |
| Special Revenue Funds:                  |                |               |
| Transportation Operating                | 225            | 2,127         |
| Public Safety                           | 182            | (100)         |
|   | 407            | 2,027         |
| Debt Service Funds:                     |                |               |
| River District Urban Renewal            | 5,684,810      | 302,289       |
| Bonded Debt Interest and Sinking        | 8,088,637      | 568,467       |
| Waterfront Renewal Bond Sinking         | 13,074,972     | 945,786       |
| North Interstate Corridor Urban Renewal | 1,046,033      | 44,286        |
| South Park Block Redemption             | 6,297,183      | 432,443       |
| Airport Way                             | 7,029,538      | 493,577       |
| Lents Town Center Urban Renewal         | 2,641,139      | 156,788       |
| Central Eastside Industrial District    | 3,960,855      | 273,110       |
| Convention Center Area Debt             | 6,105,134      | 432,432       |
| North Macadam Urban Renewal             | 280,399        | 13,623        |
|   | 54,208,700     | 3,662,801     |
|   | \$ 259,195,380 | \$ 18,143,925 |

|   | Changes in Property |   |                             | GAAP<br>Basis Financial<br>Statements |
|---|---------------------|---|-----------------------------|---------------------------------------|
|   | Collections         | Taxes Subject<br>to Accrual<br>at June 30 | Lodging<br>Tax and<br>Other |                                       |
| Reconciliation to tax revenues per<br>generally accepted accounting principles<br>basis financial statements: |                     |   |                             |                                       |
| General Fund:   | \$ 204,986,273      | \$ 179,774                                | \$ 11,410,009               | \$ 216,576,056                        |
| Special Revenue Funds:  |                     |   |                             |                                       |
| Transportation Operating  | 225                 | (2)                                       | -                           | 223                                   |
| Public Safety   | 182                 | (2)                                       | -                           | 180                                   |
| Convention and Tourism  | -                   | -   | 2,081,707                   | 2,081,707                             |
|   | 407                 | (4)                                       | 2,081,707                   | 2,082,110                             |
| Debt Service Funds:   |                     |   |                             |                                       |
| River District Urban Renewal  | 5,684,810           | 32,445                                    | -                           | 5,717,255                             |
| Bonded Debt Interest and Sinking  | 8,088,637           | 9,113                                     | -                           | 8,097,750                             |
| Waterfront Renewal Bond Sinking   | 13,074,972          | 13,463                                    | -                           | 13,088,435                            |
| North Interstate Corridor Urban Renewal   | 1,046,033           | 10,528                                    | -                           | 1,056,561                             |
| South Park Block Redemption   | 6,297,183           | 7,376                                     | -                           | 6,304,559                             |
| Airport Way   | 7,029,538           | 1,685                                     | -                           | 7,031,223                             |
| Lents Town Center Urban Renewal   | 2,641,139           | 10,453                                    | -                           | 2,651,592                             |
| Central Eastside Industrial District  | 3,960,855           | 9,918                                     | -                           | 3,970,773                             |
| Convention Center Area Debt   | 6,105,134           | (3,766)                                   | -                           | 6,101,368                             |
| North Macadam Urban Renewal   | 280,399             | 2,071                                     | -                           | 282,470                               |
|   | 54,208,700          | 93,286                                    | -                           | 54,301,986                            |
|   | \$ 259,195,380      | \$ 273,056                                | \$ 13,491,716               | \$ 272,960,152                        |

City of Portland, Oregon  
 Schedule of Property Taxes Receivable by Levy Year by Fund  
 For the Year Ended June 30, 2002

| Tax Year     | Total                | Special Revenue Funds |                          |                 | Debt Service Funds           |                                |                                 |                                   |                             |                   |                                 |                                      |                             |                             |  |
|--------------|----------------------|-----------------------|--------------------------|-----------------|------------------------------|--------------------------------|---------------------------------|-----------------------------------|-----------------------------|-------------------|---------------------------------|--------------------------------------|-----------------------------|-----------------------------|--|
|              |                      | 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 |  |
| 2001-02      | \$ 10,573,015        | \$ 8,353,128          | \$ -                     | \$ -            | \$ 237,158                   | \$ 330,197                     | \$ 533,223                      | \$ 44,286                         | \$ 257,010                  | \$ 286,784        | \$ 109,378                      | \$ 161,619                           | \$ 248,464                  | \$ 11,768                   |  |
| 2000-01      | 4,325,635            | 3,480,056             | -                        | -               | 59,830                       | 139,101                        | 223,978                         | -                                 | 104,631                     | 117,278           | 36,803                          | 57,820                               | 104,283                     | 1,855                       |  |
| 1999-00      | 2,027,694            | 1,651,043             | -                        | -               | 5,301                        | 65,591                         | 106,996                         | -                                 | 46,429                      | 58,968            | 10,607                          | 31,891                               | 50,868                      | -                           |  |
| 1998-99      | 828,476              | 677,986               | -                        | -               | -                            | 20,118                         | 45,267                          | -                                 | 22,823                      | 21,255            | -                               | 20,847                               | 20,180                      | -                           |  |
| 1997-98      | 185,124              | 149,925               | -                        | -               | -                            | 4,499                          | 9,090                           | -                                 | 4,758                       | 6,667             | -                               | 2,820                                | 7,365                       | -                           |  |
| 1996-97      | 52,703               | 45,453                | -                        | -               | -                            | 2,209                          | 1,906                           | -                                 | 649                         | 427               | -                               | 633                                  | 1,426                       | -                           |  |
| 1995-96      | 17,776               | 16,658                | -                        | -               | -                            | 875                            | 182                             | -                                 | 61                          | -                 | -                               | -                                    | -                           | -                           |  |
| 1994-95      | 14,532               | 14,216                | -                        | -               | -                            | 316                            | -                               | -                                 | -                           | -                 | -                               | -                                    | -                           | -                           |  |
| 1993-94      | 48,558               | 47,380                | -                        | -               | -                            | 1,178                          | -                               | -                                 | -                           | -                 | -                               | -                                    | -                           | -                           |  |
| 1992-93      | -                    | -                     | -                        | -               | -                            | -                              | -                               | -                                 | -                           | -                 | -                               | -                                    | -                           | -                           |  |
| & prior      | 70,412               | 43,252                | 2,127                    | (100)           | -                            | 4,383                          | 25,144                          | -                                 | (3,918)                     | 2,198             | -                               | (2,520)                              | (154)                       | -                           |  |
| <b>Total</b> | <b>\$ 18,143,925</b> | <b>\$ 14,479,097</b>  | <b>\$ 2,127</b>          | <b>\$ (100)</b> | <b>\$ 302,289</b>            | <b>\$ 568,467</b>              | <b>\$ 945,786</b>               | <b>\$ 44,286</b>                  | <b>\$ 432,443</b>           | <b>\$ 493,577</b> | <b>\$ 156,788</b>               | <b>\$ 273,110</b>                    | <b>\$ 432,432</b>           | <b>\$ 13,623</b>            |  |

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City of Portland, Oregon  
 Schedule of Property Taxes Collected by Levy Year by Fund  
 For the Year Ended June 30, 2002

| Tax Year     | Total                 | General               | Special Revenue Funds    |               | Debt Service Funds           |                                |                                 |                                   |                             |                     |                                 |                                      |                             |                             |
|--------------|-----------------------|-----------------------|--------------------------|---------------|------------------------------|--------------------------------|---------------------------------|-----------------------------------|-----------------------------|---------------------|---------------------------------|--------------------------------------|-----------------------------|-----------------------------|
|              |                       |                       | 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 |
| 2001-02      | \$ 249,631,465        | \$ 197,212,836        | \$ -                     | \$ -          | \$ 5,601,672                 | \$ 7,795,712                   | \$ 12,589,229                   | \$ 1,046,033                      | \$ 6,069,563                | \$ 6,769,550        | \$ 2,583,512                    | \$ 3,817,451                         | \$ 5,867,949                | \$ 277,958                  |
| 2000-01      | 5,675,272             | 4,567,015             | -                        | -             | 78,445                       | 182,525                        | 293,427                         | -                                 | 137,072                     | 153,679             | 48,252                          | 75,825                               | 136,591                     | 2,441                       |
| 1999-00      | 1,791,976             | 1,459,706             | -                        | -             | 4,693                        | 57,990                         | 94,336                          | -                                 | 40,921                      | 51,993              | 9,375                           | 28,137                               | 44,825                      | -                           |
| 1998-99      | 1,134,476             | 927,193               | -                        | -             | -                            | 28,827                         | 61,961                          | -                                 | 31,232                      | 29,101              | -                               | 28,557                               | 27,605                      | -                           |
| 1997-98      | 691,448               | 560,089               | -                        | -             | -                            | 16,804                         | 33,940                          | -                                 | 17,812                      | 24,930              | -                               | 10,509                               | 27,364                      | -                           |
| 1996-97      | 32,426                | 28,256                | -                        | -             | -                            | 1,373                          | 1,058                           | -                                 | 360                         | 237                 | -                               | 351                                  | 791                         | -                           |
| 1995-96      | 14,209                | 13,315                | -                        | -             | -                            | 699                            | 146                             | -                                 | 49                          | -                   | -                               | -                                    | -                           | -                           |
| 1994-95      | 210,082               | 205,516               | -                        | -             | -                            | 4,566                          | -                               | -                                 | -                           | -                   | -                               | -                                    | -                           | -                           |
| 1993-94      | 2,431                 | 2,371                 | -                        | -             | -                            | 60                             | -                               | -                                 | -                           | -                   | -                               | -                                    | -                           | -                           |
| 1992-93      | -                     | -                     | -                        | -             | -                            | -                              | -                               | -                                 | -                           | -                   | -                               | -                                    | -                           | -                           |
| & prior      | 11,595                | 9,976                 | 225                      | 182           | -                            | 81                             | 875                             | -                                 | 174                         | 48                  | -                               | 25                                   | 9                           | -                           |
| <b>Total</b> | <b>\$ 259,195,380</b> | <b>\$ 204,986,273</b> | <b>\$ 225</b>            | <b>\$ 182</b> | <b>\$ 5,684,810</b>          | <b>\$ 8,088,637</b>            | <b>\$ 13,074,972</b>            | <b>\$ 1,046,033</b>               | <b>\$ 6,297,183</b>         | <b>\$ 7,029,538</b> | <b>\$ 2,641,139</b>             | <b>\$ 3,960,855</b>                  | <b>\$ 6,105,134</b>         | <b>\$ 280,399</b>           |

# 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 General Obligation Bonded Debt Service  
Expenditures to General 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         |
|-------------|---------------|-------------------------------|-----------------------|----------------------------|---|----------------|---------------|---------------|
| 1993        | \$138,876,181 | \$26,985,777                  | \$ 85,476,105         | \$73,627,522               | \$ 33,323,283                                     | \$15,371,696   | \$ 63,656,813 | \$437,317,377 |
| 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   | 30,960,159                    | 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   |

Functions/activities for Planning and Community Development, and Citizen and Community Service were combined in FY 2001-02 to Community Development.

Functions/activities for 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 & Resource Fund, was reclassified from Planning and Community Development to Legislative, Administrative, and Support Services in the FY 2001-02 budget.

Sources:

FY 1993-2001 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 2002 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         |
|-------------|---------------|----------------------|-------------------|-------------------|---------------------|--------------|------------------|---------------|---------------|
| 1993        | \$103,118,400 | \$ 71,690,339        | \$ 63,193,605     | \$67,671,614      | \$18,283,431        | \$29,845,312 | \$6,852,513      | \$ -          | \$360,655,214 |
| 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   |

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 1993-98 was interest.

Sources:

FY 1993-2001 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 2002 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<br>Year | Property<br>Taxes | Lodging<br>Taxes | Other<br>Taxes | Total<br>Taxes |
|----------------|-------------------|------------------|----------------|----------------|
| 1993           | \$ 95,037,751     | \$ 7,751,402     | \$ 329,247     | \$103,118,400  |
| 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    |

Sources:

FY 1993-2001 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 2002 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)

| <u>Fiscal Year</u> | <u>Total Tax Levy*</u> | <u>Current Tax Collections</u> | <u>Percent of Current Taxes Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Ratio of Total Tax Collections to Total Tax Levy</u> | <u>Outstanding Delinquent Taxes</u> | <u>Ratio of Delinquent Taxes to Total Tax Levy</u> |
|--------------------|------------------------|--------------------------------|---|-----------------------------------|------------------------------|---|-------------------------------------|--|
| 1993               | \$134,217,900          | \$124,389,064                  | 92.68%                                    | \$9,053,333                       | \$133,442,397                | 99.42%  | \$16,830,704                        | 12.54%   |
| 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   |

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 1993-2001 data from the City's Comprehensive Annual Financial Reports, Property Tax Levies and Collections.

FY 2002 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* Assessed Value | RMV* Est. Actual Value/Real Market Value | AV Assessed Value | RMV Est. Actual Value/Real Market Value | AV Assessed Value       | RMV Est. Actual Value/Real Market Value | AV Assessed Value | RMV Est. Actual Value/Real Market Value |  |
| 1993        | \$17,903,496,749   | \$17,903,496,749                         | \$1,002,068,396   | \$1,002,068,396                         | \$1,274,564,520         | \$1,274,564,520                         | \$20,180,129,665  | \$20,180,129,665                        | 100.00%  |
| 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  |

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 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:

FY 1993-2002 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  
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 | Port of Portland | Metropolitan Service District | Tri-Met | Total   |
|-------------|------------------|--------------------|-----------------------------|---|----------------------------|------------------|------------------|-------------------------------|---------|---------|
| 1993        | \$6.31           | \$ -               | \$10.95                     | \$0.96  | \$0.69                     | \$3.69           | \$0.19           | \$0.21                        | \$0.22  | \$23.22 |
| 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 |

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 1993-2002 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         |
|-------------|------------------|--------------------|-----------------------------|---|----------------------------|------------------|------------------|-------------------------------|-------------|---------------|
| 1993        | \$134,217,995    | \$ -               | \$206,986,445               | \$26,037,672                                  | \$13,352,343               | \$101,377,975    | \$5,049,463      | \$ 5,534,725                  | \$5,903,204 | \$492,925,097 |
| 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   |

\*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 1993-2002 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<br>Year | Assessments<br>Outstanding<br>Beginning<br>of Year | Assessments<br>Made<br>During Year | Assessments<br>Collected<br>During Year | Assessments<br>Outstanding<br>End of Year | Ratio of<br>Collections<br>to<br>Assessments<br>Outstanding<br>During Year |
|----------------|--|------------------------------------|---|---|--|
| 1993           | \$72,522,702                                       | \$56,282,272                       | \$29,845,313                            | \$98,959,661                              | 23.17%   |
| 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  |

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 two to four additional installments 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 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 Service Monies Available | Debt Payable from Proprietary and Special Assessment Bond Funds | Net Bonded Debt | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt per Capita |
|-------------|-------------------------|------------------|--------------------------|-------------------------------|---|-----------------|--|----------------------------|
| 1993        | 459,300                 | \$20,180,129,665 | \$179,508,014            | \$458,917                     | \$163,833,014   | \$15,216,083    | 0.08%                                      | \$ 33.13                   |
| 1994        | 471,325                 | 21,690,875,965   | 201,223,770              | 516,933                       | 188,293,770   | 12,413,067      | 0.06                                       | 26.34                      |
| 1995        | 495,090                 | 25,038,801,518   | 234,336,898              | 598,576                       | 165,466,898   | 68,271,424      | 0.27                                       | 137.90                     |
| 1996        | 497,600                 | 28,311,234,417   | 190,405,217              | 1,149,464                     | 125,340,217   | 63,915,536      | 0.23                                       | 128.45                     |
| 1997        | 503,000                 | 31,438,960,627   | 160,668,493              | 1,416,177                     | 100,443,493   | 58,808,823      | 0.19                                       | 116.92                     |
| 1998        | 508,500                 | 26,524,462,295   | 148,481,704              | 799,262                       | 90,811,704  | 56,870,738      | 0.21                                       | 111.84                     |
| 1999        | 509,610                 | 28,743,774,007   | 157,204,852              | 619,342                       | 102,249,852   | 54,335,658      | 0.19                                       | 106.62                     |
| 2000        | 512,395                 | 30,195,948,585   | 139,607,868              | 325,878                       | 87,537,868  | 51,744,122      | 0.17                                       | 100.98                     |
| 2001        | 531,600                 | 31,885,995,512   | 124,070,867              | 506,497                       | 75,065,867  | 48,498,503      | 0.15                                       | 91.23                      |
| 2002        | 536,240                 | 33,331,091,987   | 110,443,780              | 974,885                       | 52,123,780  | 57,345,115      | 0.17                                       | 106.94                     |

<sup>1</sup>Represents a Portland-Vancouver metropolitan count.

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

Sources:

FY 1993-2002 data from the City's Comprehensive Annual Financial Reports, Assessed and Estimated Value of Taxable Property and Schedule of Bond Principal Transactions. Population Research Center, Portland State University, and Multnomah County Tax Supervising and Conservation Commission.

City of Portland, Oregon  
 Computation of Legal Debt Margin  
 June 30, 2002  
 (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  |                      | \$50,355,904,812              |
| Debt limit rate  |                      | x .03                         |
| Debt limit   |                      | <u>1,510,677,144</u>          |
| <br>Bonded debt outstanding                                  | <br>\$1,853,498,999  |                               |
| Less legal deductions from debt limit:                       |                      |                               |
| Water bonds  | \$127,035,000        |                               |
| Other Water Districts' bonds assumed by annexation           | 8,780                |                               |
| Special Assessment bonds                                     | 11,500,000           |                               |
| Urban Renewal and Redevelopment bonds                        | 256,634,371          |                               |
| Limited Tax Revenue bonds                                    | 597,472,234          |                               |
| Golf Facilities bonds  | 3,600,000            |                               |
| Sewage Facilities Revenue bonds                              | 724,370,000          |                               |
| Arena and Gas Tax bonds                                      | 24,733,614           |                               |
| Parking Facilities bonds                                     | 9,815,000            |                               |
| Hydroelectric Power bonds                                    | <u>29,490,000</u>    |                               |
| Subtotal   | <u>1,784,658,999</u> |                               |
| Net debt subject to 3% limitation                            |                      | <u>68,840,000</u>             |
| Legal debt margin - amount available for future indebtedness |                      | <u><u>\$1,441,837,144</u></u> |

Source:

FY 2002 data from the City's Comprehensive Annual Financial Reports, *Schedule of Bond Principal Transactions*.

City of Portland, Oregon  
 Computation of Overlapping Debt  
 June 30, 2002  
 (unaudited)

| Jurisdiction                                | General<br>Obligation<br>Bonds<br>Outstanding | Percentage<br>within<br>City of<br>Portland | Amount<br>Applicable<br>to City of<br>Portland |
|---|---|---|--|
| Clackamas Community College                 | \$ 53,080,000                                 | 22.2500%                                    | \$ 118,103                                     |
| Clackamas County School District No. 7J     | 95,535,000                                    | 0.0277                                      | 26,463   |
| Clackamas County School District No. 12     | 105,885,000                                   | 0.5881                                      | 622,710  |
| Clackamas County                            | 360,000                                       | 0.2599                                      | 936  |
| Columbia County School District 1J          | 3,045,000                                     | 8.9850                                      | 273,593  |
| Metro                                       | 177,847,373                                   | 40.9129                                     | 72,762,518                                     |
| Mt. Hood Community College                  | 920,000                                       | 40.0421                                     | 368,387  |
| Multnomah County                            | 87,580,000                                    | 81.9213                                     | 71,746,675                                     |
| Multnomah County School District No. 1J     | 190,050,000                                   | 97.1753                                     | 184,681,658                                    |
| Multnomah County School District No. 3      | 26,785,000                                    | 98.5812                                     | 26,404,974                                     |
| Multnomah County School District No. 7      | 68,540,000                                    | 22.5395                                     | 15,448,573                                     |
| Multnomah County School District No. 28J    | 37,244,566                                    | 53.6986                                     | 19,999,811                                     |
| Multnomah County School District No. 40     | 54,310,000                                    | 99.8345                                     | 54,220,117                                     |
| Multnomah County School District No. 51J    | 9,775,000                                     | 3.8663                                      | 377,931  |
| Port of Portland                            | 54,753,657                                    | 37.3418                                     | 20,446,001                                     |
| Portland Community College                  | 196,833,170                                   | 43.5703                                     | 85,760,803                                     |
| Tri-Met                                     | 107,795,000                                   | 40.6963                                     | 43,868,577                                     |
| Tualatin Hills Park & Recreation District   | 20,085,000                                    | 0.0181                                      | 3,635  |
| Tualatin Valley Water District (Wolf Creek) | 4,575,000                                     | 0.4064                                      | 18,593   |
| Tualatin Valley Water District (Metzger)    | 1,535,000                                     | 0.4207                                      | 6,458  |
| Washington County                           | 72,250,000                                    | 0.2835                                      | 204,829  |
| Washington County School District No. 48J   | 188,750,000                                   | 0.3228                                      | 609,285  |
| Washington County School District No. 23J   | 138,510,000                                   | 0.1138                                      | 157,624  |
| Total                                       |   |   | <u>\$598,128,254</u>                           |

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        |          |
| 1993        | \$139,134,755   | \$48,328,964               | \$ (3,551,610)                                  | \$87,254,181                           | \$ 2,380,000              | \$ 8,033,880 | \$10,413,880 | 8.38     |
| 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     |

\* 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 |          |
| 1992        | \$55,272        | \$28,584                   | \$26,688                               | \$ -                      | \$ -     | \$ -  | N/A      |
| 1993        | 49,060          | 31,146                     | 17,914                                 | -                         | -        | -     | N/A      |
| 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          | 49,352                     | 34,368                                 | 2,990                     | 5,074    | 8,064 | 4.26     |

\* 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     |          |
| 1993        | \$3,739,489     | \$3,507,115                | \$ 232,374                             | \$180,000                 | \$132,378 | \$312,378 | 0.74     |
| 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     |

\* 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       |          |
| 1993        | \$ 9,893,570    | \$ 2,318,809               | \$ 7,574,761                           | \$620,000                 | \$846,824 | \$1,466,824 | 5.16     |
| 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    |

\* 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<br>Year | Principal     | Interest     | Total Debt<br>Service | Total<br>General<br>Governmental<br>Expenditures | Ratio of<br>Debt Service to<br>General Governmental<br>Expenditures |
|----------------|---------------|--------------|-----------------------|--|---|
| 1993           | \$ 17,793,078 | \$ 8,493,414 | \$ 26,286,492         | \$ 437,317,377                                   | 6.01%   |
| 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  |

Sources:

FY 1993-2001 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 2002 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> |
|--------------------|-------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
| 1993               | 459,300                       | \$22,785                             | 34                            | 56,942                               | 6.4%                                 |
| 1994               | 471,325                       | 23,923                               | 34                            | 56,606                               | 6.0                                  |
| 1995               | 495,090                       | 25,396                               | 34                            | 56,899                               | 4.3                                  |
| 1996               | 497,600                       | 28,660                               | 35                            | 57,266                               | 3.7                                  |
| 1997               | 503,000                       | 28,319                               | 35                            | 58,022                               | 4.5                                  |
| 1998               | 508,500                       | 29,430                               | 35                            | 56,583                               | 4.3                                  |
| 1999               | 509,610                       | 30,672                               | 35                            | 55,831                               | 4.2                                  |
| 2000               | 512,395                       | 31,620                               | 35                            | 54,746                               | 4.5                                  |
| 2001               | 531,600                       | N/A*                                 | 35                            | 54,427                               | 4.0                                  |
| 2002               | 536,240                       | N/A*                                 | N/A*                          | 54,150                               | 5.9                                  |

<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,

Washington, and Yamhill counties and Clark County in Washington

Calendar year end figure used for following 6/30 fiscal year end,

2001 calendar or 2002 fiscal year figure estimated by OED.

<sup>3</sup>Sales & Marketing Management 2002 Survey of Buying Power, September, 2002

<sup>4</sup>Portland School District #1

City of Portland, Oregon  
Property Value, Construction and Bank Deposits  
Last Ten Fiscal Years  
(unaudited)

| Fiscal Year | Commercial Construction |               | Residential Construction |               | Total Construction |               | Banking                 |
|-------------|-------------------------|---------------|--------------------------|---------------|--------------------|---------------|-------------------------|
|             | Number of Permits       | Value         | Number of Permits        | Value         | Number of Permits  | Value         | Deposits (in thousands) |
| 1993        | 3,230                   | \$255,190,445 | 3,424                    | \$100,321,321 | 6,654              | \$355,511,766 | \$11,274,355            |
| 1994        | 3,300                   | 424,277,673   | 4,125                    | 182,599,809   | 7,425              | 606,877,482   | 9,650,755               |
| 1995        | 3,286                   | 387,755,191   | 3,822                    | 113,779,784   | 7,108              | 501,534,975   | 11,611,855              |
| 1996        | 3,069                   | 497,058,470   | 4,011                    | 132,248,762   | 7,080              | 629,307,232   | 11,133,967              |
| 1997        | 3,378                   | 690,910,816   | 4,343                    | 157,497,045   | 7,721              | 848,407,861   | 14,281,503              |
| 1998        | 4,089                   | 778,910,533   | 4,153                    | 166,479,499   | 8,242              | 945,390,032   | 12,942,696              |
| 1999        | 3,746                   | 712,690,707   | 4,128                    | 164,598,675   | 7,874              | 877,289,382   | 14,529,741              |
| 2000        | 3,628                   | 685,894,883   | 4,390                    | 166,029,804   | 8,018              | 851,924,687   | 15,667,859              |
| 2001        | 3,524                   | 693,494,820   | 5,304                    | 227,161,633   | 8,828              | 920,656,453   | 12,978,750              |
| 2002        | 3,394                   | 702,312,602   | 5,676                    | 286,907,402   | 9,070              | 989,220,004   | 16,214,809              |

Sources:

City of Portland Office and Planning and Development Review and the Oregon Department of Consumer and Business Services, formerly the State of Oregon Banking Commission

City of Portland, Oregon  
Principal Property Taxpayers  
June 30, 2002  
(unaudited)

| <u>Taxpayer</u>                         | <u>Type of Business</u> | <u>FY 2002<br/>Assessed<br/>Valuation</u> | <u>Percentage<br/>of Total<br/>Assessed<br/>Valuation<sup>1</sup></u> |
|---|-------------------------|---|---|
| Qwest Communications, Inc.              | Communications          | \$415,783,038                             | 1.25%   |
| PacifiCorp                              | Energy                  | 239,317,500                               | 0.72  |
| Portland General Electric (Enron Corp.) | Energy                  | 224,983,750                               | 0.67  |
| Wacker Siltronic Corporation            | Manufacturing           | 219,400,294                               | 0.66  |
| Alaska Airlines, Inc.                   | Transportation          | 178,410,500                               | 0.54  |
| United Airlines, Inc.                   | Transportation          | 144,242,900                               | 0.43  |
| Glimcher Lloyd Venture, LLC             | Real Estate             | 126,458,982                               | 0.38  |
| One Eleven Tower, LLC                   | Real Estate             | 119,748,740                               | 0.36  |
| Northwest Natural Gas Company           | Energy                  | 115,568,690                               | 0.35  |
| Delta Airlines, Inc.                    | Transportation          | <u>114,699,000</u>                        | <u>0.34</u>   |
|   |                         | <u><u>\$1,898,613,394</u></u>             | <u><u>5.70%</u></u>   |

<sup>1</sup>The 2002 total assessed valuation for the City of Portland is \$33,331,091,987.

Sources:

Multnomah County Division of Assessment and Taxation, and the FY 2002 City Comprehensive Annual Financial Report, *Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita*.

City of Portland, Oregon  
 Sewer Bond Rate Covenant Coverage Calculation  
 For the Year Ended June 30, 2002  
 (unaudited)

|   |                      |
|---|----------------------|
| Operating income per operating statement      | \$ <u>54,298,096</u> |
| Add/Subtract:                                 |                      |
| Adjustments per master bond ordinance:        |                      |
| System Development Charges - Liens Receivable | (618,887)            |
| Interest revenue                              | 4,210,743            |
| Downspout Disconnect Program                  | 3,522,412            |
| Operating portion of Federal Grants transfer  | 302,871              |
| Operating portion of Pension Bond transfer    | (771,015)            |
| Depreciation and amortization                 | 14,793,040           |
| Utility License Fees                          | 11,048,119           |
| Net Rate Stabilization Fund transfer          | <u>5,275,000</u>     |
| Total adjustments to operating income         | <u>37,762,283</u>    |
| Net revenue per bond ordinance                | <u>\$ 92,060,379</u> |
| <br>  |                      |
| Gross bonded debt service payments            | <u>\$ 61,379,111</u> |

|                           |      |
|---------------------------|------|
| Actual coverage           | 1.50 |
| Minimum required coverage | 1.20 |

Sources:

FY 2002 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, 2002.



**City of Portland, Oregon**  
**Miscellaneous Statistical Data**  
**June 30, 2002**  
**(unaudited)**

**General:**

Date of incorporation: February 8, 1851  
 Date first charter adopted: 1851  
 Date present charter adopted: 1903  
 Form of government: Commission  
 Area - square miles for selected years:

| Year      | Number of<br>Square Miles |
|-----------|---------------------------|
| 1956      | 71                        |
| 1966      | 85                        |
| 1976-1978 | 100                       |
| 1980      | 110                       |
| 1985      | 118                       |
| 1990-1992 | 137                       |
| 1993      | 141                       |
| 1994-2002 | 145                       |

**Population:**

City residents for last six censuses:

| Year | Number of<br>Residents |
|------|------------------------|
| 1950 | 373,628                |
| 1960 | 372,676                |
| 1970 | 382,619                |
| 1980 | 370,986                |
| 1990 | 432,175                |
| 2000 | 512,395                |

Age distribution for last six censuses:

| Year | Percentage<br>Under 18 | Percentage<br>18 - 64 | Percentage<br>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                  |

Income level for last six censuses:

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

**Fire Protection:**

Stations 27  
 Employees (662 sworn and 67 civilian) 729

**Police Protection:**

Jail (the City utilizes Multnomah County facilities) N/A  
 Vehicular units 606  
 Stations 5  
 Employees (1,035 sworn and 265 civilian) 1,300  
 Arrests 36,479

**City of Portland, Oregon**  
**Miscellaneous Statistical Data, Continued**  
**June 30, 2002**  
**(unaudited)**

**Education:**

|            |    |
|------------|----|
| Schools:   |    |
| Elementary | 62 |
| 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                               | 54,150 |
| Average daily attendance               | 47,756 |

**Water:**

|   |         |
|---|---------|
| Total number of services                            | 165,062 |
| Total consumption in billions of gallons (estimate) | 38.2    |
| Plant capacity:                                     |         |
| Watershed storage in billions of gallons            | 16.7    |
| Local storage in billions of gallons                | 0.3     |
| Miles of water mains                                | 1,939   |
| Fire hydrants                                       | 12,780  |

**Sewage Disposal:**

|  |         |
|--|---------|
| Customers  | 167,105 |
| Sewage disposal in millions of gallons treated per day | 77      |
| Plant capacity in millions of gallons per day          | 108     |
| Sewer lines of combined storm and sanitary             | 2,326   |

**Parks and Recreation:**

|                   |        |
|-------------------|--------|
| Acres             | 10,235 |
| Parks             | 242    |
| Golf courses      | 4      |
| Swimming pools    | 12     |
| Community centers | 13     |
| Specialty gardens | 8      |
| Community gardens | 25     |

**Street Lighting:**

54,426

**Elections:**

|   |         |
|---|---------|
| Registered voters                         | 356,211 |
| Last special election: September 17, 2002 |         |
| Registered voters                         | 361,777 |
| Votes cast                                | 146,646 |
| Percentage of registered voters           | 40.53%  |

**City Employees:**

|   |              |
|---|--------------|
| Merit system                              | 5,227        |
| Exempt (including seasonal and part-time) | 3,258        |
| Total                                     | <u>8,485</u> |

Continued next page

**City of Portland, Oregon**  
**Miscellaneous Statistical Data, Continued**  
**June 30, 2002**  
**(unaudited)**

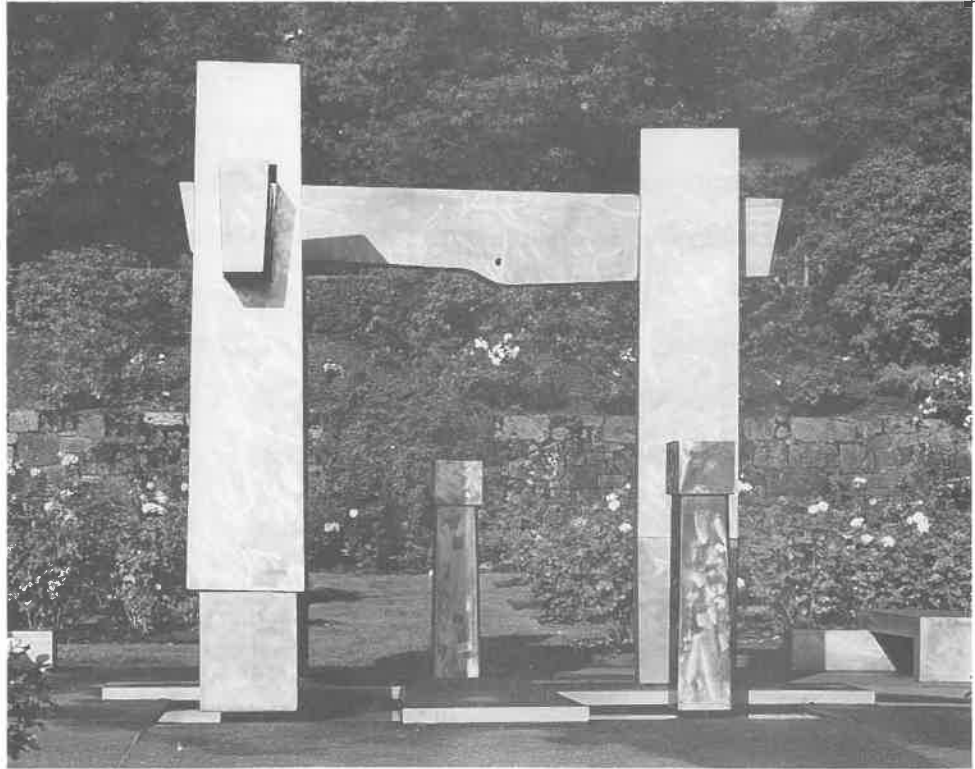
**Retail Sales:**

| Calendar<br>Year | Area                                       | Retail Sales      |
|------------------|--|-------------------|
| 1992             | Consolidated Metropolitan Statistical Area | \$ 13,754,298,000 |
| 1993             | Primary Metropolitan Statistical Area *    | 15,362,788,000    |
| 1994             | Primary Metropolitan Statistical Area *    | 16,601,340,000    |
| 1995             | Primary Metropolitan Statistical Area *    | 17,434,431,000    |
| 1996             | Primary Metropolitan Statistical Area *    | 18,826,688,000    |
| 1997             | Primary Metropolitan Statistical Area *    | 20,049,925,000    |
| 1998             | Primary Metropolitan Statistical Area *    | 21,782,839,000    |
| 1999             | Primary Metropolitan Statistical Area *    | 27,503,867,000    |
| 2000             | Primary Metropolitan Statistical Area *    | 29,021,017,000    |
| 2001             | Primary Metropolitan Statistical Area *    | 28,378,247,000    |

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

**Sources:**

| <u>Topic</u>      | <u>Source</u>   |
|-------------------|---|
| General           | Office of Transportation  |
| Population        | US Census Bureau  |
|                   | Portland State University Population Research Center                                  |
|                   | <u>City of Portland Service Efforts and Accomplishments: 2001-02.</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: 2002 Survey of Buying Power, September, 2002</u> |



**WASHINGTON PARK METAL SCULPTURE**

# Audit Comments and Disclosures Required by State Regulations

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Skidmore Fountain, 1888



Suite 2000  
1211 South West Fifth Avenue  
Portland, OR 97204

**Independent Auditors' Report on Compliance  
and on Internal Control Over Financial Reporting  
Based on an Audit of Basic Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The City Council  
City of Portland, Oregon  
Portland, Oregon:

We have audited the basic financial statements of the City of Portland, Oregon (the City) as of and for the year ended June 30, 2002, and have issued our report thereon dated March 27, 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 and 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 basic 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 2002 and 2003.
- 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 use of road funds.
- The legal 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 City Council  
City of Portland, Oregon

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance relating to overexpenditures of budgeted appropriations that are described in note II B to the City's basic financial statements.

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

- ORS 294.421 requiring notification of specific budget information to be published not less than five days and not more than 30 days prior to the date of the adopted budget hearing. The City did not publish this information within the time requirement.
- ORS 279.111 requiring that all contractors that the City contracts with certify that they have not discriminated against minority, women, or emerging small business enterprises. The City entered into a contract with a contractor that did not certify that they have not discriminated against minority, women, or emerging small business enterprises.
- ORS 279.023 requiring that the City submit to the Bureau of Labor and Industries (BOLI) a list of all public improvements that the City plans to fund in the subsequent budget period at least 30 days prior to the adoption of the budget. The City submitted an incomplete list to BOLI, and did not submit it within the time requirement.

#### **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 basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely effect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the basic financial statements.

Reportable conditions are described in the schedule of findings and questioned costs as items 02-1 and 02-2 within the Federal Single Audit Report.

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 risk that misstatements in amounts that would be material in relation to the basic 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. Our consideration of the internal control-over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above, as item 02-1, we consider to be a material weaknesses.

We also noted other matters involving the internal control over financial reporting which we have reported to management of the City in a separate letter dated March 27, 2003.

The City Council  
City of Portland, Oregon

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.

KPMG LLP

Portland, Oregon  
March 27, 2003