

CITY OF PORTLAND, OREGON

Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2004



Office of Management & Finance
Timothy Grewe, Chief Administrative Officer

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**City of Portland, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
Table of Contents**

	Item No.
INTRODUCTORY SECTION	
Letter of Transmittal	1
Elected Officials	7
Organization Charts	8
Certificate of Achievement for Excellence in Financial Reporting	11
FINANCIAL SECTION	
Report of Independent Auditors	13
Management's Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	33
Statement of Activities	34
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	35
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	36
Statement of Revenues, Expenditures, and Changes in Fund Balances	37
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	38
Proprietary Funds	
Statement of Net Assets	39
Statement of Revenues, Expenses, and Changes in Fund Net Assets	41
Statement of Cash Flows	42
Fiduciary Funds	
Statement of Fiduciary Net Assets	44
Statement of Changes in Fiduciary Net Assets	45
Notes to the Financial Statements	47

**City of Portland, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
Table of Contents**

Required Supplementary Information:

Schedules of Revenues and Expenditures – Major Governmental Funds – Budget and Actual

General Fund	87
Transportation Operating Fund	91

Note to the Required Supplementary Information	93
---	----

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds

Combining Balance Sheet

Governmental Fund Types	95
Special Revenue Funds	96
Debt Service Funds	102
Capital Projects Funds	106

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Fund Types	107
Special Revenue Funds	108
Debt Service Funds	114
Capital Projects Funds	118

Nonmajor Proprietary Funds

Combining Statement of Net Assets

Enterprise Funds	120
Internal Service Funds	124

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Enterprise Funds	128
Internal Service Funds	130

Combining Statement of Cash Flows

Enterprise Funds	132
Internal Service Funds	136

Fiduciary Funds

Combining Statement of Fiduciary Net Assets – Pension Trust Funds	141
--	-----

Combining Statement of Fiduciary Net Assets – Agency Funds	142
---	-----

Combining Statement of Changes in Fiduciary Net Assets - Pension Trust Funds	143
---	-----

Combining Statement of Changes in Assets and Liabilities - Agency Funds	144
--	-----

**City of Portland, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
Table of Contents**

Schedules of Revenues and Expenditures – Governmental Funds – Budget and Actual:

General Fund by Department – Budget and Actual	145
Special Revenue Funds – Budget and Actual	
Assessment Collection Fund	155
Emergency Communication Fund	156
Planning and Development Fund	157
Property Management License Fund	159
Public Safety Fund	160
Cable Fund	161
Private for Hire transportation Safety Fund	162
Business License Surcharge Fund	163
Convention and Tourism Fund	164
General Reserve Fund	165
Special Finance and Resource Fund	166
Transportation Reserve Fund	167
Housing Investment Fund	168
Parks Local Option Levy Fund	169
Children’s Investment Fund	170
Federal Grants Fund	171
Housing and Community Development Fund	172
Home Grant Fund	173
Portland Parks Memorial Trust Fund	174
Debt Service Funds – Budget and Actual	
River District Urban Renewal Area Debt Redemption Fund	175
Bonded Debt Interest and Sinking Fund	176
Waterfront Renewal Bond Sinking Fund	177
Interstate Corridor Debt Service Fund	178
Pension Debt Redemption Fund	179
South Park Block Redemption Fund	180
Airport Way Debt Service Fund	181
Gas Tax Bond Redemption Fund	182
Lents Town Center Urban Renewal Area Debt Redemption Fund	183
Central Eastside Industrial District Debt Service Fund	184
Bancroft Bond Interest and Sinking Fund	185
Convention Center Area Debt Service Fund	186
North Macadam Urban Renewal Area Debt Redemption Fund	187
Special Projects Debt Service Fund	188
Gateway Urban Renewal Area Debt Redemption Fund	189
Governmental Bond Redemption Fund	190
Capital Projects Funds – Budget and Actual	
Fire, Rescue and Emergency Services Facilities Bond Construction Fund	191
Local Improvement District Construction Fund	192
Parks Construction Fund	193

**City of Portland, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
Table of Contents**

Permanent Fund – Budget and Actual	
Parks Endowment Fund	195
Schedules of Revenues and Expenditures - Proprietary Funds – Budget and Actual:	
Enterprise Funds – Budget and Actual	
Sewer System Operating Fund	197
Sewer System Debt Redemption Fund	199
Sewer System Construction Fund	200
Sewer System Rate Stabilization Fund	201
Sewer System Safety Net Fund	202
Sewer Revolving Loan Fund	203
Water Fund	204
Water Bond Sinking Fund	206
Washington County Supply Bond Redemption Fund	207
Water Construction Fund	208
Water Growth Impact Charge Trust Fund	209
Hydroelectric Power Operating Fund	210
Hydroelectric Power Bond Redemption Fund	211
Hydroelectric Power Renewal and Replacement Fund	212
Golf Fund	213
Golf Revenue Bond Redemption Fund	214
Portland International Raceway Fund	215
Solid Waste Management Fund	216
Parking Facilities Fund	217
Parking Facilities Debt Redemption Fund	218
Spectator Facilities Operating Fund	219
Environmental Remediation Fund	220
Internal Service Funds – Budget and Actual	
Health Insurance Operating Fund	221
Facilities Services Operating Fund	222
Fleet Services Operating Fund	224
Printing and Distribution Services Operating Fund	226
Communication Services Operating Fund	228
Insurance and Claims Operating Fund	230
Workers' Compensation Self-Insurance Operating Fund	232
Information Technology Fund	233
Schedules of Revenues and Expenditures – Fiduciary Funds – Budget and Actual:	
Fire and Police Disability and Retirement Fund	235
Fire and Police Disability and Retirement Reserve Fund	236
Fire and Police Supplemental Retirement Reserve Fund	237

**City of Portland, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
Table of Contents**

Capital Assets Used in the Operation of Governmental Funds:

• Comparative Schedule by Source	239
• Schedule by Function and Activity	240
• Schedule of Changes by Function and Activity	241

Other Financial Schedules:

Schedule of Bond Principal Transactions	243
Schedule of Bond Interest Transactions	246
Schedule of Future Bond Principal Requirements	250
Schedule of Future Bond Interest Requirements	251
Schedule of Property Tax Transactions and Outstanding Balances	252
Schedule of Property Taxes Receivable by Levy Year by Fund	253
Schedule of Property Taxes Collected Levy Year by Fund	254

STATISTICAL SECTION

General Governmental Expenditures by Function	255
General Revenues by Source	256
Tax Revenues by Source	257
Property Tax Levies and Collections	258
Assessed and Estimated Value of Taxable Property	259
Consolidated Tax Rates	260
Consolidated Tax Levies	261
Special Assessment Billings and Collections	262
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	263
Computation of Legal Debt Margin	264
Computation of Overlapping Debt	265
Schedule of Revenue Bond Coverage:	
• Sewer System	266
• Water System	267
• Golf System	268
• Parking System	269
Ratio of Annual General Obligation Bonded Debt Service Expenditures to General Expenditures	270
Demographic Statistics	271
Property Value, Construction and Bank Deposits	272
Principal Property Taxpayers	273
Sewer Bond Rate Covenant Coverage Calculation	274
Miscellaneous Statistical Data	275

Audit Comments and Disclosures Required by State Regulations:

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	279
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CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE
Vera Katz, Mayor
Timothy Grewe, Chief Administrative Officer

Bureau of Financial Services
Kenneth L. Rust
Director and CFO
1120 SW Fifth Ave., Suite 1250
Portland, Oregon 97204
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November 3, 2004

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, 2004.

This report is published to provide the City Council, City staff, our citizens, and other readers with detailed information concerning the financial position and activities of the City. City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

THE REPORT

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a list of principal officials, organizational charts, and the Government Finance Officer's Certificate of Achievement for Excellence in Financial Reporting.

The financial section is prepared in accordance with accounting principles generally accepted in the United States of America. This section of the CAFR includes the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditors, the basic financial statements and combining and individual fund statements and schedules, as well as the independent auditor's report and required supplementary information.

The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with the transmittal letter. The basic financial statements include the government-wide financial statements that present an overview of the City's entire operations, while the fund level statements present the financial information of each of the City's major funds, as well as nonmajor funds.

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

CITY PROFILE

The City, with a population in excess of 545,000, comprises an area of approximately 145 square miles in northwestern Oregon. Located astride the Willamette River at its confluence with the Columbia River, the City is the center of commerce, industry, transportation, finance, and services for a metropolitan area of almost 2.0 million people. The City is also the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.

Accounting Division
Marty Scott, Controller

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Letter of Transmittal, Continued:

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

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

The City Auditor is also elected and required by Charter to be a Certified Public Accountant, Certified Internal Auditor, or Certified Management Accountant. The Auditor is not part of the Council and has no formal voting authority.

The City operates under the provisions of the City Charter and City Code, which are consistent with the Oregon Constitution and State law (the Oregon Revised Statutes). Ordinances are passed by a simple majority vote of three of the five Council members.

The City provides the following services as authorized in its Charter:

- Planning and community development: buildings review, housing services, employment and economic development
- Citizen and community services: neighborhood improvements, housing development, and shelter programs
- Public safety: police, fire, and rescue, emergency communications and emergency management
- Transportation and parking: street maintenance, neighborhood traffic studies, and street improvements
- Support services/legislative/administrative: communications, facilities, financial, fleet, human resources, information, printing, and risk management
- Parks, recreational and cultural services
- Utilities: water and sewer
- Other operations: refuse disposal and environmental remediation

REPORTING ENTITY

This report includes all funds of the City including those organizations required to be included because the City is financially accountable for them. Under the City Charter, the Fire and Police Disability and Retirement Fund and the Portland Development Commission (PDC) are required to have separate financial audits conducted by external certified public accountants. The various funds of these organizations are also included in this report, and the information presented has been condensed from the separately commissioned audit reports to conform to City reporting formats.

ECONOMIC CONDITIONS AND OUTLOOK

A. Recent Economic Performance

The Portland metropolitan area's economy improved over the course of FY2003-04. Data for both the State and regional economies is starting to show a return of economic growth. Unemployment rates, however, remain uncomfortably high and job growth has been spotty. Local area unemployment averaged about 7.3 percent during FY2003-04 versus 7.8 percent for all of FY2002-03. Local unemployment rates were, however, among the highest reported nationally for much of FY2003-04. During the last quarter of FY2003-04 the local area economy managed about 2 percent year-over-year job growth. Oregon, taken as a whole, did much better during FY2003-04. Oregon's overall economy registered consistent employment gains, especially during the last two quarters of FY2003-04. Both Oregon and the local area economy continued, throughout the course of FY2003-04, to register unemployment rates that were well above the national unemployment rate, while job growth was also much slower.

Local area inflation remains quite low. For the 12 months ended December 2003, inflation was about 1.4 percent while year-over-year price escalation for 6 months ending June 2004 inflation was about 1.8 percent. Energy costs continue to be a problem area and a large natural gas rate increase is expected sometime this fall. Healthcare costs as measured by the local area consumer price index for medical care services have also been muted with escalation running in the 4 to 5 percent range. Inflation for the last six months of FY2003-04, however, picked up considerably. For the last twelve months, inflation appears to be about a 3.25 percent rate. Lower inflation has helped the City maintain current service levels, but revenue growth continues to feel the effects of recession.

B. Outlook

The economic outlook for FY2004-05 continues to be guarded. The national economy is beginning to show strength and job growth has been much steadier but remains spotty both in Oregon and the local area. Most observers believe that economic growth slowed during the third and fourth quarters of calendar 2004. The run-up in energy prices and continuing geopolitical uncertainty make for a cloudy outlook for the near term. The City's current economic and revenue forecast, however, was based on the assumption that the local area economy will continue to make good recovery strides throughout the remainder of FY2004-05. The July-September quarter unemployment numbers and job growth data clearly supports this outlook at present.

The City reduced current service levels in the FY2004-05 budget to again bring budgets into line with a slower regional economy and lower revenue projections. These reductions brought budgets into line with expected FY2004-05 resources as well as the five-year financial plan estimates for the period ending FY2008-09. The FY2005-06 budget will likely require further current service level reductions as the City grapples with higher inflation, higher health benefits costs, and Council's recent action that caps future water and sewer utility license fees at FY2004-05 levels for the foreseeable future.

C. Major City achievements

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

- Continued success in dealing with the need to improve the watersheds within Portland by the enterprise bureaus. The Combined Sewer Overflow (CSO) project is the City's largest capital project. Planning and design are now underway for east side CSO needs.
- Utilization of new State revenues to address a backlog of transportation project needs. These funds will also partially restore essential services such as paving, traffic signal maintenance and street area landscaping.
- Integration of the neighborhood inspections program with the Office of Neighborhood Involvement with an emphasis on proactive problem solving for nuisances.
- Selection and initial implementation of a new Customer Information System to replace the current water and sewer billing system.
- Continued success meeting City recycling goals through such efforts as major energy conservation projects in City buildings.
- Improved emergency management coordination through creation of the City's Office of Emergency Management. This office centralizes leadership and coordination of emergency management services of the various bureaus such as Fire, Police, Water, Environmental Services, and Transportation, into a single organization under the direction of the Mayor. First year successes included securing several large grants for homeland security initiatives.

Letter of Transmittal, Continued:

- An enhanced effort to collect business license revenues. The Bureau of Licenses strengthened collections for delinquent accounts and improved measures to identify tax evaders and other non-paying businesses.
- Evaluation and implementation of various efficiencies to streamline business processes and improve inter-bureau coordination. Of particular note is the new strategic sourcing program that will utilize the City's buying power and recently authorized purchasing methods to save potentially millions of dollars.

D. Current initiatives

Current initiatives for FY2004-05 include:

- The City Attorney's office will investigate the establishment of a Special Litigation Unit with the intent of reducing legal costs of the City.
- The City will continue efforts to improve relationships with local businesses through regulatory improvements and City policies and procedures that are consistent between bureaus.
- The City will acquire a new Enterprise Resource Planning system (ERP) to replace the current 15 year old financial system.
- Management and labor representatives will work to address City health care costs in light of reduced resources and rising costs.
- Building on past achievements, the City has partnered with the Housing Authority of Portland in the HOPE VI project. This \$137 million project encompasses the redevelopment of a major depressed area within the City. The project will result in an increase in the number of affordable housing units and will better incorporate the development into the neighborhood. This City effort includes the bureaus of Housing and Community Development, Transportation, Water, Environmental Services, the Portland Development Commission, Parks and other smaller bureaus.

E. Future initiatives

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

- Limitation on property tax growth and the impact on revenues affected by the recession, which will limit the City's ability to continue to provide the historical levels of service.
- Reform of the Public Employees Retirement System (PERS) to control costs and reduce future projected deficits.
- Creation of a new Revenue Bureau to consolidate revenue collection efforts throughout the City for efficiencies and improved customer service.
- Addressing the City's backlog of infrastructure maintenance across all bureaus.
- Enhanced treatment of the City's Bull Run water source to address federal regulations.

OTHER FINANCIAL INFORMATION

A. Accounting system and budgetary control

The City's accounting system supports an adequate internal control structure. This structure helps to safeguard the City's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable, but not absolute, assurance that the City's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

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

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

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

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

B. Debt administration

The City issues various types of debt for the purpose of carrying out its capital financing activities and currently has \$2,058,615,733 of outstanding bonded indebtedness. In addition to this debt, the City has entered into a number of other financing arrangements with financial institutions, the State of Oregon and other public bodies for energy improvements, building purchases and other projects. See the Management Discussion and Analysis on pages 29 - 31 and note III.G. on pages 66 - 76 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.

Letter of Transmittal, Continued:

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

D. Risk management

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

OTHER INFORMATION

A. Independent audit

The City's Charter requires an annual audit of the City's financial records. These records, represented in the Comprehensive Annual Financial Report (CAFR), have been audited by the City's independent Certified Public Accountants, Moss Adams LLP. This audit included the City's Single Audit for FY2003-04 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-two 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.

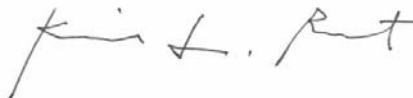
C. Acknowledgments

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

Respectfully submitted,



Timothy Grewe
Chief Administrative Officer
Office of Management & Finance



Kenneth L. Rust
Chief Financial Officer
Bureau of Financial Services

ELECTED OFFICIALS OF THE CITY OF PORTLAND



Vera Katz
Mayor



Dan Saltzman
Commissioner of Public Affairs



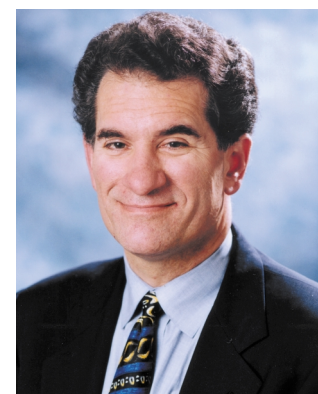
Randy Leonard
Commissioner of Public Safety



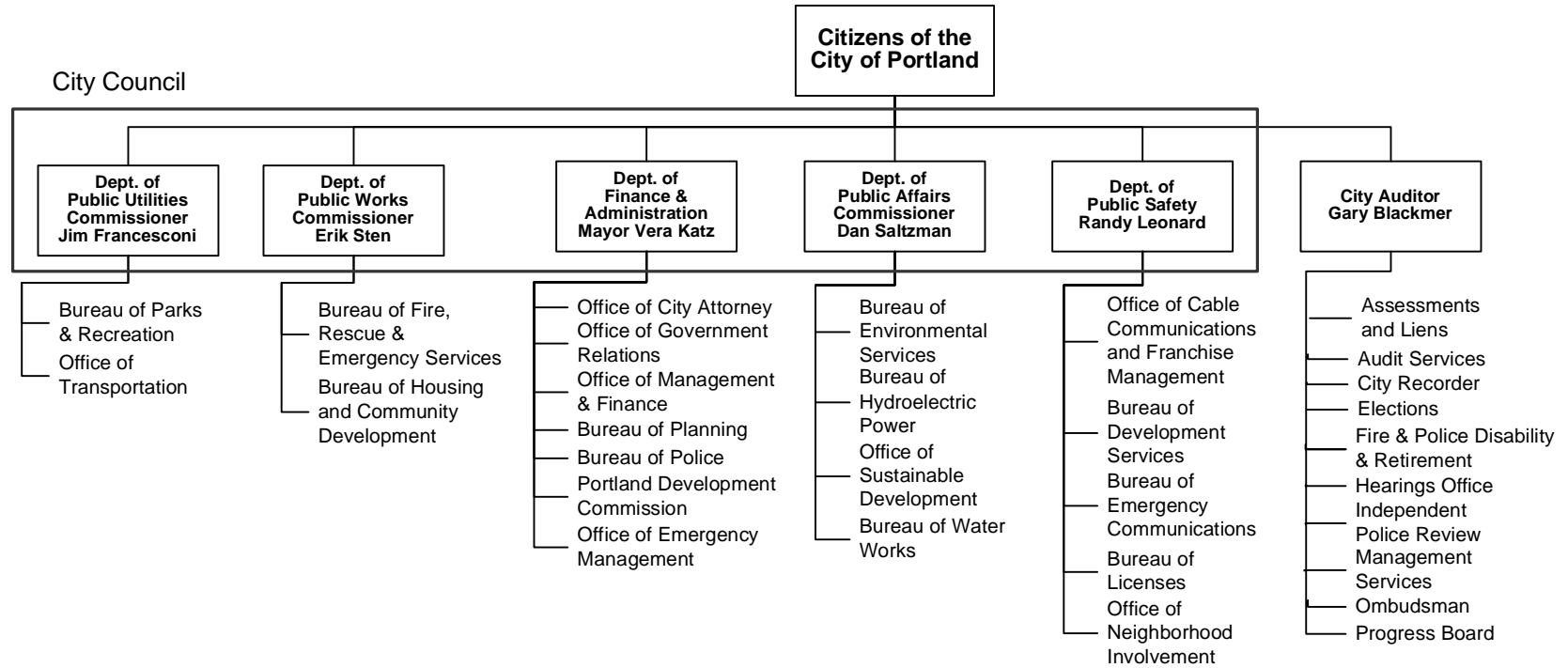
Gary Blackmer
City Auditor



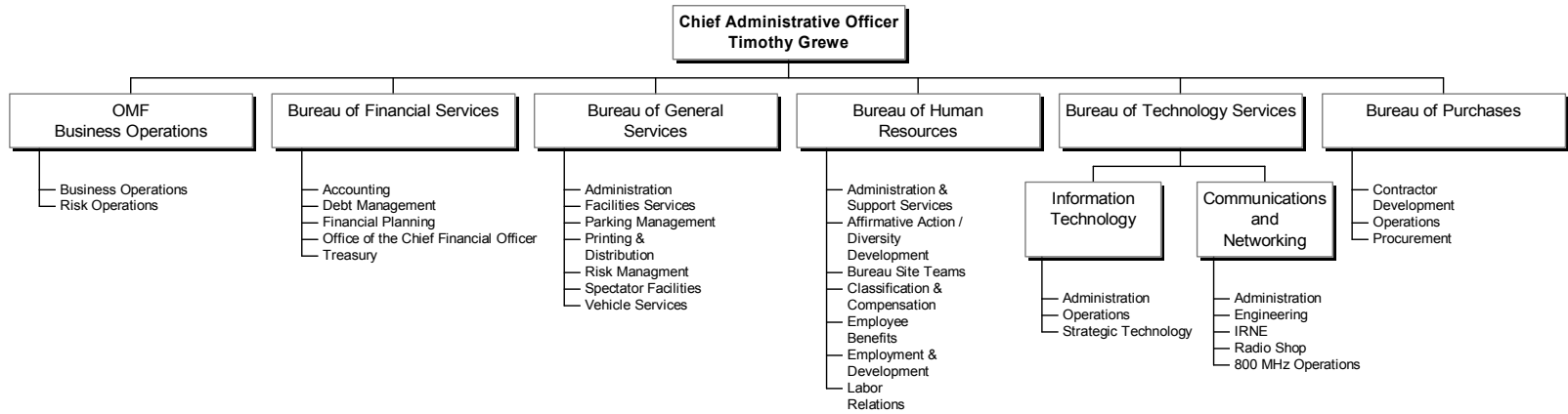
Erik Sten
Commissioner of Public Works



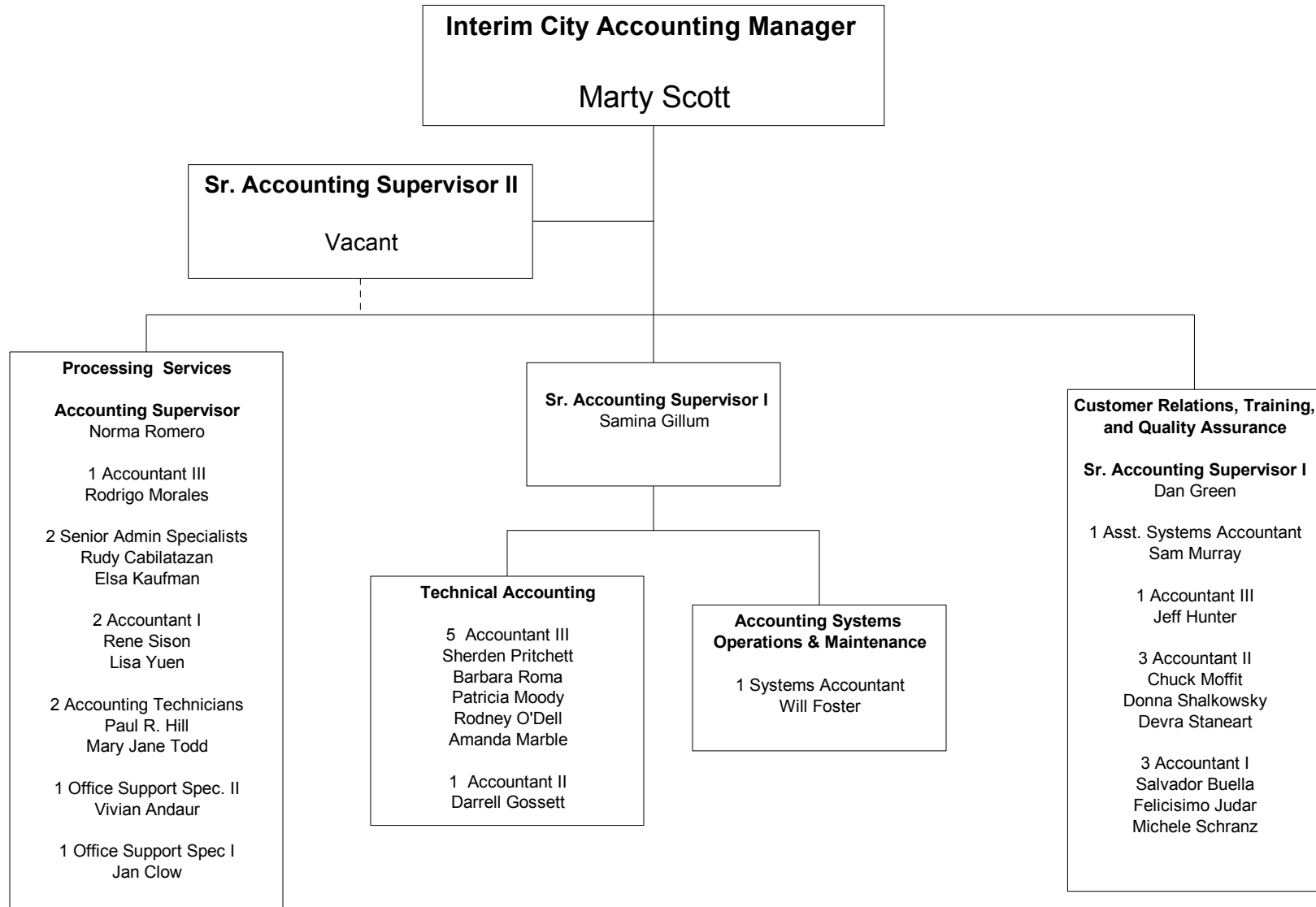
Jim Francesconi
Commissioner of Public Utilities



Office of Management and Finance



Office of Management and Finance
Accounting Division
FY 2003-2004



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, 2003

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



President

Executive Director

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon, as of and for the year ended June 30, 2004, which collectively comprise the City of Portland's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Portland's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Portland Development Commission, the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Portland Development Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit 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 auditor's, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon, as of June 30, 2004, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2004 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying management discussion and analysis and budgetary comparison information on pages 15 through 32 and 87 through 93 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portland, Oregon's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements, budgetary comparison information for non major funds, and other financial schedules, as listed in the accompanying table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

November 3, 2004



Mary Case, Partner

For Moss Adams LLP
Certified Public Accountants
Eugene, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Portland (the "City"), we offer readers of the City's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found starting on page 1 of this report.

FINANCIAL HIGHLIGHTS

Following are the financial highlights of the City of Portland for fiscal year ending June 30, 2004:

- The assets of the City exceeded its liabilities at the close of FY2003-04 by \$2,775,210,282 (*net assets*), while *unrestricted net assets* totaled (\$692,123,160) as shown on table 1-C on page 19. This negative balance is caused by governmental activities and is further discussed in the government-wide financial analysis section of this Management's Discussion and Analysis (MD&A) found on page 18.
- The City's total net assets increased by \$7,284,797 from FY2002-03 as shown on table 2-C on page 22. This increase resulted from a \$27,496,456 decrease in net assets that was more than offset by a \$34,781,253 prior period adjustment in governmental infrastructure.
- The City's governmental funds reported combined ending fund balances of \$169,575,155, an increase of \$21,238,620 in comparison to FY2002-03 as shown on page 35. This increase in fund balance was attributed to an increase of \$21,018,250 resulting from operations and an increase of \$220,370 resulting from a current year change in inventories. Of the combined ending governmental fund balances, \$136,447,516 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 \$67,621,138 or 16.8 percent of total General Fund expenditures.
- The City's total bonded debt decreased by \$17,860,067 or .9 percent over FY2002-03 as shown on page 30. The key factors in this change were decreases of \$11,985,000 in urban renewal bonds, \$30,536,015 in limited tax revenue bonds and \$5,880,000 special assessment bonds. General obligation bonds increased by \$8,377,793 and revenue bonds increased by \$22,163,155.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

A. Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include Public Safety, Parks/Recreation/Culture, Community Development, Transportation, Legislative/Administration/ Support Services, and Interest on long-term debt. The business-type activities of the City include Environmental Services, Water, Hydroelectric Power, Parking, Golf, Motor Sports, and Spectator Facilities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Portland Development Commission (PDC), a legally separate entity for which the City is financially accountable. Financial information for PDC is reported separately from the financial information presented for the primary government itself. Additionally, the Fire and Police Disability and Retirement Fund (FPD&R), also legally separate, functions for all practical purposes as a bureau of the City and, therefore, has been blended with the information of the primary government.

The government-wide financial statements can be found on pages 33-34 of this report.

B. Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

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

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health insurance, facilities, fleet, printing and distribution, communication, general liability and fleet self-insurance, workers' compensation self-insurance, and information technology services. These services predominantly benefit governmental rather than business-type functions, therefore they have been included within *governmental activities* in the government-wide financial statements. Of the seventeen proprietary funds, eight are *internal service funds*.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system operations, both of which are considered to be major funds. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 39-43 of this report.

- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

C. Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-86 of this report.

D. Other information.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligations to the citizenry, as well as its employees. Required supplementary information can be found on pages 87-93 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 95-144 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the City, assets exceed liabilities by \$2,775,210,282 at the close of FY2003-04.

A. Analysis of net assets

The largest portion of the City's net assets reflects an investment of \$3,406,439,100 or 122.7 percent, in capital assets (i.e. land, buildings, and equipment), less any related outstanding debt used to acquire those assets as shown on table 1-C on page 19. 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, \$60,894,342 or approximately 2.2 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit in *unrestricted net assets* totaling \$692,123,160.

At the end of FY2003-04, the City is able to report positive balances in two categories of net assets for the government as a whole: (1) *invested in capital assets, net of related debt*, and (2) *restricted net assets*. *Unrestricted net assets*, the third category of net assets, had a negative balance due to governmental activities, which is comprised of outstanding debt with no offsetting asset. Business-type activities have a positive balance for all three categories of net assets.

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

	Governmental Activities		
	FY 2002-03	FY 2003-04	Change
ASSETS			
Current and other assets	\$ 528,839,045	\$ 539,970,419	\$ 11,131,374
Capital assets	2,628,194,377	2,575,341,537	(52,852,840)
Total assets	<u>3,157,033,422</u>	<u>3,115,311,956</u>	<u>(41,721,466)</u>
LIABILITIES			
Long-term liabilities outstanding	1,405,541,909	1,404,415,303	(1,126,606)
Other liabilities	147,817,024	172,779,324	24,962,300
Total liabilities	<u>1,553,358,933</u>	<u>1,577,194,627</u>	<u>23,835,694</u>
NET ASSETS			
Invested in capital assets, net of related debt:			
Restricted	2,309,821,737	2,276,806,195	(33,015,542)
Unrestricted	45,915,790	49,785,785	3,869,995
	<u>(752,063,038)</u>	<u>(788,474,651)</u>	<u>(36,411,613)</u>
Total net assets	<u>\$ 1,603,674,489</u>	<u>\$ 1,538,117,329</u>	<u>\$ (65,557,160)</u>

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

Business-type Activities			
	FY 2002-03	FY 2003-04	Change
ASSETS			
Current and other assets	\$ 385,518,318	\$ 301,755,656	\$ (83,762,662)
Capital assets	2,063,124,433	2,224,639,018	161,514,585
Total assets	<u>2,448,642,751</u>	<u>2,526,394,674</u>	<u>77,751,923</u>
LIABILITIES			
Long-term liabilities outstanding	1,175,748,370	1,201,095,618	25,347,248
Other liabilities	108,643,385	88,206,103	(20,437,282)
Total liabilities	<u>1,284,391,755</u>	<u>1,289,301,721</u>	<u>4,909,966</u>
NET ASSETS			
Invested in capital assets, net of related debt:			
Restricted	1,051,237,590	1,129,632,905	78,395,315
Unrestricted	10,516,820	11,108,557	591,737
	<u>102,496,586</u>	<u>96,351,491</u>	<u>(6,145,095)</u>
Total net assets	<u>\$ 1,164,250,996</u>	<u>\$ 1,237,092,953</u>	<u>\$ 72,841,957</u>

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

Total Net Assets			
	FY 2002-03	FY 2003-04	Change
ASSETS			
Current and other assets	\$ 914,357,363	\$ 841,726,075	\$ (72,631,288)
Capital assets	4,691,318,810	4,799,980,555	108,661,745
Total assets	<u>5,605,676,173</u>	<u>5,641,706,630</u>	<u>36,030,457</u>
LIABILITIES			
Long-term liabilities outstanding	2,581,290,279	2,605,510,921	24,220,642
Other liabilities	256,460,409	260,985,427	4,525,018
Total liabilities	<u>2,837,750,688</u>	<u>2,866,496,348</u>	<u>28,745,660</u>
NET ASSETS			
Invested in capital assets, net of related debt:			
Restricted	3,361,059,327	3,406,439,100	45,379,773
Unrestricted	56,432,610	60,894,342	4,461,732
	<u>(649,566,452)</u>	<u>(692,123,160)</u>	<u>(42,556,708)</u>
Total net assets	<u>\$ 2,767,925,485</u>	<u>\$ 2,775,210,282</u>	<u>\$ 7,284,797</u>

B. Analysis of changes in net assets

As noted below, the City of Portland's overall net assets increased by \$7,284,797 during FY2003-04. This increase is explained in the governmental and business-type activities discussion beginning on page 22.

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

	Governmental Activities		
	FY 2002-03	FY 2003-04	Change
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 340,679,706	\$ 350,625,471	\$ 9,945,765
Operating grants and contributions	24,024,541	36,436,606	12,412,065
Capital grants and contributions	22,012,781	4,671,989	(17,340,792)
<i>General revenues:</i>			
Property taxes	274,757,776	314,666,579	39,908,803
Lodging taxes	12,828,007	13,324,822	496,815
Investment earnings	8,778,862	3,905,760	(4,873,102)
Gain (loss) on sale of capital assets	416,949	(5,220,885)	(5,637,834)
Loss - sale of property held for resale	(701,748)	2,404,881	3,106,629
Total revenues	682,796,874	720,815,223	38,018,349
Expenses			
Public safety	314,634,618	323,540,069	8,905,451
Parks, recreation and culture	49,043,321	52,785,697	3,742,376
Community development	95,315,852	82,717,602	(12,598,250)
Transportation	223,259,730	215,372,390	(7,887,340)
Legislative/Admin/Support services	140,187,742	103,897,971	(36,289,771)
Interest on long-term debt	42,280,402	46,218,942	3,938,540
Total expenses	864,721,665	824,532,671	(40,188,994)
Revenues over (under) expenses	(181,924,791)	(103,717,448)	78,207,343
Transfers	3,827,236	3,379,035	(448,201)
Change in net assets	(178,097,555)	(100,338,413)	77,759,142
Net assets -- beginning	1,787,711,887	1,603,674,489	(184,037,398)
Prior period adjustment	(5,939,843)	34,781,253	40,721,096
Net assets -- beginning, as restated	1,781,772,044	1,638,455,742	(143,316,302)
Net assets -- ending	\$ 1,603,674,489	\$ 1,538,117,329	\$ (65,557,160)

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

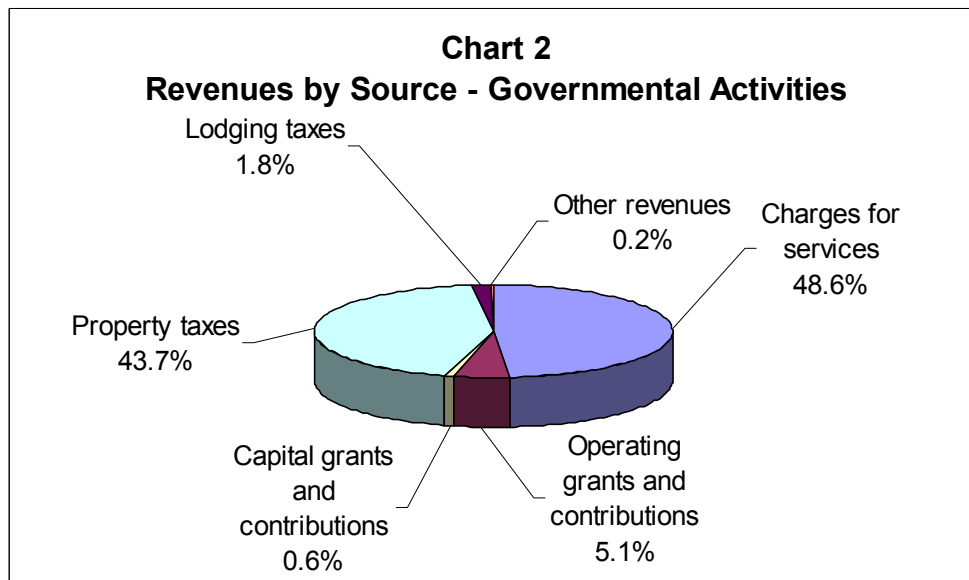
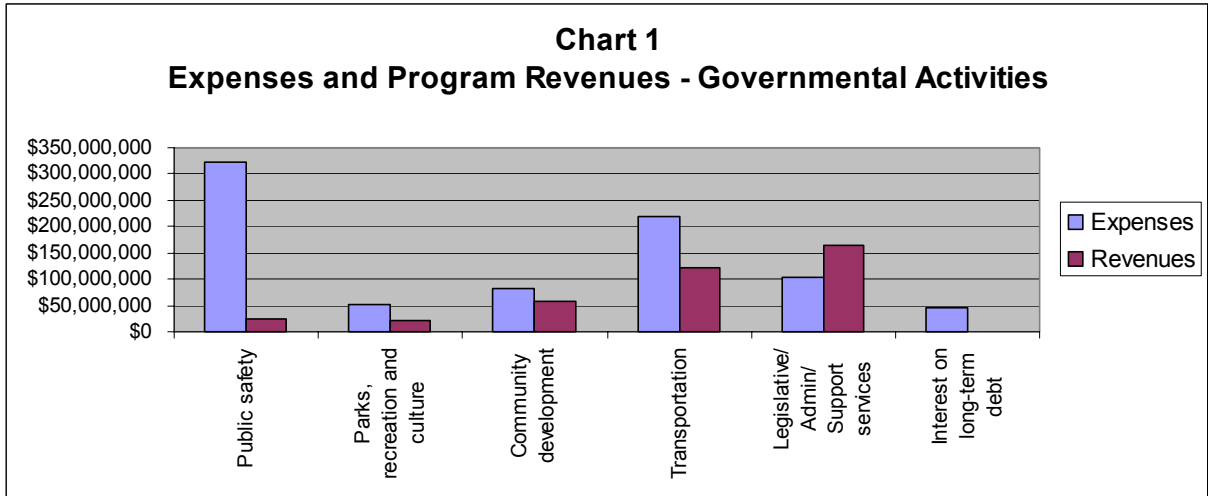
	Business-type Activities		
	FY 2002-03	FY 2003-04	Change
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 284,269,684	\$ 301,463,564	\$ 17,193,880
Operating grants and contributions	1,579,598	4,316,805	2,737,207
Capital grants and contributions	12,449,239	2,859,149	(9,590,090)
<i>General revenues:</i>			
Investment earnings	3,475,088	1,508,643	(1,966,445)
Gain (loss) on sale of capital assets	44,761		(44,761)
Total revenues	301,818,370	310,148,161	8,329,791
Expenses			
Environmental services	135,883,241	131,818,242	(4,064,999)
Water	67,074,325	77,212,445	10,138,120
Hydroelectric power	3,365,244	3,088,163	(277,081)
Parking	8,834,101	7,029,560	(1,804,541)
Golf	6,176,184	5,876,808	(299,376)
Motor sports	1,214,176	1,440,085	225,909
Spectator facilities	7,765,174	7,461,866	(303,308)
Total expenses	230,312,445	233,927,169	3,614,724
Revenues over (under) expenses	71,505,925	76,220,992	4,715,067
Transfers	(3,827,236)	(3,379,035)	448,201
Change in net assets	67,678,689	72,841,957	5,163,268
Net assets -- beginning	1,096,572,307	1,164,250,996	67,678,689
Net assets -- ending	\$ 1,164,250,996	\$ 1,237,092,953	\$ 72,841,957

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

	Total Net Assets		
	FY 2002-03	FY 2003-04	Change
Revenues			
<i>Program revenues:</i>			
Charges for services	\$ 624,949,390	\$ 652,089,035	\$ 27,139,645
Operating grants and contributions	25,604,139	40,753,411	15,149,272
Capital grants and contributions	34,462,020	7,531,138	(26,930,882)
<i>General revenues:</i>			
Property taxes	274,757,776	314,666,579	39,908,803
Lodging taxes	12,828,007	13,324,822	496,815
Investment earnings	12,253,950	5,414,403	(6,839,547)
Gain (loss) on sale of capital assets	461,710	(5,220,885)	(5,682,595)
Loss - sale of property held for resale	(701,748)	2,404,881	3,106,629
Total revenues	984,615,244	1,030,963,384	46,348,140
Expenses			
Public safety	314,634,618	323,540,069	8,905,451
Parks, recreation and culture	49,043,321	52,785,697	3,742,376
Community development	95,315,852	82,717,602	(12,598,250)
Transportation	223,259,730	215,372,390	(7,887,340)
Legislative/Admin/Support services	140,187,742	103,897,971	(36,289,771)
Interest on long-term debt	42,280,402	46,218,942	3,938,540
Environmental services	135,883,241	131,818,242	(4,064,999)
Water	67,074,325	77,212,445	10,138,120
Hydroelectric power	3,365,244	3,088,163	(277,081)
Parking	8,834,101	7,029,560	(1,804,541)
Golf	6,176,184	5,876,808	(299,376)
Motor sports	1,214,176	1,440,085	225,909
Spectator facilities	7,765,174	7,461,866	(303,308)
Total expenses	1,095,034,110	1,058,459,840	(36,574,270)
Revenues over (under) expenses	(110,418,866)	(27,496,456)	82,922,410
Net assets -- beginning	2,884,284,194	2,767,925,485	(116,358,709)
Prior period adjustment	(5,939,843)	34,781,253	40,721,096
Net assets -- beginning, as restated	2,878,344,351	2,802,706,738	(75,637,613)
Net assets -- ending	\$ 2,767,925,485	\$ 2,775,210,282	\$ 7,284,797

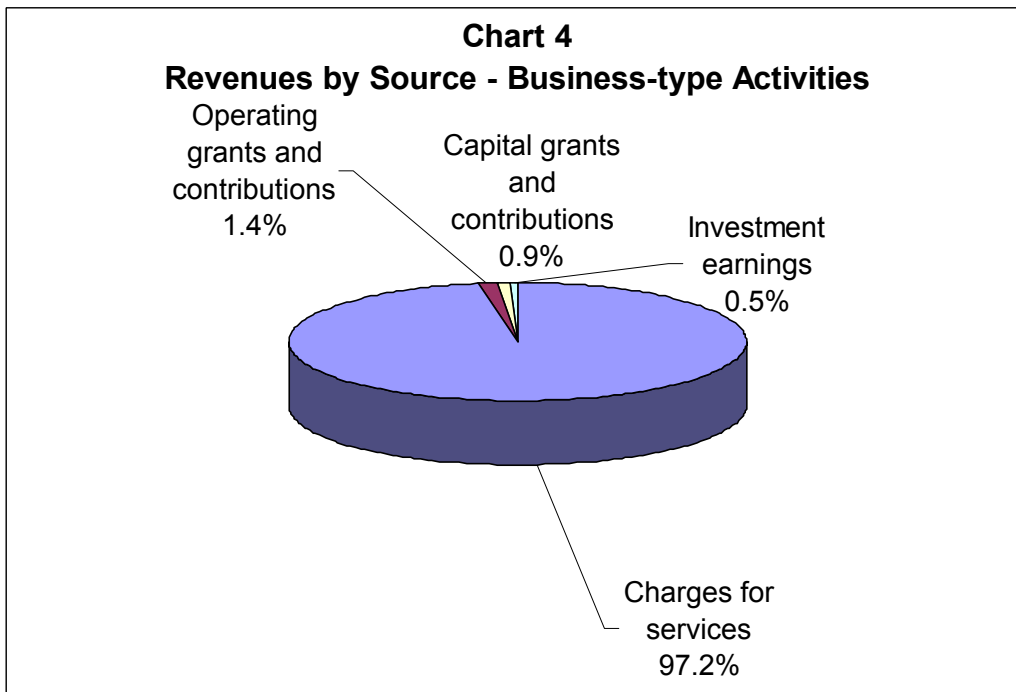
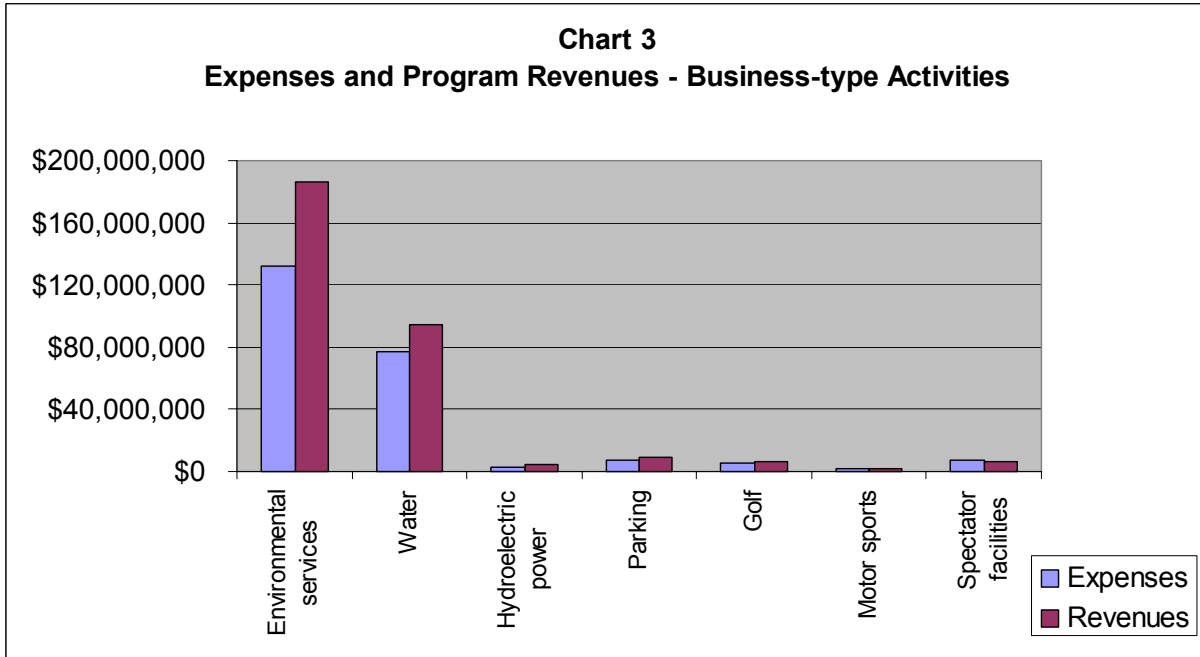
Governmental activities. Governmental activities reduced the City's net assets by \$65,557,160 which resulted from the current year decrease of \$100,338,413 which was partially offset by the prior period adjustment of \$34,781,253. The key factors giving rise to this decrease were the increase in the pension trust fund net pension obligation liability of \$36,513,360, and depreciation expense which totaled \$153,698,151 but is not funded as incurred by the City. Transportation system infrastructure accounted for \$137,224,929 of the governmental depreciation expense.

The following charts provide a visual representation of the expenses and revenues for governmental activities for FY2003-04. 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 \$72,841,957. A key factor is this increase was the \$17,193,880 increase in charges for services resulting primarily from rate increases.

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 \$169,575,155, an increase of \$21,238,620 as shown on page 37. Of the combined ending fund balances, \$136,447,516 or 80.5 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 as shown on page 35. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) as parks endowments \$161,838, 2) for petty cash purposes \$60,245, 3) as inventory used mainly for repair and maintenance of the City's transportation system \$2,035,571, and 4) to pay for future debt service payments \$30,869,985.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *total fund balance* was \$68,036,150, of which \$67,621,138 was unreserved as shown on page 35. 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 fund balance to total fund expenditures. Fund balance represents 16.9 percent of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$10,392,212 during FY2003-04. Key factors in this growth were increases in business license revenues, revenues received from Multnomah County for administration of the Multnomah County personal income tax and charges for services provided to other funds.

See pages 95-118 for greater detail on Combining Statements for governmental funds.

B. Proprietary funds

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

Unrestricted net assets of the Sewage Disposal Fund and the Water Fund at the end of the year amounted to \$27,955,701 and \$51,697,679, respectively. The total growth in net assets for the Sewage Disposal Fund and the Water Fund was \$54,115,960 and \$16,928,006, respectively.

The unrestricted net assets for other enterprise funds totaled \$16,698,112, while the change in net assets for other enterprise funds equaled \$1,797,991. 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 \$25,144,715 and can be briefly summarized as follows:

- \$3,396,975 increase in personal services. This budgetary increase resulted primarily from the City's Budget Monitoring Process (BMP) and included \$1.4 million for the Bureau of Licenses to administer collections of the Multnomah County Personal Income Tax and a \$2.6 million carryover of unused

Management's Discussion and Analysis, continued

grants appropriations in the Police Bureau which were partially offset by reductions in personal services in other bureaus.

- \$22,904,184 increase in materials and services. This budgetary increase resulted primarily from the City's BMP and included 1) \$2.6 million for expenses related to the purchase of a new water and sewer billing system by the Office of Management and Finance 2) \$6.5 million in carryover of unused grants appropriations in the Police and Fire Bureaus and the Bureau of Housing and Community Development 3) \$13.8 million for new grants received by the Bureau of Emergency Management and the Bureau of Housing and Community Development 4) \$2.3 million for the Bureau of Licenses to administer collections of the Multnomah County Personal Income Tax 5) \$2.3 million for the Parks Bureau primarily for additional services from other bureaus, increased utility costs and one-time projects 6) \$6.3 million decrease in business license refunds due to a change in accounting practice implemented in FY 2002-03.
- \$3,753,162 increase in capital outlay. This budgetary increase resulted primarily from the City's BMP and included \$945,000 for the initial payment for the purchase of a new water and sewer billing system by the Office of Management and Finance, a \$1.2 million carryover of unused grants appropriations in the Police Bureau and \$1.6 million carryover for equipment ordered but not yet received by the Fire Bureau.
- \$4,909,606 decrease in general operating contingencies. This budgetary decrease resulted primarily from the transfer of budget capacity from contingency to General Fund bureaus for encumbrance carryovers from the prior year.

There were no significant variances between the final amended budget and actual revenues. Actual expenditures were approximately \$42,888,160 less than the final amended budget, primarily due to underexpenditures in materials and supplies totaling over \$32 million. These under-expenditures were primarily due to:

- \$13.4 million in multi-year grant expenditures in the Police Bureau, Bureau of Emergency Management, Office of Sustainable Development and Bureau of Housing and Community Development that were carried forward to FY 2004-05.
- \$2.6 million underexpended in the Office of Management and Finance (OMF), \$1.8 million of which was due to multiyear contracts that were carried forward to FY 2004-05. The balance resulted from a conscious effort by OMF management to insure funding would be available for other high priority projects.
- \$2.6 million underexpended in the Police Bureau other than the grant expenditures identified above, of which \$1.1 million was carried over to FY 2004-05 and \$1.5 million related to delays in vehicle replacement, computer standardization and ammunition purchases.
- \$1.0 million underexpended in the Parks Bureau Primarily due to reduced services to other bureaus.
- \$7.8 million underexpended in the compensation set aside due to reductions in personal services spending related to budget reductions and delays in settling the contract with the Portland Police Association.

Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. During FY2003-04, City revenues exceeded budgetary estimates and expenditures by \$10,017,830, thus eliminating the need to draw upon existing fund balance. Major factors attributing to this favorable net change are as follows:

- Total revenues came in \$4.7 million over budget, primarily due to business license revenues which came in \$10.1 million over budget and more than compensated for other revenues that did not meet budget projections.
- Total expenditures came in \$42.9 million below budget as discussed above.

- Other financing sources and uses came in \$18.2 million below budget due to grant revenues which were outstanding at year end.

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, 2004, amounts to \$4,799,980,555 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements to land, machinery and equipment, infrastructure, capitalized leases, and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was \$108,661,745 or 2.3 percent (a 2.0 percent decrease for governmental activities and a 7.8 percent increase for business-type activities).

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

- Governmental buildings grew \$46,423,643 and governmental infrastructure grew \$52,150,682 but this growth was overshadowed by the increase of \$153,132,845 in accumulated depreciation. The increase in governmental buildings was primarily due to reclassifications of assets previously recorded as improvements to land to buildings and the completion of fire station remodels. The increase in governmental infrastructure was entirely due to transportation infrastructure, of which \$37,318,569 resulted from a prior period adjustment due to unrecorded assets and \$5,736,646 was provided by developers in the form of non-cash transactions.
- Business activities construction in progress increased \$128,078,074 and infrastructure increased \$100,220,995. Sewer projects accounted for the entire increase in construction in progress primarily due to the Westside Combined Sewer Overflow project. The increase in infrastructure resulted primarily from a \$26,959,425 increase in Sewer infrastructure due to the Combined Sewer Overflow project and a \$29,138,345 increase in Water infrastructure due to newly installed services, and water mains and upgrades to groundwater facilities. Improvements to land decreased \$42,397,970 due to the reclassification of Hydroelectric Power assets previously recorded as improvements to land to infrastructure.

The following table provides comparative information on the City's capital assets for FY2002-03 and FY2003-04.

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

Governmental Activities

Asset Category	FY 2002-03	FY 2003-04	Change
Land	\$ 59,884,943	\$ 67,568,840	\$ 7,683,897
Buildings	189,551,004	235,974,647	46,423,643
Improvements to land	151,400,161	118,359,350	(33,040,811)
Machinery and equipment	103,262,223	116,977,912	13,715,689
Infrastructure	3,954,845,539	4,006,996,221	52,150,682
Construction in progress	32,529,741	45,876,646	13,346,905
Capitalized leases	1,856,552	1,856,552	-
Accumulated depreciation and amortization	<u>(1,865,135,786)</u>	<u>(2,018,268,631)</u>	<u>(153,132,845)</u>
Total	<u>\$ 2,628,194,377</u>	<u>\$ 2,575,341,537</u>	<u>\$ (52,852,840)</u>

Business-type Activities

Asset Category	FY 2002-03	FY 2003-04	Change
Land	\$ 63,026,087	\$ 71,257,639	\$ 8,231,552
Buildings	170,324,509	172,261,716	1,937,207
Improvements to land	64,872,767	22,474,797	(42,397,970)
Machinery and equipment	40,481,962	41,894,268	1,412,306
Infrastructure	1,904,165,278	2,004,386,273	100,220,995
Construction in progress	203,037,160	331,115,234	128,078,074
Capitalized leases	7,541,000	7,541,000	-
Accumulated depreciation and amortization	<u>(390,324,330)</u>	<u>(426,291,909)</u>	<u>(35,967,579)</u>
Total	<u>\$ 2,063,124,433</u>	<u>\$ 2,224,639,018</u>	<u>\$ 161,514,585</u>

Total Net Capital Assets

Asset Category	FY 2002-03	FY 2003-04	Change
Land	\$ 122,911,030	\$ 138,826,479	\$ 15,915,449
Buildings	359,875,513	408,236,363	48,360,850
Improvements to land	216,272,928	140,834,147	(75,438,781)
Machinery and equipment	143,744,185	158,872,180	15,127,995
Infrastructure	5,859,010,817	6,011,382,494	152,371,677
Construction in progress	235,566,901	376,991,880	141,424,979
Capitalized leases	9,397,552	9,397,552	-
Accumulated depreciation and amortization	<u>(2,255,460,116)</u>	<u>(2,444,560,540)</u>	<u>(189,100,424)</u>
Total	<u>\$ 4,691,318,810</u>	<u>\$ 4,799,980,555</u>	<u>\$ 108,661,745</u>

Additional information on the City of Portland's capital assets can be found in note III.D on pages 60-62 of this report. See additional capital lease details in note III.F on pages 64-65.

B. Debt administration

As of June 30, 2004, the City had total bonded debt outstanding of \$2,058,615,733. Unamortized premiums and discounts for governmental activities net to \$7,425,514, while premiums and discounts for business type activities net to \$1,168,713. Of the total bonded debt outstanding, \$85,084,399 is general obligation debt, which is backed by the full faith and credit and unlimited taxing power of the City, an increase of \$8,377,793 over FY2002-03. New bonds issued during FY2004 will be used to fund capital improvements related to fire, rescue and emergency facilities. 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 \$596,461,232 of limited tax revenue bonds outstanding, a decrease of \$30,536,015 from FY2002-03. 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. The majority of this decrease was due to a change in the manner in which the City classifies outstanding lines of credit. 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 \$273,075,000 of the City's outstanding debt consists of urban renewal bonds that are repaid from tax increment revenues generated from the City's various urban renewal areas. This amount is a decrease of \$11,985,000 from FY2002-03. This reduction was primarily due to scheduled principal payments on outstanding bonds.

The City had approximately \$23,770,000 of outstanding special assessment bonds as of June 30, 2004, a decrease of \$5,880,000 from FY2002-03. This reduction was due to early bond calls on outstanding bonds due to collections on special assessments which exceeded debt service requirements.

The remainder of the City's debt is the revenue bonds, totaling approximately \$1,080,225,102, an increase of \$22,163,155 over FY2002-03, represents bonds secured solely by specified revenue sources (i.e. revenue bonds), such as water, sewer, parking, golf and gas tax revenues. New bonds issued during FY2003-04 will be used to fund capital improvements to the City's water system including water main replacements and groundwater system upgrades.

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

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

Governmental Activities

	FY2002-03	FY2003-04	Variance
General Obligation Bonds	\$ 65,290,000	\$ 75,460,000	10,170,000
Limited Tax Improvement Bonds	29,650,000	23,770,000	(5,880,000)
Urban Renewal Bonds	285,060,000	273,075,000	(11,985,000)
Limited Tax Revenue Bonds	476,586,230	448,630,215	(27,956,015)
Revenue Bonds	12,060,512	7,120,000	(4,940,512)
Total	\$ 868,646,742	\$ 828,055,215	\$ (40,591,527)

Business-type Activities

	FY2002-03	FY2003-04	Variance
General Obligation Bonds	11,416,606	9,624,399	(1,792,207)
Limited Tax Revenue Bonds	150,411,017	147,831,017	(2,580,000)
Revenue Bonds	1,046,001,435	1,073,105,102	27,103,667
Total	\$ 1,207,829,058	\$ 1,230,560,518	\$ 22,731,460

Total Outstanding Debt

	FY2002-03	FY2003-04	Variance
General Obligation Bonds	76,706,606	85,084,399	8,377,793
Special Assessment	29,650,000	23,770,000	(5,880,000)
Urban Renewal Bonds	285,060,000	273,075,000	(11,985,000)
Limited Tax Revenue Bonds	626,997,247	596,461,232	(30,536,015)
Revenue Bonds	1,058,061,947	1,080,225,102	22,163,155
Total	\$ 2,076,475,800	\$ 2,058,615,733	\$ (17,860,067)

The City's total debt decreased by \$17,860,067 (.9 percent) during the FY2003-04. Debt for governmental activities decreased by \$40,591,527, while debt for business-type activities increased by \$22,731,460. The primary reason for the decrease in debt relating to governmental activities was a change in the manner in which the City classifies outstanding lines of credit while the primary reason for the increase in debt relating to business type activities was new revenue bond issues.

Other factors impacting the City's debt management program are as follows:

- **Debt limitation.** Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of 3 percent of the real market value of all taxable property within the City's boundaries. Based on the City's FY2003-04 real market value, this debt limitation is \$1,664,771,488. The amount of outstanding City debt subject to this limitation is \$75,460,000.
- **Debt ratings.** The City's unlimited tax general obligation debt is rated "Aaa" by Moody's Investors Service. This rating was confirmed in May of 2004. The various credit ratings of City debt are listed below, which are unchanged from the prior year (rating shown is from Moody's Investors Service unless indicated otherwise):

Management's Discussion and Analysis, continued

Type of Debt	Rating
Unlimited Tax G.O. Bonds	Aaa
Water Revenue Bonds	Aa1
Limited Tax Revenue Bonds	Aa2
Limited Tax Pension Obligation Revenue Bonds	Aa2
Sewer Revenue Bonds	A1 / A+ (S&P)
Second Lien Sewer Revenue Bonds	A1 / A+ (S&P)
Parking Revenue Bonds	A1
Arena Gas Tax Revenue Bonds	A1
Gas Tax Revenue Bonds	A1
Airport Way Urban Renewal Bonds	A1
Convention Center Urban Renewal Bonds	A1
Downtown Waterfront Urban Renewal Bonds	A1
South Park Blocks Urban Renewal Bonds	A1
River District Urban Renewal Bonds	A3
Hydroelectric Revenue Bonds (PGE)	Baa2 / BBB+ (S&P)

Debt Ratios. The City's debt ratios, as of June 30, 2004, are shown below:

	Amount	Per Capita	Percent of Real Market Valuation	Percent of Assessed Valuation
Population July 1, 2003	545,140	--	--	
2003-04 Real Market Value	\$55,492,382,935	\$101,795	--	
2003-04 Assessed Value	\$35,002,570,061	\$64,208		
Gross Bonded Debt (1)	\$733,599,420	\$1,346	1.32%	2.10%
Net Direct Debt (2)	\$75,460,000	\$138	0.14%	0.22%
Net Overlapping Debt	\$402,417,573	\$738	0.73%	1.15%
Net Direct and Overlapping Debt	\$477,877,573	\$877	0.86%	1.37%

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

(2) Includes all general obligation bonds paid from a separate, unlimited ad valorem tax.

Additional information on the City of Portland's long-term debt can be found in note III.G. on pages 66-76 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

Measure 50 was the most recent tax limitation measure. It established a permanent tax rate of \$4.577 per \$1,000 of assessed value. Growth in existing assessed value is limited to a maximum of three percent per year plus new construction assessed value. In FY2003-04 the City realized growth of existing assessed value of 2.5 percent.

The regional impacts of the national recession have resulted in a significant reduction in the revenues of the City. Specifically, business license tax and transient lodging taxes have been severely affected. Business license revenues were up \$5,078,076 during FY2003-04, while transient lodging taxes showed only an increase of \$414,013 above prior year receipts. These revenue sources represent 6 percent of the discretionary General Fund resources.

The City began to address the anticipated budget challenges for FY2004-05 in December 2003. Bureaus were directed to reduce expenditures throughout the FY2003-04 fiscal year. Council took several approaches to balancing the General Fund budget for FY2004-05. Bureaus were initially allocated an inflationary increase. From this base a set of reduction packages was constructed. City bureaus submitted reduction packages reducing on-going General Fund Discretionary spending by \$2.3 million or 1.1 percent in early February.

Highlights of specific decisions and initiatives in the FY2004-05 budget are listed below:

- In the Adopted Budget, Public Safety was increased by 1.2 percent or \$3.6 million. Shortly after adoption, the Council amended the budget to pay for an arbitration award for the Portland Police Association. That award increased the Police Bureau budget by \$3.7 million.
- Parks, Recreation and Culture reductions were 16.2 percent, or \$12.3 million, primarily in capital expenses.
- General Fund support for transportation included \$4.7 million for street light operations and maintenance.
- The Community Development service area was reduced by 13.6 percent, or \$9.5 million
- Council temporarily capped the capital set-aside for FY2004-05 at \$1.8 million.
- Council will continue to support economic development through the allocation of \$990,930 in general fund support to leverage PDC funds for jobs and economic development programs.

REQUESTS FOR INFORMATION

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

City of Portland, Oregon
Statement of Net Assets
June 30, 2004

	Primary Government			Component Unit
	Governmental	Business-type	Total	Portland Development
	Activities	Activities		Commission
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 264,671,549	\$ 188,525,636	\$ 453,197,185	\$ 128,989,839
Receivables:				
Taxes	19,340,014	-	19,340,014	-
Accounts, net	18,008,302	26,568,175	44,576,477	1,841,979
Assessments	39,039,335	4,191,108	43,230,443	-
Loans, net	-	-	-	6,701,095
Contracts and mortgages	-	514,272	514,272	-
Grants	16,527,671	-	16,527,671	-
Advances	869,199	101,995	971,194	-
Accrued interest	814,721	506,333	1,321,054	262,029
Due from primary government	-	-	-	609,437
Due from component unit	24,468,792	-	24,468,792	-
Internal balances	(3,788,776)	3,788,776	-	-
Internal loans receivable	-	330,123	330,123	-
Inventories	2,980,861	2,445,697	5,426,558	-
Property held for resale	-	-	-	78,990,661
Prepaid expense	141,240	21,838	163,078	-
Current assets (restricted):				
Cash and investments	-	13,470,844	13,470,844	-
Receivables:				
Accrued interest	-	56,755	56,755	-
Total current assets	<u>383,072,908</u>	<u>240,521,552</u>	<u>623,594,460</u>	<u>217,395,040</u>
Noncurrent assets:				
Capital assets:				
Land	67,568,840	71,257,639	138,826,479	9,063,004
Buildings	235,974,647	172,261,716	408,236,363	3,070,756
Improvements to land	118,359,350	22,474,797	140,834,147	-
Machinery and equipment	116,977,912	41,894,268	158,872,180	1,910,060
Infrastructure	4,006,996,221	2,004,386,273	6,011,382,494	-
Construction in progress	45,876,646	331,115,234	376,991,880	1,633,778
Capitalized leases	1,856,552	7,541,000	9,397,552	-
Accumulated depreciation and amortization	<u>(2,018,268,631)</u>	<u>(426,291,909)</u>	<u>(2,444,560,540)</u>	<u>(2,495,887)</u>
Net capital assets	2,575,341,537	2,224,639,018	4,799,980,555	13,181,711
Receivables:				
Loans, net	-	-	-	47,220,327
Prepaid expense	156,897,511	61,170,304	218,067,815	209,006
Water rights	-	63,800	63,800	-
Private Lender Program security deposits	-	-	-	25,544
Total noncurrent assets	<u>2,732,239,048</u>	<u>2,285,873,122</u>	<u>5,018,112,170</u>	<u>60,636,588</u>
Total assets	<u>3,115,311,956</u>	<u>2,526,394,674</u>	<u>5,641,706,630</u>	<u>278,031,628</u>
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	17,363,306	20,301,450	37,664,756	6,102,040
Self-insurance claims	9,003,805	-	9,003,805	-
Internal loans payable	330,123	-	330,123	-
Compensated absences	29,664,206	4,420,637	34,084,843	-
Bonds payable	60,090,000	40,510,000	100,600,000	-
Notes and mortgages payable	2,262,561	29,906	2,292,467	395,804
Capital leases payable	306,487	688,980	995,467	-
Accrued interest payable	5,957,210	9,410,221	15,367,431	-
Unearned revenue	40,246,091	757,130	41,003,221	-
Due to component unit	609,437	-	609,437	-
Due to primary government	-	-	-	24,468,792
Other liabilities	6,207,478	9,668,737	15,876,215	2,147,672
Current liabilities (payable from restricted assets):				
Bonds payable	-	1,970,000	1,970,000	-
Accrued interest payable	-	449,042	449,042	-
Noncurrent liabilities:				
Compensated absences	12,948,489	643,860	13,592,349	-
Bonds payable	775,390,729	1,189,249,232	1,964,639,961	-
Notes and mortgages payable	31,851,168	524,598	32,375,766	6,484,308
Capital leases payable	712,582	1,474,612	2,187,194	-
Accrued Interest payable	18,569,027	6,471,633	25,040,660	-
Net pension obligation -- pension trust fund	548,784,351	-	548,784,351	-
Self-insurance claims	16,294,278	-	16,294,278	-
Prepaid sewer assessment	-	142,950	142,950	-
Other liabilities	603,299	2,588,733	3,192,032	-
Total liabilities	<u>1,577,194,627</u>	<u>1,289,301,721</u>	<u>2,866,496,348</u>	<u>39,598,616</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,276,806,195	1,129,632,905	3,406,439,100	13,181,711
Restricted for:				
Public safety	2,060,306	-	2,060,306	-
Capital projects	16,693,656	-	16,693,656	207,792,342
Debt service	30,869,985	11,108,557	41,978,542	-
Parks endowments	-	-	-	-
Nonexpendable	161,838	-	161,838	-
Unrestricted	<u>(788,474,651)</u>	<u>96,351,491</u>	<u>(692,123,160)</u>	<u>17,458,959</u>
Total net assets	<u>\$ 1,538,117,329</u>	<u>\$ 1,237,092,953</u>	<u>\$ 2,775,210,282</u>	<u>\$ 238,433,012</u>

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

City of Portland, Oregon
Statement of Activities
For the Year Ended June 30, 2004

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	Portland Development Commission
Primary government:								
Governmental activities:								
Public safety	\$ 323,540,069	\$ 19,125,680	\$ 6,000,191	\$ -	\$ (298,414,198)	\$ -	\$ (298,414,198)	\$ -
Parks, recreation and culture	52,785,697	18,322,726	3,512,956	256,095	(30,693,920)	-	(30,693,920)	-
Community development	82,717,602	46,409,485	11,898,288	-	(24,409,829)	-	(24,409,829)	-
Transportation	215,372,390	101,969,665	14,881,035	4,415,894	(94,105,796)	-	(94,105,796)	-
Legislative/ Admin/ Support services	103,897,971	164,797,915	144,136	-	61,044,080	-	61,044,080	-
Interest on long-term debt	46,218,942	-	-	-	(46,218,942)	-	(46,218,942)	-
Total governmental activities	824,532,671	350,625,471	36,436,606	4,671,989	(432,798,605)	-	(432,798,605)	-
Business-type activities:								
Environmental services	131,818,242	181,436,335	4,316,805	674,784	-	54,609,682	54,609,682	-
Water	77,212,445	92,113,473	-	2,184,365	-	17,085,393	17,085,393	-
Hydroelectric power	3,088,163	4,553,359	-	-	-	1,465,196	1,465,196	-
Parking	7,029,560	9,275,009	-	-	-	2,245,449	2,245,449	-
Golf	5,876,808	6,035,269	-	-	-	158,461	158,461	-
Motor sports	1,440,085	1,464,644	-	-	-	24,559	24,559	-
Spectator facilities	7,461,866	6,585,475	-	-	-	(876,391)	(876,391)	-
Total business-type activities:	233,927,169	301,463,564	4,316,805	2,859,149	-	74,712,349	74,712,349	-
Total primary government	\$ 1,058,459,840	\$ 652,089,035	\$ 40,753,411	\$ 7,531,138	(432,798,605)	74,712,349	(358,086,256)	-
Component unit:								
Portland Development Commission	\$ 76,178,206	\$ 6,370,349	\$ 9,935,888	\$ -	-	-	-	(59,871,969)
General revenues:								
Property taxes					314,666,579	-	314,666,579	-
Lodging taxes					13,324,822	-	13,324,822	-
Payments from the City					-	-	-	36,906,756
Investment earnings					3,905,760	1,508,643	5,414,403	1,548,707
Gain (loss) on sale of capital assets					(5,220,885)	-	(5,220,885)	-
Gain (loss) on sale of property held for resale					2,404,881	-	2,404,881	6,850,106
Transfers					3,379,035	(3,379,035)	-	-
Total general revenues and transfers					332,460,192	(1,870,392)	330,589,800	45,305,569
Change in net assets					(100,338,413)	72,841,957	(27,496,456)	(14,566,400)
Net assets -- beginning					1,603,674,489	1,164,250,996	2,767,925,485	250,399,412
Prior period adjustment					34,781,253	-	34,781,253	2,600,000
Net assets -- beginning, as restated					1,638,455,742	1,164,250,996	2,802,706,738	252,999,412
Net assets -- ending					\$ 1,538,117,329	\$ 1,237,092,953	\$ 2,775,210,282	\$ 238,433,012

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

**City of Portland, Oregon
Balance Sheet
Governmental Funds
June 30, 2004**

	General	Transportation Operating	Other Governmental Funds	Total
ASSETS				
Cash and investments	\$ 79,744,655	\$ 6,060,326	\$ 80,006,809	\$ 165,811,790
Receivables:				
Taxes	14,699,490	1,697	4,638,827	19,340,014
Accounts	3,390,393	12,294,768	1,477,667	17,162,828
Assessments	4,280,370	817,806	33,941,159	39,039,335
Grants	-	-	16,527,671	16,527,671
Advances	81,683	-	787,516	869,199
Accrued interest	250,930	22,101	307,173	580,204
Due from other funds	4,579,636	6,442,667	24,729,944	35,752,247
Inventories	370,167	1,665,404	-	2,035,571
	<u>\$ 107,397,324</u>	<u>\$ 27,304,769</u>	<u>\$ 162,416,766</u>	<u>\$ 297,118,859</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 8,113,050	\$ 3,117,572	\$ 2,688,198	\$ 13,918,820
Due to other funds	5,567,124	-	15,706,515	21,273,639
Internal loans payable	-	-	330,123	330,123
Notes and mortgages payable	-	-	718,733	718,733
Deferred revenue	24,560,999	838,303	64,228,759	89,628,061
Other liabilities	1,120,001	309,713	244,614	1,674,328
	<u>39,361,174</u>	<u>4,265,588</u>	<u>83,916,942</u>	<u>127,543,704</u>
Fund Balances (deficits):				
Reserved for:				
Petty cash	44,845	9,000	6,400	60,245
Inventories	370,167	1,665,404	-	2,035,571
Debt service	-	-	30,869,985	30,869,985
Parks endowments	-	-	161,838	161,838
Unreserved, reported in:				
Major funds	67,621,138	21,364,777	-	88,985,915
Special revenue funds	-	-	27,429,976	27,429,976
Capital projects funds	-	-	20,031,625	20,031,625
	<u>68,036,150</u>	<u>23,039,181</u>	<u>78,499,824</u>	<u>169,575,155</u>
Total liabilities and fund balances	<u>\$ 107,397,324</u>	<u>\$ 27,304,769</u>	<u>\$ 162,416,766</u>	<u>\$ 297,118,859</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, 2004

Fund balances - total governmental funds	\$	169,575,155
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		2,425,095,810
Other long-term assets are prepaid or are not available to pay for current period expenditures and, therefore, are deferred in the fund statements.		192,270,259
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.		143,324,870
Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds.		(744,704,096)
Unfunded net pension obligation for the City's Fire and Police Disability and Retirement Plan is not reported in the governmental fund financial statements because such amounts are not due and payable in the current period. (See IV.C., the Employee retirement systems and pension plans section of the Notes to the Financial Statements.)		(548,784,351)
Other long-term liabilities that are not due and payable in the current period and are not reported in the governmental funds include:		
Compensated absences		(41,038,310)
Notes and loans payable		(33,394,996)
Capitalized leases		(1,003,010)
Accrued interest		(23,224,002)
		(108,660,322)
Net assets of governmental activities	\$	1,538,117,329

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, 2004

	General	Transportation Operating	Other Governmental Funds	Total
REVENUES				
Taxes:				
Property	\$ 235,091,792	\$ 56	\$ 79,339,845	\$ 314,431,693
Lodging	11,104,018	-	2,220,804	13,324,822
Rents and reimbursements	125,984	-	284,271	410,255
Licenses and fees	103,502,813	1,034,557	44,130,027	148,667,397
Concessions	8,555	-	5,951	14,506
Parking fees	-	10,283,397	-	10,283,397
Parking fines	-	2,667,592	-	2,667,592
Intergovernmental	24,433,714	57,112,517	42,561,166	124,107,397
Charges for services	51,256,482	28,351,626	16,054,489	95,662,597
Miscellaneous service charges	3,198,227	2,391,378	8,315,826	13,905,431
Loan collections	18,826	-	3,219,995	3,238,821
Investment earnings	579,660	230,740	3,031,379	3,841,779
Assessments	1,167,039	1,213,153	7,633,824	10,014,016
Other miscellaneous	605,961	13,190	-	619,151
Total revenues	431,093,071	103,298,206	206,797,577	741,188,854
EXPENDITURES				
Public safety	273,780,789	-	12,674,649	286,455,438
Parks, recreation and culture	47,475,936	-	8,308,848	55,784,784
Community development	32,953,347	-	64,275,677	97,229,024
Transportation	-	80,890,199	-	80,890,199
Legislative/ Admin/ Support services	45,753,826	-	48,167,056	93,920,882
Capital outlay	2,245,106	28,662,753	15,966,766	46,874,625
Debt Service:				
Principal	30,000	-	92,253,953	92,283,953
Interest	550	65,310	36,371,403	36,437,263
Total expenditures	402,239,554	109,618,262	278,018,352	789,876,168
Revenues over (under) expenditures	28,853,517	(6,320,056)	(71,220,775)	(48,687,314)
OTHER FINANCING SOURCES (USES)				
Transfers in	14,085,934	11,032,460	45,801,948	70,920,342
Transfers out	(35,665,461)	(2,651,594)	(37,162,150)	(75,479,205)
Proceeds from sale of property held for resale	-	-	1,785,731	1,785,731
Bonds and notes issued	-	-	69,919,066	69,919,066
Bond and note premium	-	-	1,002,630	1,002,630
Loan proceeds	3,067,000	-	-	3,067,000
Change in inventory held for resale	-	-	(1,510,000)	(1,510,000)
Total other financing sources and uses	(18,512,527)	8,380,866	79,837,225	69,705,564
Net change in fund balances	10,340,990	2,060,810	8,616,450	21,018,250
Fund balances -- beginning	57,643,938	20,809,223	69,883,374	148,336,535
Change in inventory	51,222	169,148	-	220,370
Fund balances -- ending	<u>\$ 68,036,150</u>	<u>\$ 23,039,181</u>	<u>\$ 78,499,824</u>	<u>\$ 169,575,155</u>

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

City of Portland, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2004

Net change in fund balances-total governmental fund	\$	21,018,250
Amounts reported for governmental activities in the statement of activities are different because:		
The net effect of various miscellaneous transactions involving capital assets is to increase net assets.		57,759,978
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost is depreciated over their useful lives. Depreciation expense for governmental funds is reported in the government-wide statements. (See III.D., the capital assets section of the Notes to the Financial Statements for a breakdown of depreciation expense by function.)		(142,068,362)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(13,394,371)
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. This is the amount by which bond proceeds exceeded principal retirement in the current period.		17,995,258
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes related to long-term liabilities included:		
Accrual of compensated absences and interest payable, the premium amortization on bonds payable, and recognition of capital lease obligations		(9,457,888)
Accrual of net pension liability which is not reported as an expenditure in governmental funds		(36,513,360)
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.		4,101,712
Change in inventory is included in expenses in Statement of Activities.		220,370
Net change in net assets - governmental activities:	\$	(100,338,413)

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

**City of Portland, Oregon
Statement of Net Assets
Proprietary Funds
June 30, 2004**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
ASSETS					
Current assets (unrestricted):					
Cash and investments	\$ 100,737,584	\$ 67,342,170	\$ 20,445,882	\$ 188,525,636	\$ 98,859,759
Receivables:					
Accounts, net	16,072,704	9,775,616	719,855	26,568,175	845,474
Assessments	4,191,108	-	-	4,191,108	-
Contracts and mortgages	-	-	514,272	514,272	-
Advances	-	-	101,995	101,995	-
Accrued interest	296,002	159,599	50,732	506,333	234,517
Due from other funds	1,132,613	2,656,163	-	3,788,776	529,783
Internal loans	285,853	44,270	-	330,123	-
Inventories	916,298	1,529,399	-	2,445,697	945,290
Other assets	10,946	-	10,892	21,838	141,240
Total current assets (unrestricted)	<u>123,643,108</u>	<u>81,507,217</u>	<u>21,843,628</u>	<u>226,993,953</u>	<u>101,556,063</u>
Current assets (restricted):					
Cash and investments	-	-	13,470,844	13,470,844	-
Receivables:					
Accrued interest	-	-	56,755	56,755	-
Total current assets (restricted)	<u>-</u>	<u>-</u>	<u>13,527,599</u>	<u>13,527,599</u>	<u>-</u>
Total current assets	<u>123,643,108</u>	<u>81,507,217</u>	<u>35,371,227</u>	<u>240,521,552</u>	<u>101,556,063</u>
Noncurrent assets:					
Capital assets:					
Land	39,218,732	14,889,119	17,149,788	71,257,639	4,896,479
Buildings	14,783,374	18,199,525	139,278,817	172,261,716	139,805,712
Improvements to land	879,895	1,660,793	19,934,109	22,474,797	8,849,392
Machinery and equipment	17,669,278	19,952,417	4,272,573	41,894,268	70,739,841
Infrastructure	1,401,288,653	558,974,395	44,123,225	2,004,386,273	-
Construction in progress	312,998,649	15,745,036	2,371,549	331,115,234	-
Capitalized lease	3,836,353	3,134,128	570,519	7,541,000	81,182
Accumulated depreciation and amortization	(158,351,929)	(207,330,397)	(60,609,583)	(426,291,909)	(74,126,880)
Capital assets net of accumulated depreciation and amortization	<u>1,632,323,005</u>	<u>425,225,016</u>	<u>167,090,997</u>	<u>2,224,639,018</u>	<u>150,245,726</u>
Assessments receivable	-	-	-	-	-
Prepaid expense	28,572,902	29,676,058	2,921,344	61,170,304	14,183,998
Water rights	-	63,800	-	63,800	-
Total noncurrent assets	<u>1,660,895,907</u>	<u>454,964,874</u>	<u>170,012,341</u>	<u>2,285,873,122</u>	<u>164,429,724</u>
Total assets	<u>1,784,539,015</u>	<u>536,472,091</u>	<u>205,383,568</u>	<u>2,526,394,674</u>	<u>265,985,787</u>

Continued next page

**City of Portland, Oregon
Statement of Net Assets
Proprietary Funds, Continued
June 30, 2004**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
LIABILITIES					
Current liabilities (payable from unrestricted assets):					
Accounts payable	16,145,515	3,279,050	876,885	20,301,450	3,444,486
Compensated absences - current	2,078,584	2,107,325	234,728	4,420,637	1,303,956
Self-insurance claims - current	-	-	-	-	9,003,805
Notes payable - current	29,906	-	-	29,906	-
Capital leases payable - current	387,894	178,000	123,086	688,980	-
Deferred revenue	8,228	748,902	-	757,130	174,776
General obligation bonds payable - current	-	1,980,000	-	1,980,000	-
Revenue bonds payable - current	27,195,000	6,300,000	5,035,000	38,530,000	8,900,000
Accrued interest payable - current	6,536,819	2,079,975	793,427	9,410,221	845,756
Other liabilities - current	6,914,342	2,693,981	60,414	9,668,737	74,260
Total current liabilities (unrestricted)	59,296,288	19,367,233	7,123,540	85,787,061	23,747,039
Current liabilities (payable from restricted assets):					
Revenue bonds payable - current	-	-	1,970,000	1,970,000	-
Accrued interest payable - current	-	-	449,042	449,042	-
Total current liabilities (restricted)	-	-	2,419,042	2,419,042	-
Noncurrent liabilities:					
Compensated absences	283,443	334,167	26,250	643,860	270,429
General obligation bonds payable	-	9,510,000	-	9,510,000	-
Revenue bonds payable	876,171,507	182,120,408	121,447,317	1,179,739,232	81,876,633
Notes payable	524,598	-	-	524,598	-
Capital leases payable	1,030,751	401,463	42,398	1,474,612	16,059
Self-insurance claims	-	-	-	-	16,294,278
Other liabilities	2,588,733	-	-	2,588,733	-
Prepaid sewer assessment	142,950	-	-	142,950	-
Accrued interest payable	919,551	955,069	4,597,013	6,471,633	456,479
Total noncurrent liabilities	881,661,533	193,321,107	126,112,978	1,201,095,618	98,913,878
Total liabilities	940,957,821	212,688,340	135,655,560	1,289,301,721	122,660,917
NET ASSETS					
Invested in capital assets, net of related debt	815,625,493	272,086,073	41,921,339	1,129,632,905	78,020,311
Restricted for debt service	-	-	11,108,557	11,108,557	-
Unrestricted	27,955,701	51,697,678	16,698,112	96,351,491	65,304,559
Total net assets	\$ 843,581,194	\$ 323,783,751	\$ 69,728,008	\$ 1,237,092,953	\$ 143,324,870

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, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
Operating revenues:					
Service charges and fees	\$ 176,571,018	\$ 89,198,475	\$ 10,119,564	\$ 275,889,057	\$ 115,796,760
Licenses and permits	619,686	-	1,701,062	2,320,748	-
Rents and reimbursements	77,278	-	6,021,962	6,099,240	1,648,531
Concessions	-	-	505,626	505,626	-
Parking fees	-	-	8,891,061	8,891,061	30,890
Miscellaneous	992,005	-	4,665,905	5,657,910	4,447,595
Total operating revenues	178,259,987	89,198,475	31,905,180	299,363,642	121,923,776
Operating expenses:					
Salaries and wages	26,979,662	26,622,976	3,764,999	57,367,637	25,668,614
Operating supplies	2,459,475	3,190,146	966,622	6,616,243	7,811,428
Professional services	34,697,012	10,403,161	8,279,988	53,380,161	22,008,929
Utilities	4,825,027	2,835,315	263,117	7,923,459	2,845,799
Claims	-	-	-	-	32,862,277
Miscellaneous	1,299,829	8,080,175	2,319,446	11,699,450	19,434,619
Utility license fees	11,538,268	4,255,420	-	15,793,688	-
Depreciation and amortization	17,077,087	15,449,976	4,491,777	37,018,840	9,160,885
Total operating expenses	98,876,360	70,837,169	20,085,949	189,799,478	119,792,551
Operating income (loss)	79,383,627	18,361,306	11,819,231	109,564,164	2,131,225
Nonoperating revenues (expenses):					
Gain (loss) on sale of capital assets	26,827	(218,553)	671,498	479,772	988,044
Investment earnings	997,154	242,213	269,276	1,508,643	49,830
Interest expense	(30,557,968)	(6,556,323)	(8,359,068)	(45,473,359)	(5,617,296)
Miscellaneous	148,685	2,914,998	(116,574)	2,947,109	(558,060)
Bond and note sales	-	-	-	-	(1,522,440)
Bond and note premium	-	-	-	-	1,522,440
Total nonoperating revenues (expenses)	(29,385,302)	(3,617,665)	(7,534,868)	(40,537,835)	(5,137,482)
Income (loss) before contributions and transfers	49,998,325	14,743,641	4,284,363	69,026,329	(3,006,257)
Transfers in	-	-	50,674	50,674	8,087,478
Transfers out	-	-	(2,537,046)	(2,537,046)	(1,042,243)
Capital contributions	4,117,635	2,184,365	-	6,302,000	62,734
Change in net assets	54,115,960	16,928,006	1,797,991	72,841,957	4,101,712
Total net assets - beginning	789,465,234	306,855,745	67,930,017	1,164,250,996	139,223,158
Total net assets -- ending	\$ 843,581,194	\$ 323,783,751	\$ 69,728,008	\$ 1,237,092,953	\$ 143,324,870

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

City of Portland, Oregon
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 178,568,396	\$ 80,452,924	\$ 31,196,979	\$ 290,218,299	\$ 13,159,056
Receipts from interfund services provided	7,042,691	5,710,249	822,500	13,575,440	108,687,244
Payments to suppliers	(27,344,533)	(19,307,007)	(7,161,418)	(53,812,958)	(39,979,913)
Payments to employees	(26,944,913)	(26,463,824)	(3,770,827)	(57,179,564)	(25,649,781)
Payments for interfund services used	(26,726,695)	(15,410,185)	(4,838,881)	(46,975,761)	(14,212,599)
Other receipts (payments)	(355,526)	(569,946)	-	(925,472)	-
Claims paid	-	-	-	-	(33,004,524)
Net cash provided by (used in) operating activities	<u>104,239,420</u>	<u>24,412,211</u>	<u>16,248,353</u>	<u>144,899,984</u>	<u>8,999,483</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Miscellaneous revenues (expenses)	1,272,865	4,082,581	-	5,355,446	-
Operating transfers in	-	-	-	-	8,087,478
Operating transfers out	-	-	(2,486,372)	(2,486,372)	(1,042,243)
Net cash provided by noncapital financing activities	<u>1,272,865</u>	<u>4,082,581</u>	<u>(2,486,372)</u>	<u>2,869,074</u>	<u>7,045,235</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of bonds and notes	-	99,440,000	-	99,440,000	21,781,708
Premium on bonds and notes issued	-	4,845,140.00	-	4,845,140	1,460,732
Sale of capital assets	67,300	93,725	-	161,025	690,093
Acquisition of capital assets	(163,468,959)	(29,336,108)	(1,669,229)	(194,474,296)	(5,474,496)
Principal paid on bonds, notes and capital leases	(26,639,068)	(68,861,588)	(6,923,487)	(102,424,143)	(29,680,212)
Interest paid on bonds, notes and capital leases	(29,887,164)	(6,299,516)	(7,580,274)	(43,766,954)	(5,408,730)
Net cash provided by (used in) capital related financing activities	<u>(219,927,891)</u>	<u>(118,347)</u>	<u>(16,172,990)</u>	<u>(236,219,228)</u>	<u>(16,630,905)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	995,795	197,162	241,645	1,434,602	49,165
Net increase (decrease) in cash and cash equivalents	(113,419,811)	28,573,607	(2,169,364)	(87,015,568)	(537,022)
CASH AND CASH EQUIVALENTS, July 1, 2003	<u>214,157,395</u>	<u>38,768,563</u>	<u>36,086,090</u>	<u>289,012,048</u>	<u>99,396,781</u>
CASH AND CASH EQUIVALENTS, June 30, 2004	<u>\$ 100,737,584</u>	<u>\$ 67,342,170</u>	<u>\$ 33,916,726</u>	<u>\$ 201,996,480</u>	<u>\$ 98,859,759</u>
Noncash information					
Non-operating prepaid PERS amortization	1,124,180	1,167,583	116,574	2,408,337	558,060
Capital contribution	4,117,635	2,184,365	-	6,302,000	62,734

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City of Portland, Oregon
Proprietary Funds
Statement of Cash Flows, Continued
For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 79,383,627	\$ 18,361,306	\$ 11,819,231	\$ 109,564,164	\$ 2,131,225
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization of capital assets	17,077,087	15,449,976	4,491,777	37,018,840	9,160,885
Provision for uncollectible accounts	(3,510,816)	(529,180)	-	(4,039,996)	-
Noncash expenditure adjustment	2,561,620	92,317	-	2,653,937	-
Change in assets and liabilities:					
Accounts and contracts receivable	1,219,704	(720,902)	51,257	550,059	(64,259)
Inventories	40,520	(145,920)	-	(105,400)	(320,868)
Checks and accounts payable	(2,424,979)	444,948	(99,665)	(2,079,696)	(1,766,247)
Accrued compensated absences	34,750	159,151	(5,828)	188,073	18,833
Due from (to) other funds	6,466,792	(8,267,633)	18,000	(1,782,841)	(22,051)
Internal loans receivable	(285,853)	41,962	-	(243,891)	-
Other assets	-	-	34,872	34,872	-
Deferred revenue	8,228	(424,359)	-	(416,131)	-
Accrued claims	-	-	-	-	(142,247)
Other accrued liabilities	3,668,740	(49,455)	(61,291)	3,557,994	4,212
Net cash provided by (used in) operating activities	<u>\$ 104,239,420</u>	<u>\$ 24,412,211</u>	<u>\$ 16,248,353</u>	<u>\$ 144,899,984</u>	<u>\$ 8,999,483</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, 2004

	Pension Trust	Agency
ASSETS		
Current assets (unrestricted):		
Cash and investments	\$ 17,180,150	\$ 36,806,219
Receivables:		
Due from other funds	5,062,189	-
Accounts, net	-	208,200
Accrued interest	100,249	7,718
Capital assets:		
Machinery and equipment	41,046	-
Accumulated depreciation and amortization	(26,290)	-
Prepaid expense	445,642	-
	22,802,986	\$ 37,022,137
Total assets		
LIABILITIES		
Accounts payable	7,526,468	\$ 9,096,881
Salaries and withholding taxes	-	19,236,478
Accrued interest payable - current	15,581	-
Other liabilities - current	300,000	8,688,778
Revenue bonds payable	526,002	-
	8,368,051	\$ 37,022,137
Total liabilities		
NET ASSETS		
Invested in capital assets, net of related debt	14,756	
Held in trust for pension benefits	14,420,179	
	\$ 14,434,935	
Total net assets		

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, 2004

		<u>Pension Trust</u>
ADDITIONS		
Contributions:		
Employer	\$	85,572,724
Plan member		184,984
Other		97,081
Total contributions		<u>85,854,789</u>
Investment earnings		381,171
Bond and note premium		261,547
Total additions		<u>86,497,507</u>
 DEDUCTIONS		
Benefits and refunds paid to plan members and beneficiaries		75,328,003
Refunds		63,229
Administrative expenses		2,448,527
Total deductions		<u>77,839,759</u>
Change in net assets		8,657,748
Net assets - beginning		<u>5,777,187</u>
Net assets - ending	\$	<u><u>14,434,935</u></u>

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

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City of Portland, Oregon
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies:

A. Reporting entity:

The territory of Oregon incorporated the City of Portland (City) in 1851: eight years prior to the year Oregon was granted statehood in 1859. The State of Oregon granted a new charter to the City of Portland in 1903. Voters approved an extensive revision to the City Charter, which established a commission form of government in 1913. The City Council, composed of an elected mayor and four commissioners, forms the legislative branch of the City government. The Council and an elected City Auditor manage City departments. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. 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 - Fire and Police Disability and Retirement Fund

The Fire and Police Disability and Retirement Fund (FPD&R) was established by adoption of Chapter 5 of the City Charter by voters in a general election held on November 2, 1948. Voters have made six subsequent amendments, the last one being November 7, 2000. The FPD&R provides "for the benefit of the members employed by the Bureau of Fire, Rescue, and Emergency Services or by the Bureau of Police of the City of Portland and for the benefit of the surviving spouses and dependent minor children of deceased members" (Section 5-101).

The FPD&R's Board of Trustees also administer a reserve fund and a supplemental reserve fund authorized under a provision of Chapter 5 (Section 5-104) of the Charter of the City of Portland. The reserve fund provides for advances to the Fire and Police Disability and Retirement Fund in the event the latter is depleted to the extent it cannot meet its obligations. Under provisions of the City Charter, the reserve fund maximum is established at \$750,000 (Section 5-103). The supplemental reserve fund provides for supplemental retirement benefits to certain members of the Fire and Police Bureaus. The FPD&R is reported as a pension trust fund, fiduciary fund type.

Complete financial statements may be obtained from the administrative office at: Fire and Police Disability and Retirement Fund Board, 1800 SW First Ave., Suite 450, Portland, Oregon 97201, e-mail: fpdr@ci.portland.or.us, or by telephone: (503) 823-6823.

Discretely presented component unit - Portland Development Commission

The Portland Development Commission (PDC) is organized under Chapter 15 of the Charter of the City of Portland, Oregon, and is the City's urban renewal and redevelopment agency. The Department of Development and Civic Promotion has been administered by the PDC since May 16, 1958. Its principal activities are business retention, employment creation, and real estate acquisition to remove or prevent blight, construction improvements, and rehabilitation/restoration lending.

Based upon criteria established by the Governmental Accounting Standards Board (GASB), assets, liabilities, revenues and expenses related to PDC are included in the component unit column of the City's government-wide financial statements. Unless noted otherwise in this report, accounting policies of the component unit are consistent with those described for the primary government. The City is financially accountable for operations of PDC through budgetary authority and fiscal management. PDC prepares a separate Comprehensive Annual Financial Report (CAFR), and it may be obtained from their administrative offices at 222 NW Fifth Ave., Portland, Oregon 97209-3859, URL: www.pdc.us, or by telephone: (503) 823-3200.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies, Continued:

B. Government-wide and fund financial statements:

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Segments are identified as individual enterprise funds. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

Significant revenues, measurable and available for the fiscal year ended June 30, 2004, 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

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies, Continued:

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

Expenditures generally are recorded when a liability is incurred. Exceptions are:

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

The **Sewage Disposal Fund** accounts for the activities associated with waste water collection and treatment.

The **Water Fund** accounts for activities associated with the water distribution system.

Additionally the City reports the following fund types:

Internal service funds account for goods and services provided by one City bureau to another City bureau, or to other governments on a cost reimbursement basis. Internal service funds account for the activities of health insurance, facilities, fleet, printing and distribution, communications, liability insurance, workers compensation insurance, and information technology.

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between enterprise functions and various other City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies, Continued:

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

Indirect expenses include general government, support services, and administration costs. These indirect expenses are allocated based on a full-cost allocation approach, thereby allocating indirect expenses among functions with the objective of allocating all expenses. This allocation is done through the General Fund and is included in direct program expenses for the various functional activities within individual funds.

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The City maintains a cash and investment pool that is available for use by all funds including its component units. Cash and investments are presented on the balance sheet in the basic financial statements at fair value in accordance with GASB Statement No. 31.

All investment pool cash purchases and sales are part of the City's cash management activity and considered cash and cash equivalents. Activities undertaken by the pool on behalf of the proprietary funds are not part of operating, capital, investing, or financing activities of the proprietary funds, and details of these transactions are not reported in the Statement of Cash Flows. In general, interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

State statutes authorize the City and component units to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Investment Pool.

2. Receivables

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

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies, Continued:

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

2. Receivables, Continued:

Proprietary fund receivables are recorded as revenue when earned, including services earned but not billed. The receivables of proprietary funds include billing for residential and commercial customers utilizing the City's water, sewer and storm water management services. These receivables are reported net of an allowance for doubtful accounts.

The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence.

Local Improvement District (LID) project expenditures are recognized as accounts receivable when incurred. Upon completion of LID projects, City Council assesses a lien upon the benefited properties at which point accounts receivable are reclassified as assessments receivable.

Contracts and mortgages receivable consist primarily of loans for restoration and rehabilitation of property within the City. Federal and state grants, shared revenues, and interest are recorded as revenue when earned and are included in accounts and grants receivable. Advances receivable are primarily monies paid to third parties prior to services performed. As services are rendered these advances are reduced from future payments.

3. Inventories and property held for resale

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

4. Prepaid items

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

5. Restricted assets

Certain assets are classified on the statement of net assets as restricted assets because their use is limited by applicable bond indentures or other legal provisions. All restricted assets are from the Hydroelectric Power Fund and are legally restricted for renewal and replacement, debt service and other purposes by the hydroelectric power revenue bond ordinances and trust agreements and are segregated as restricted assets.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies, Continued:

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

6. Capital assets

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

All land and buildings are capital assets with no minimum cost threshold. Infrastructure and land improvements are capitalized with total costs of \$10,000 or more. Machinery and equipment with a cost of \$5,000 or greater are capitalized. Dollar thresholds for capitalized lease assets are the same amount as the purchased capital asset counterpart.

Capital assets are recorded at historical cost or estimated historical cost when actual cost is not available. Items acquired through donations are capitalized on the basis of fair value at the date of transfer, plus ancillary costs necessary to place them in service. Donated items are capitalized if the fair value and any ancillary charges necessary to place the asset into use meet the capitalization threshold for that class of asset. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

Upon disposal of capital assets, historical cost or estimated historical cost is removed. Proceeds from sales are generally recorded as revenue in the fund that originally acquired the assets.

Depreciation and amortization of capital assets are computed on the straight-line method over their estimated useful lives. Depreciation and amortization are not taken during the year of acquisition.

The estimated useful lives of capital assets are:

- Buildings – 10 to 50 years
- Improvements to land – 20 to 50 years
- Machinery and equipment – 3 to 30 years
- Infrastructure – 10 to 100 years

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

7. Capitalized interest

Interest costs of tax exempt borrowing, less interest earned on investments acquired with these proceeds, are capitalized in proprietary funds from the date of borrowing, after the date of actual expenditure, until the constructed assets are ready for their intended use. Total interest costs incurred in business-type activities in fiscal year 2004 were \$57,566,620, of which \$12,093,261 was capitalized for a net interest expense of \$45,473,359.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies, Continued:

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

8. Leases

In accordance with Financial Accounting Standards Board (FASB) Statement No. 13, some leases are classified as capital lease obligations and are recorded at the lesser of present value of minimum lease payments or fair value of the leased property at inception. Leases not meeting the criteria of a capital lease are classified as operating leases.

9. Compensated absences

City employees accumulate earned but unused vacation and sick leave benefits in accordance with applicable bargaining agreements. Vacation leave is recorded in government-wide, proprietary, and fiduciary fund financial statements when earned by employees. Collective bargaining agreements for Fire and Police Bureau employees require they be paid for accrued sick leave upon retirement. Sick leave for these employees is accrued when earned. Sick leave for other City employees does not vest and is expended in all funds when leave is taken. Historically, compensated absences are paid by the individual funds as they become due.

10. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In the governmental fund financial statements, bond premiums and discounts as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Fund equity

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

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

I. Summary of significant accounting policies, Continued:

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

12. Statement of cash flows

In the statement of cash flows for proprietary funds, cash and cash equivalents include all assets in the cash and investment pool. This pool is similar to a demand deposit account for enterprise and internal service funds in that they may deposit and withdraw cash at any time without prior notice or penalty. This treatment is in conformity with GASB Statement No. 9, which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

13. Use of estimates

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

14. Prior period adjustment

The City's beginning net assets were increased due to a prior year understatement of capital assets. In fiscal year 2002, the City adopted the provisions of GASB Statement No. 34, which established new requirements and reporting model. As part of this process, the City completed an inventory of its capital assets as of June 30, 2001. The Central City Streetcar project was under construction during that time, and was inadvertently excluded from all inventory lists. The streetcars were added to equipment at a cost of \$8,811,964, and the rail system was added to infrastructure at a cost of \$28,506,605, for a total increase to capital assets of \$37,318,569. The error also had the effect of underreporting depreciation expense of \$1,268,658 for each of the fiscal years 2002 and 2003, for a total of \$2,537,316. The impact of this adjustment is to increase the beginning net assets by \$34,781,253 as reported for governmental activities on the statement of activities. If the capital assets and depreciation had been recorded in the year ended June 30, 2003 as required, the City's change in governmental net assets would have been (\$179,366,213), rather than (\$178,097,555), as was originally reported.

II. Stewardship, compliance, and accountability:

A. Budgetary information:

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

The City legally adopts its budget annually for all funds prior to July 1 through passage of an ordinance. The annual budget ordinance authorizes positions and establishes appropriations for the fiscal year for each fund by organization unit and major object category (personal services, external and internal materials and services, capital outlay, and other expenditures). The General Fund is adopted by bureau appropriation units and all other funds at the fund level.

Budgets may be modified during the fiscal year through different means. Bureau managers, without City Council's approval, may transfer appropriations between line items within major object categories, provided transfers do not affect total appropriations. In addition, bureaus may transfer appropriations between major object categories with the permission of their commissioner-in-charge, provided the adjustments do not affect total appropriations.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

II. Stewardship, compliance, and accountability, Continued:

B. Excess of expenditures over appropriations, Continued:

State law requires a supplemental budget to increase appropriations when unexpected additional resources become available. A supplemental budget is also required when cumulative transfers from a fund's operating contingency during a fiscal year reach 15 percent or more of a fund's authorized appropriations. The supplemental budget process requires a public hearing, advance notice by newspaper publication, and City Council approval. If the supplemental budget is greater than 10 percent of a fund's expenditures, as defined by Oregon Revised Statutes (ORS) 294, or includes contingency transfers that have reached more than 15 percent of the fund's authorized appropriations, the supplemental budget also requires certification by the Tax Supervising and Conservation Commission and a more extensive public notification process. The City adopted two supplemental budgets and made a number of appropriation transfers requiring approval by the City Council during the year ended June 30, 2004.

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the fiscal year ended June 30, 2004, the following funds had expenditures in excess of budgeted appropriations:

Primary Government:

	<u>Amount</u>
<u>General Fund:</u>	
Finance and Administration-Special Appropriations-City	
Memberships and Dues:	
Materials and services	\$ 1,953
Public Utilities-Bureau of Parks:	
Debt service: Principal	30,000
Public Safety-Office of Commissioner:	
Materials and services	8,605
Non-departmental-Other requirements:	
Inventory stores stock	28,344
<u>Special Revenue Funds:</u>	
Housing Investment:	
Inventory increase	1,510,000
Parks Local Option Levy:	
Materials and services	101,457
Children's Investment:	
Debt service: Principal	8,718
<u>Debt Service Fund:</u>	
Gas Tax Bond Redemption:	
Debt service	214
<u>Enterprise Funds:</u>	
Water Construction:	
Debt service	44,381
Golf:	
Debt service	66,708
Portland International Raceway:	
Personal services	16,004
Materials and services	65,237

All expenditures in excess of budgeted appropriations in the fiscal year ended June 30, 2004 were funded by available fund balance.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

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 value in accordance with GASB Statement No. 31.

All investment pool cash purchases and sales are part of the City's cash management activity and considered cash and cash equivalents. Activities undertaken by the pool on behalf of the proprietary funds are not part of operating, capital, investing, or financing activities of the proprietary funds, and details of these transactions are not reported in the Statement of Cash Flows. In general, interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

Cash and investments for the primary government are comprised of \$466.7 million for City operations and \$54.0 million for the City's fiduciary operations. PDC's cash and investments are comprised of \$129.0 million for its operations and \$0.1 million for its fiduciary operations.

City Treasury assesses a management fee that is deducted from investment income before distributions are made to all City funds. This fee is based on City Treasury's net operating expenses and totaled \$600,570 for fiscal year ended June 30, 2004.

Cash and investments for the primary government are comprised of governmental and business-type activities and fiduciary fund. The balances at June 30, 2004 are:

	Primary Government	Component Unit (PDC)	Reporting Entity Total
Cash on hand	\$ 110,699	\$ 1,000	\$ 111,699
Deposits with financial institutions	19,038,398	240,579	19,278,977
Investments	501,505,301	128,908,355	630,413,656
Total	<u>\$520,654,398</u>	<u>\$129,149,934</u>	<u>\$649,804,332</u>

Cash and investments are reflected on the government-wide Statement of Net Assets and the Statement of Fiduciary Net Assets as follows:

	Primary Government	Component Unit (PDC)	Reporting Entity Total
Unrestricted	\$507,183,554	\$129,149,934	\$636,333,488
Restricted	13,470,844	-	13,470,844
Total	<u>\$520,654,398</u>	<u>\$129,149,934</u>	<u>\$649,804,332</u>

The restricted cash and investments are comprised entirely of Hydroelectric Power Funds; \$8,547,272 for replacement and renewal, and \$4,923,572 for bond redemption in accordance with the agreement with Portland General Electric.

Deposits

ORS 295.015 requires depository institutions to maintain on deposit, with collateral pool managers, securities having a value not less than 25 percent of outstanding certificates. At June 30, 2004 all bank deposits were either covered by federal depository insurance or were fully collateralized by securities held by agents of the City in the City's name.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

A. Deposits and investments, Continued:

Deposits, Continued:

Total deposits for PDC were \$240,579 of which \$140,544 was covered by federal depository insurance and the remaining \$100,035 was collateralized by securities held by the Federal Home Loan Bank of Seattle or the City Treasurer. The PDC cash includes Private Lender Program security deposits of \$25,544.

Investments

Primary government

State statutes authorize the 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, banker's acceptances, certain 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 ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board.

The City's investments are categorized below to give an indication of the level of custodial credit risk assumed by the City at June 30, 2004. 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, 2004, 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	\$415,283,114	\$ -	\$ -	\$415,283,114
Bankers' Acceptances	5,202,144	-	-	5,202,144
Commercial Paper	50,463,383	-	-	50,463,383
Time interest bearing deposits	66,555	-	-	66,555
Total	\$471,015,196	\$ -	\$ -	471,015,196
State Treasurer's Investment Pool				30,490,105
Total Investments				\$501,505,301

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

A. Deposits and investments, Continued:

Investments, Continued:

Component Unit - Portland Development Commission:

Investments consist of deposits with the City of Portland's investment pool, bank demand deposits, and time certificates of deposit. Investments are categorized below to give an indication of the level of risk assumed by PDC at June 30, 2004.

	Level of Risk			Fair Value
	1	2	3	
Demands with trustees	\$ 25,544	\$ -	\$ -	\$ 25,544
Bank demand deposits	215,035	-	-	215,035
	<u>\$240,579</u>	<u>\$ -</u>	<u>\$ -</u>	240,579
City of Portland Investment Pool				<u>128,908,355</u>
Total deposits and investments				<u>\$129,148,934</u>

B. Receivables and payables:

The City reports the General, Transportation Operating, Sewage Disposal and Water Funds as major funds. Special assessments in the Transportation, other Nonmajor Governmental, and Sewage Disposal Funds are not expected to be collected within one year. Receivables as of June 30, 2004, were as follows:

	Governmental Activities				Business-type Activities				
	General	Transportation Operating	Nonmajor Funds	Internal Service	Total	Sewage Disposal	Water	Nonmajor Funds	Total
Taxes	\$14,699,490	\$1,697	\$4,638,827	\$ -	\$19,340,014	\$ -	\$ -	\$ -	-
Accounts	3,419,190	12,296,606	1,477,667	850,291	18,043,754	27,231,724	13,338,474	719,855	41,290,053
Assessments	4,280,370	817,806	33,941,159	-	39,039,335	4,191,108	-	-	4,191,108
Contracts	-	-	-	-	-	-	-	514,272	514,272
Grants	-	-	16,527,671	-	16,527,671	-	-	-	-
Advances	81,863	-	787,516	-	869,199	-	-	101,995	101,995
Interest	250,930	22,101	307,173	234,517	814,721	296,002	159,599	50,732	506,333
Total receivables	<u>22,731,663</u>	<u>13,138,210</u>	<u>57,680,013</u>	<u>1,084,808</u>	<u>94,634,694</u>	<u>31,718,834</u>	<u>13,498,073</u>	<u>1,386,854</u>	<u>46,603,761</u>
Allowance for doubtful accounts	<u>(28,797)</u>	<u>(1,838)</u>	<u>-</u>	<u>(4,817)</u>	<u>(35,452)</u>	<u>(11,159,020)</u>	<u>(3,562,858)</u>	<u>-</u>	<u>(14,721,878)</u>
Receivables, net	<u>\$22,702,866</u>	<u>\$13,136,372</u>	<u>\$57,680,013</u>	<u>\$1,079,991</u>	<u>\$94,599,242</u>	<u>\$20,559,814</u>	<u>\$9,935,215</u>	<u>\$1,386,854</u>	<u>\$31,881,883</u>
Not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$410,851</u>	<u>\$29,024,180</u>	<u>\$ -</u>	<u>\$29,435,031</u>	<u>\$2,551,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,551,706</u>

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

B. Receivables and payables, Continued:

Payables at June 30, 2004, were as follows:

	Governmental Activities				Business-type Activities				
	General	Trans- portation Operating	Nonmajor Funds	Internal Service	Total	Sewage Disposal	Water	Nonmajor Funds	Total
Accounts to vendors and contractors	\$9,233,051	\$3,427,285	\$2,932,812	\$3,518,746	\$19,111,894	\$25,648,590	\$5,973,031	\$937,299	\$32,558,920
Compensated absences	-	-	-	1,574,385	1,574,385	2,362,027	2,441,492	260,978	5,064,497
Interest on bonds and notes	-	-	-	1,302,235	1,302,235	7,456,370	3,035,044	5,839,482	16,330,896
Total fund level payables	\$9,233,051	\$3,427,285	\$2,932,812	\$6,395,366	21,988,514	\$35,466,987	\$11,449,567	\$7,037,759	\$53,954,313

Unallocated governmental:

Compensated absences		41,038,310	-
Interest on bonds and notes		23,224,002	-
Fire and Police contribution		5,062,189	-
Total government-wide payables		<u>\$91,313,015</u>	<u>\$53,954,313</u>

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, 2004, all deferred revenue for the primary government is attributed to the following:

	Governmental Activities				Business-type Activities			
	General	Transportation Operating	Nonmajor Funds	Internal Service	Total governmental activities	Sewage Disposal	Water	Total business- type activities
Accounts	\$ 1,751	\$ 18,799	\$24,468,792	\$174,776	\$24,664,118	\$8,228	\$748,902	\$757,130
Liens	4,280,370	817,806	33,941,158	-	39,039,334	-	-	-
Taxes	7,091,429	1,698	3,403,735	-	10,496,862	-	-	-
License tax prepayments	13,187,449	-	-	-	13,187,449	-	-	-
Grants	-	-	2,415,074	-	2,415,074	-	-	-
Total fund level deferred revenue	24,560,999	838,303	64,228,759	174,776	89,802,837	8,228	748,902	757,130
Eliminations of deferred items at fund level not deferred at government-wide level	(11,373,550)	(838,303)	(37,344,893)	-	(49,556,746)	-	-	-
Net government-wide deferred revenue	\$13,187,449	\$ -	\$26,883,866	\$174,776	\$40,246,091	\$8,228	\$748,902	\$757,130

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

D. Capital assets:

Capital asset activity for primary government for the year ended June 30, 2004, was as follows:

	Beginning Balance as Restated	Increases	Decreases	Reclasses	Ending Balance
Governmental activities:					
<u>Capital Assets, not being depreciated:</u>					
Land	\$ 59,884,943	\$ 3,425,319	\$ (533,546)	\$ 4,792,124	\$ 67,568,840
Construction in progress	32,529,741	37,155,174	-	(23,808,269)	45,876,646
Total capital assets, not being depreciated	92,414,684	40,580,493	\$ (533,546)	(19,016,145)	113,445,486
<u>Capital Assets, being depreciated:</u>					
Buildings	189,551,004	834,154	-	45,589,489	235,974,647
Improvements to land	151,400,161	755,390	(452)	(33,795,749)	118,359,350
Machinery and equipment	112,074,187	7,483,472	(2,579,747)	-	116,977,912
Infrastructure	3,983,352,144	19,307,055	-	4,337,022	4,006,996,221
Capitalized leases	1,856,552	-	-	-	1,856,552
Total capital assets being depreciated	4,438,234,048	28,380,071	(2,580,199)	16,130,762	4,480,164,682
<u>Less accumulated depreciation for:</u>					
Buildings	(37,389,137)	(4,962,301)	-	(4,361,732)	(46,713,170)
Improvements to land	(41,923,085)	(4,299,807)	(97,012)	5,299,973	(41,019,931)
Machinery and equipment	(57,734,795)	(7,840,700)	2,256,855	-	(63,318,640)
Infrastructure	(1,730,306,518)	(136,230,648)	-	-	(1,866,537,166)
Capitalized leases	(319,567)	(360,157)	-	-	(679,724)
Total accumulated depreciation	(1,867,673,102)	(153,693,613)	2,159,843	938,241	(2,018,268,631)
Total capital assets, being depreciated, net	2,570,560,946	(125,313,542)	(420,356)	17,069,003	2,461,896,051
Governmental activities capital assets, net	<u>\$2,662,975,630</u>	<u>\$(84,733,049)</u>	<u>\$(953,902)</u>	<u>\$(1,947,142)</u>	<u>\$2,575,341,537</u>
Business-type activities:					
<u>Capital Assets, not being depreciated:</u>					
Land	\$ 63,026,087	\$ 8,006,937	\$ -	\$ 224,615	\$ 71,257,639
Construction in Progress	203,037,160	161,083,890	(2,561,621)	(30,444,195)	331,115,234
Total capital assets, not being depreciated	266,603,247	169,090,827	(2,561,621)	(30,219,580)	402,372,873
<u>Capital Assets, being depreciated:</u>					
Buildings	170,324,509	626,937	-	1,310,270	172,261,716
Improvements to land	64,872,767	150,141	-	(42,548,111)	22,474,797
Machinery and equipment	40,481,962	2,174,225	(761,919)	-	41,894,268
Infrastructure	1,904,165,278	27,458,522	(1,580,331)	74,342,804	2,004,386,273
Capitalized leases	7,541,000	-	-	-	7,541,000
Total capital assets being depreciated	2,187,385,516	30,409,825	(2,342,250)	33,104,963	2,248,558,054

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

D. Capital assets, Continued:

	Beginning Balance as Restated	Increases	Decreases	Reclasses	Ending Balance
Business-type activities, Continued:					
<u>Less accumulated depreciation for:</u>					
Buildings	\$ (42,361,722)	\$ (3,803,083)	\$ -	\$ (938,241)	\$ (47,103,046)
Improvements to land	(19,329,018)	(619,086)	-	14,546,523	(5,401,581)
Machinery and equipment	(17,586,880)	(3,046,627)	648,908	-	(19,984,599)
Infrastructure	(307,365,651)	(29,235,171)	1,340,592	(14,546,523)	(349,806,753)
Capitalized leases	(3,681,059)	(314,871)	-	-	(3,995,930)
Total accumulated depreciation	<u>(390,324,330)</u>	<u>(37,018,838)</u>	<u>1,989,500</u>	<u>(934,241)</u>	<u>(426,291,909)</u>
Total capital assets, being depreciated, net	<u>1,797,061,186</u>	<u>(6,609,013)</u>	<u>(352,750)</u>	<u>32,166,722</u>	<u>1,822,266,144</u>
Business-type activities capital assets, net	<u>\$2,063,124,433</u>	<u>\$162,481,814</u>	<u>\$(2,914,371)</u>	<u>\$1,974,142</u>	<u>\$2,224,639,018</u>

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

Governmental activities:	<u>Amount</u>
Public safety	\$ 2,194,779
Parks, recreation and culture	4,705,099
Community development	21,649
Transportation	137,224,929
Legislative/Administrative/Support services	390,810
Internal service funds	<u>9,160,885</u>
Total depreciation expense – governmental activities	<u>\$153,698,151</u>
 Business-type activities:	
Environmental services	\$17,137,796
Water	15,449,976
Hydroelectric power	656,000
Parking	1,022,974
Golf	758,683
Motor sports	39,711
Spectator facilities	<u>1,953,700</u>
Total depreciation expense – business-type activities	<u>\$37,018,840</u>

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

D. Capital assets, Continued:

Construction commitments

The City has active construction projects as of June 30, 2004. These include building, remodeling and retrofitting fire, parks and golf facilities, plus sewer, transportation and water infrastructure upgrades. At year end the City's contractual commitments to complete the various projects are as follows:

Project	Spent-to-date	Remaining Commitment	Financing Source
Fire facilities	\$ 8,675,421	\$ 1,091,654	General obligation bonds
Parks	2,054,645	2,466,237	Local option levy / Tax increment / Grants / General Fund discretionary
Transportation	15,870,587	16,256,553	Intergovernmental revenues / Grants / System development charges
Golf	358,653	192,996	Greens fees
Sewer	216,988,666	173,422,103	Revenue bonds / Sewer rate revenues
Water	1,340,814	11,462,244	Revenue bonds / Water rate revenues / Project reimbursements
Total	<u>\$245,288,786</u>	<u>\$204,891,787</u>	
Governmental activities	\$ 26,600,653	\$ 19,814,444	
Business-type activities	218,688,133	185,077,343	
Total	<u>\$245,288,786</u>	<u>\$204,891,787</u>	

Component Unit - Portland Development Commission:

Activity for the year ended June 30, 2004 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Capital Assets, not being depreciated:</u>				
Land	\$ 9,129,868	\$ 392,369	\$(459,233)	\$ 9,063,004
Work in progress	-	1,633,778	-	1,633,778
Total capital assets, not being depreciated	<u>9,129,868</u>	<u>2,026,147</u>	<u>(459,233)</u>	<u>10,696,782</u>
<u>Capital Assets, being depreciated:</u>				
Buildings and improvements	2,707,441	-	-	2,707,441
Leasehold improvements	363,315	-	-	393,315
Furniture, vehicles and equipment	1,862,708	71,099	(23,747)	1,910,060
Total capital assets being depreciated	<u>4,933,464</u>	<u>71,099</u>	<u>(23,747)</u>	<u>4,980,816</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	(808,068)	(58,314)	-	(866,382)
Leasehold improvements	(111,789)	(130,416)	-	(242,205)
Furniture, vehicles and equipment	(1,064,941)	(346,106)	23,747	(1,387,300)
Total accumulated depreciation	<u>(1,984,798)</u>	<u>(534,836)</u>	<u>23,747</u>	<u>(2,495,887)</u>
Total capital assets, being depreciated, net	<u>2,948,666</u>	<u>(463,737)</u>	<u>-</u>	<u>2,484,929</u>
Governmental activities capital assets, net	<u>\$12,078,534</u>	<u>\$1,562,410</u>	<u>\$(459,233)</u>	<u>\$13,181,711</u>

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

E. Interfund receivables, payables, and transfers

Due to/from other funds

The City records “due to” and “due from” transactions between individual funds and component units; repayment is required. The General Fund due to internal service funds represents accruals for insurance and technology services. 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. All interfund balances outstanding at June 30, 1004, are expected to be repaid within one year.

PDC due to the City nonmajor governmental funds are primarily made up of \$19,099,002 in grants; \$19,708,439 in grants due from PDC to the City are offset by grants due from the City to PDC of \$609,437. The remaining liability due from PDC to the City consists of \$4,117,289 for the Streetcar line of credit and \$643,064 for the Technology line of credit. The amount due from PDC to the City is \$24,468,792 and the amount due from the City to PDC is \$609,437, netting to \$23,859,355 as shown below.

The composition of due to and due from other funds as of June 30, 2004 is:

Primary Government:

	General	Transportation Operating	Nonmajor governmental	Internal service	Sewage Disposal	Water	Fiduciary	Total due to other funds
General	\$ -	\$ -	\$ -	\$485,575	\$ 19,360	\$ -	\$5,062,189	\$ 5,567,124
Nonmajor governmental	4,579,636	6,442,667	261,152	44,208	1,113,253	2,656,163	-	15,097,078
Total due from other funds	<u>\$4,579,636</u>	<u>\$6,442,667</u>	<u>\$261,152</u>	<u>\$529,783</u>	<u>\$1,132,613</u>	<u>\$2,656,163</u>	<u>\$5,062,189</u>	<u>\$20,664,202</u>

Component Unit – PDC

Nonmajor governmental funds, net	<u>\$23,859,355</u>
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Interfund transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and resources for payment of debt services. General Fund transfers to the Transportation Operating Fund are for street lighting. General Fund transfers to nonmajor governmental funds are for various programs including: emergency communications, nuisance control and other neighborhood programs, the General Fund’s portion of the PERS debt, capital construction in the parks program, facilities debt service for City Hall, and various borrowings. General Fund transfers to internal service funds represent financial commitments to fund operating improvements. The Transportation Operating Fund transfers debt service payments to nonmajor governmental funds. In addition, Transportation Operating Fund transferred \$500,000 to Information Technology Fund for software implementation. Nonmajor governmental fund transfers represent federal, state, and private grants receivable, not yet transferred to benefiting bureaus or component units. Transfers from internal service and nonmajor enterprise funds are primarily overhead charges. Government-wide elimination of internal service funds’ profit totaled \$399,600 as reflected in the table below.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

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

Interfund transfers for the fiscal year ended June 30, 2004 consist of the following:

	General	Transportation Operating	Nonmajor governmental	Internal service	Nonmajor business- types	Total transfers from fund
General	\$ -	\$3,955,201	\$25,277,305	\$6,432,955	\$ -	\$35,665,461
Transportation operating	-	-	2,151,594	500,000	-	2,651,594
Nonmajor governmental	12,843,187	6,343,176	17,761,264	214,523	-	37,162,150
Internal service	37,486	14,083	-	940,000	50,674	1,042,243
Water	-	-	-	399,600	-	399,600
Nonmajor business-types	1,205,261	720,000	611,785	493,063	-	3,030,109
Total transfers to fund	<u>\$14,085,934</u>	<u>\$11,032,460</u>	<u>\$45,801,948</u>	<u>\$8,980,141</u>	<u>\$50,674</u>	<u>\$79,951,157</u>

F. Leases:

Capital leases

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

	Governmental Activities	Business-type Activities	Total
<u>Assets:</u>			
Building leaseholds	\$ -	\$6,235,096	\$6,235,096
Less: accumulated depreciation	-	(3,488,158)	(3,488,158)
Building leaseholds, net	-	2,746,938	2,746,938
Equipment	1,856,552	1,305,904	3,162,456
Less: accumulated depreciation	(679,724)	(507,773)	(1,187,497)
Equipment, net	1,176,828	798,131	1,974,959
Total	<u>\$1,176,828</u>	<u>\$3,545,069</u>	<u>\$4,721,897</u>

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

F. Leases, Continued:

Capital leases, Continued:

The net present value of these minimum lease payments as of June 30, 2004 were as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2005	\$ 355,558	\$ 838,700	\$1,194,258
2006	371,133	663,467	1,034,600
2007	355,074	620,630	975,704
2008	29,590	394,621	424,211
2009	-	-	-
Total minimum lease payments	1,111,355	2,517,418	3,628,773
Less amount representing interest (stated interest rates range: 4.95% to 10.887%)	(92,286)	(353,826)	(446,112)
Present value of minimum lease payments (capital lease obligations)	<u>\$1,019,069</u>	<u>\$2,163,592</u>	<u>\$3,182,661</u>

Operating leases

The City leases land, buildings and equipment under non-cancelable operating leases. Operating leases for governmental type activities were \$2,813,455 and for business-type activities, \$1,147,773. Total costs for such leases were \$3,961,228 for the year ended June 30, 2004.

The future minimum lease payments for these leases are as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2005	\$2,657,828	\$ 528,956	\$3,186,784
2006	1,078,311	534,521	1,612,832
2007	938,786	351,599	1,290,385
2008	931,754	226,381	1,158,135
2009	522,203	226,381	748,584
2010-2014	544,605	584,415	1,129,020
2015-2019	544,605	-	544,605
Total	<u>\$7,218,092</u>	<u>\$2,452,253</u>	<u>\$9,670,345</u>

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

F. Leases, Continued:

Operating leases, Continued:

The City acts as lessor for operating leases that arise primarily from leasing office or retail space. Future minimum rents to be received from non-cancelable operating leases are contractually due as follows as of June 30, 2004:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2005	\$1,523,844	\$1,581,294	\$ 3,105,138
2006	798,071	1,061,529	1,859,600
2007	389,668	857,525	1,247,193
2008	336,328	445,609	781,937
2009	230,855	347,710	578,565
2010-2014	710,570	1,019,589	1,730,159
2015-2019	688,621	302,853	991,474
Total	<u>\$4,677,957</u>	<u>\$5,616,109</u>	<u>\$10,294,066</u>

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, 2004.

General obligation bonds

The City has \$75.5 million of outstanding self-supporting general obligation bonds for governmental activities. These bonds were originally issued for park system improvements and emergency facilities. The City is authorized to levy an unlimited ad valorem tax to pay these bonds.

The City's general obligation bonds are used for the acquisition and construction of capital improvements of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The City originally issued \$129.3 million of governmental bonds for governmental activities and \$23.2 million for business-type activities.

Business-type activities include \$9.6 million of outstanding self-supporting general obligation water bonds. While the City has the authority to levy an unlimited ad valorem tax to pay these bonds, the City has chosen to pay these bonds entirely from revenues of the water system.

The City's general obligation water bonds issued in 2004 are non-callable while the Series 1993C bonds are subject to optional redemption anytime at 100 percent of face value. The City is in compliance with its bond covenants as of and for fiscal year ended June 30, 2004.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

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 percent of the principal and interest, when due on certain General Obligation Water Bonds, Series 1993C. These were issued to finance City water supply improvements affecting these districts. Payments to the City totaled \$1.8 million during fiscal year 2004. 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. \$1.98 million is outstanding as of June 30, 2004. In addition, the City has \$4,399 of annexed water bonds outstanding as of June 30, 2004.

General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities	2.00 – 5.50%	\$75,460,000
Business-type activities	3.00 – 4.50	<u>9,624,399</u>
Total		<u>\$85,084,399</u>

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

Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 4,240,000	\$ 4,074,536	\$2,082,244	\$ 236,776
2006	4,640,000	3,154,483	57,155	234,876
2007	4,810,000	2,975,054	1,405,000	212,925
2008	5,000,000	2,782,611	1,450,000	170,100
2009	5,310,000	2,581,412	1,495,000	125,925
2010-2014	30,170,000	9,239,393	3,135,000	105,810
2015-2019	16,740,000	2,956,281	-	-
2020-2024	4,550,000	585,415	-	-
Total	<u>\$75,460,000</u>	<u>\$28,349,185</u>	<u>\$9,624,399</u>	<u>\$1,086,412</u>

Limited tax improvement bonds

The City has \$23.8 million of outstanding limited tax improvement bonds. These bonds were issued for the purpose of financing local improvement projects. These bonds are expected to be fully self-supporting from assessment payments received from property owners benefiting from the improvement projects. In addition, the City has pledged its full faith and credit to pay the bonds. Interest rates on the outstanding bonds range from 3 to 5.75 percent.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

Limited tax improvement bonds, Continued:

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2005	\$ 1,045,000	\$1,000,581
2006	1,070,000	969,234
2007	1,100,000	937,131
2008	1,065,000	904,134
2009	-	869,519
2010-2014	3,150,000	4,255,801
2015-2019	5,860,000	3,418,793
2020-2024	10,480,000	1,823,520
Total	<u>\$23,770,000</u>	<u>\$14,178,713</u>

Urban renewal and redevelopment bonds

The City issues urban renewal and redevelopment bonds to finance capital projects to stimulate job creation and growth in designated target areas. The City has urban renewal and redevelopment bonds outstanding that are secured solely by the tax increment revenues generated from the respective urban renewal areas. Both types of bonds are self-supporting and paid for by tax increment revenues of the urban renewal area.

The City has issued long-term urban renewal and redevelopment bonds for four of its urban renewal districts including Airport Way, Oregon Convention Center, South Park Blocks, Downtown Waterfront, and River District. The \$273.1 million outstanding balances on these bonds are paid from tax increment revenues generated from the respective urban renewal areas. No additional City revenues are pledged to the repayment of these bonds. Interest rates on the outstanding bonds range from 1.14 to 7.75 percent.

The City issues duJour (overnight) bonds to permit the City's component unit, PDC, to access tax increment revenues deposited into debt service funds established for each urban renewal district. Under Oregon law, tax increment collections may only be spent to pay principal and interest on indebtedness. Tax increment collections are expected to be sufficient to meet debt service requirements for outstanding long-term debt. The City issues very short-term duJour debt to release excess collections to PDC for capital projects. The City issued \$34.7 million duJour bonds in fiscal year 2004 and paid the issued amounts off within five days. At June 30, 2004, there were no outstanding duJour bonds.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

Urban renewal and redevelopment bonds, Continued:

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2005	\$ 9,740,000	\$ 14,838,078
2006	10,100,000	14,468,254
2007	11,485,000	14,043,944
2008	12,150,000	13,566,403
2009	11,560,000	13,017,051
2010-2014	78,445,000	52,818,424
2015-2019	102,575,000	27,548,005
2020-2024	37,020,000	3,206,138
Total	<u>\$273,075,000</u>	<u>\$153,506,297</u>

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 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, 2004, the City had \$86.2 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. Interest rates on the outstanding bonds range from 2 to 5.875 percent.

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

Limited Tax Pension Obligation Revenue Bonds. The City issued \$300.8 million of Limited Tax Pension Obligation Revenue Bonds in November 1999 to finance the City's December 31, 1997 unfunded actuarial accrued pension liability with the 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. Revenues include all taxes and other legally available general funds of the City. Interest rates on the outstanding bonds range from a variable rate of 1.45 percent at June 30, 2004 on the \$75 million 1999 Series D and the \$75 million 1999 Series E to 7.7 percent on the \$150.8 1999 Series C.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

Non self-supporting General Fund obligations, Continued:

In accordance with GAAP, in fiscal year 2002, the City allocated the PERS bond liability to all funds that have employees who are PERS members. The \$300.8 million liability has been distributed as follows:

Governmental activities	\$228.1 million
Business-type activities	72.2 million
Fiduciary fund	.5 million

Approximately 40 percent of the debt service on these bonds is expected to be paid from resources of the General Fund. The remaining 60 percent is expected to be paid by non-General Fund bureaus of the City, (see "Self-supporting General fund Obligations" below). As of June 30, 2004, 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 was allocated to enterprise funds. The City expects these funds to pay the debt service on their allocated share from operating revenues.

Limited Tax Revenue Bonds (Central City Streetcar Project). The City has \$26.6 million outstanding limited tax revenue bonds for the Central City Streetcar Project. These bonds are ultimately secured by the City's General Fund but the City expects to pay the debt service on these bonds with revenues from the City's parking facilities and parking meter revenues. Interest rates on the outstanding bonds range from 4 to 5 percent.

Limited Tax Revenue Bonds (Visitor Development Initiative). The City has issued bonds pursuant to an intergovernmental agreement known as the Visitor Development Initiative for various projects. While ultimately secured by the City's General Fund, these bonds are expected to be repaid, in whole or in part, with revenues generated from surcharges on transient lodging and the motor vehicle rental tax. As of June 30, 2004, the City had \$100 million of outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project, \$32.7 million of outstanding bonds for the Civic Stadium Project, and \$1.9 million of outstanding bonds for the Portland Center for Performing Arts (PCPA) Project. Interest rates on the \$100 million outstanding limited tax revenue bonds for the Oregon Convention Center Completion Project range from 4.52 to 5.5 percent. For the other bonds issued listed above, Civic Stadium Project and the PCPA, interest rates range from 4 to 7 percent.

Arena Limited Tax Revenue Bonds. The City has \$8.7 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. Interest rates on the outstanding bonds range from 4.85 to 8.05 percent.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

Self-supporting general fund obligations, Continued:

Arena Limited Tax Bonds. The City has \$7.6 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. Interest rates on the outstanding bonds range from 7 to 7.75 percent.

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2005	\$ 44,645,000	\$ 21,761,741	\$ 2,820,000	\$ 8,803,176
2006	9,165,000	20,652,448	2,980,000	8,641,609
2007	11,788,732	20,340,007	3,226,775	8,469,738
2008	13,680,532	19,793,376	5,021,154	8,282,498
2009	12,621,985	19,105,511	4,347,542	36,577,461
2010-2014	76,064,897	89,558,393	33,609,733	25,553,733
2015-2019	103,369,650	73,523,871	42,856,148	18,493,625
2020-2024	106,474,763	86,404,208	46,434,026	47,079,368
2025-2029	61,309,656	164,340,624	6,535,639	10,828,357
2030-2034	9,510,000	487,388	-	-
Total	<u>\$448,630,215</u>	<u>\$515,967,567</u>	<u>\$147,831,017</u>	<u>\$172,729,567</u>

Revenue bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements backed solely by 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 2004, the City issued \$29.9 million Water System Revenue bonds, series 1993 and series 1995. The City also issued \$61.9 million to repay the outstanding \$25 million line of credit and to finance various capital improvements to the water systems, including water main replacements, groundwater system improvements to the water systems, including water main replacements, groundwater system upgrades, facility site improvements and equipment acquisitions and replacements.

Ordinances for revenue bonds generally require the City to maintain restricted reserve accounts to provide for the payment of annual debt service, and in certain cases, to maintain amounts sufficient to pay the maximum annual debt service in any one year. The ordinances also require maintenance of operating income in particular enterprise funds and to maintain adequate insurance on the facilities. Revenue bonds may be redeemed at dates earlier than normal maturity at call rates varying from 100 to 103 percent of face value dependent upon the call date. The City is in compliance with its bond covenants as of and for fiscal year ended June 30, 2004.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

Revenue bonds, Continued:

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

Revenue bonds outstanding at June 30, 2004 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Principal Outstanding</u>
Gas Tax Revenue Bonds --- Public street improvements	4.20 – 5.80%	\$ 7,120,000
Sewage Disposal --- Sewer improvement and maintenance	3.00 – 6.00%	871,495,000
Water Operating --- Water lines improvement and maintenance	2.00 – 5.50%	151,345,000
Hydroelectric Power --- Electrical power generating plant	6.32 – 7.00%	25,885,000
Golf Operations --- Golf courses improvement and maintenance	2.49 – 5.26%	5,797,000
Parking Facilities --- City owned parking structures and maintenance	3.00 – 4.25%	7,020,000
Arena --- Public improvements including road and infrastructure improvements that serve The Oregon Arena Project	5.05 – 6.30%	<u>11,563,102</u>
Total		<u>\$1,080,225,102</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 420,000	\$ 378,717	\$ 37,580,000	\$ 53,768,479
2006	435,000	358,193	37,291,000	52,446,117
2007	460,000	336,590	39,335,000	51,211,181
2008	475,000	313,310	41,333,000	48,443,019
2009	505,000	288,892	43,454,000	47,161,299
2010-2014	2,045,000	1,035,390	270,141,970	201,628,832
2015-2019	2,780,000	333,520	310,052,675	133,890,600
2020-2024	-	-	293,917,457	36,298,141
Total	<u>\$7,120,000</u>	<u>\$3,044,612</u>	<u>\$1,073,105,102</u>	<u>\$627,847,668</u>

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

Advance and current refundings

On March 25, 2004 the City issued the \$25.1 million of Limited Tax Revenue Refunding Bonds, 2004 Series A. \$23.1 million of the proceeds and a cash contribution of \$1.9 million from applicable proprietary funds were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal and interest on the \$22.9 million of outstanding Limited Tax Revenue Bonds, 1996 Series A. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This advance refunding was undertaken to reduce total debt service payments over the next 12 years and resulted in an economic gain of \$1.58 million.

On April 27, 2004, the City issued the \$9.2 million of General Obligation Parks Refunding Bonds, 2004 Series B to refund certain maturities of the General Obligation Parks Bonds, 1995 Series A and B. Proceeds of the refunding bonds and a cash contribution of \$248,273 were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal and interest on the refunded bonds when due. This advance refunding was undertaken to reduce total debt service payments over the next four years and resulted in an economic gain of \$426,865.

On May 6, 2004, the City issued the \$29.9 million of Water System Revenue Refunding Bonds, 2004 Series A. The proceeds, including a premium of \$1.9 million, were placed into an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal and interest on the remaining \$31.0 million outstanding on the Water System Revenue Bonds, Series 1993 and Series 1995. This advance refunding was undertaken to reduce total debt service payments over the next twelve years and resulted in an economic gain of \$2.7 million.

On June 9, 2004, the City issued the \$7.6 million of General Obligation Water Refunding Bonds, 2004 Series C for a current refunding of \$7.5 million of outstanding General Obligation Water Refunding Bonds, Series 1993. The refunding was undertaken to reduce total future debt service payments and resulted in an economic gain of \$526,943.

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

Conduit debt

The City has issued Economic Development Revenue Bonds, which have not been recorded as a liability for GAAP purposes. Private developers use the proceeds of these bond sales to finance capital expansion. Economic Development Revenue Bonds have not been recognized as a liability of the City because the bonds are secured solely by the specific project and the developers make the payments. The bonds shall not be payable from a charge upon any of the City's resources or assets, nor shall the City be subject to any liability thereon. No holder or holders of the bonds shall ever have the right to compel an exercise of the taxing power of the City to pay the bonds or the interest thereon, nor to enforce payment thereof against any property of the City except the specific project. Upon completion of the project, the developer owns the assets constructed. Since the City does not own any of the assets constructed or assume any of the liabilities associated with repayment, this does not require balance sheet disclosure or recognition of revenues and expenditures according to GAAP.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

The City has made a limited, subject-to-appropriation, pledge of its General Fund to restore reserve fund balances on six conduit Housing Authority of Portland Revenue Bond issues. The original par amount of these issues is \$38.2 million, of which \$36.3 million remains outstanding. The total conduit debt outstanding at June 30, 2004 was \$191.0 million.

Notes, loans and lines of credit payable

Notes payable. The City issues Notes to finance equipment acquisitions and improvements, improving streets and sidewalks, and to provide interim financing of urban renewal plans. \$718,733 is included in the Local Improvement District Construction Fund. Sewage Disposal Fund's \$554,504 note payable with the State of Oregon is for flood storage, water quality and habitat improvements to the Johnson Creek flood plain. Interest rates on the \$1.3 million of notes outstanding on June 30, 2004 range from 1.6 to 5 percent.

Loans payable. The City has entered into various loan arrangements for the purpose of financing energy and housing renovations. The principal balance of these loans on June 30, 2004, is \$3.1 million. Interest rates vary from 1.5 to 6.1 percent with maturities to fiscal year 2008.

Lines of credit payable. Beginning in fiscal year 2004, the City elected to identify lines of credit debt separately (see reclassifications on long-term liability table page 78). In fiscal year 2003, \$2.5 million was included in urban renewal bonds, \$21.2 million was included in limited tax revenue bonds, and \$4.5 million was included in revenue bonds. As of June 30, 2004 the City has issued \$30 million of lines of credit to:

Finance PDC technology improvement,	\$.7 million
Provide interim financing for urban renewal district projects, and	20.9 million
Finance various City backed projects, including:	
Extending the Portland Central City Streetcar line,	4.1 million
Capital improvements for various uses including smart meters, and	3.5 million
City of Portland's share of a local government joint project to temporarily house children in protective custody.	.8 million

Outstanding lines of credit are secured by the General Fund. The City expects to retire the lines of credit from the proceeds of long-term bonds secured by tax increment revenues. Interest rates on the outstanding lines of credit on June 30, 2004 ranged from 1.59 to 2.67 percent. There are multiple indices available for each facility allowing the City to select the best rate given the needs of the specific borrowing. The index and any adjustment, either above or below, are determined based on bids received through a competitive bidding process. Each variable rate facility rises and falls based on movement of the underlying index.

Annual debt service requirements to maturity for notes, loans and lines of credit payable are as follows:

Year Ending	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
June 30,				
2005	\$ 2,262,561	\$ 629,318	\$ 29,906	\$ 27,177
2006	28,846,279	569,850	30,124	25,847
2007	2,999,375	4,481	30,355	24,492
2008	5,514	94	30,598	23,111
2009	-	-	35,858	21,688
2010-2014	-	-	198,902	80,953
2015-2019	-	-	198,761	25,684
Total	<u>\$34,113,729</u>	<u>\$1,203,743</u>	<u>\$554,504</u>	<u>\$228,952</u>

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

Compensated Absences

The City's policy relating to compensated absences is described in Note I.D.9. As shown in the Changes in Long-Term Liabilities Schedule below, the long-term portion of compensated absences for governmental activities and business-type activities is \$12.9 million and \$643.9 thousand respectively at June 30, 2004. The long-term portions of these liabilities are expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the governmental and enterprise funds for which the employees who earned the compensated absences were assigned. The total amount outstanding at June 30, 2004 was \$42.6 million for governmental activities and \$5.1 million for business-type activities.

Changes in long-term liabilities

Internal service funds predominantly serve governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the totals below for governmental activities. At June 30, 2004, internal service funds had \$90.8 million bonds outstanding net of bond premiums and discounts. When debt service payments become due, cash is transferred from the applicable governmental fund and enterprise operating fund to the disbursing debt service fund within five days prior to the payment date.

For fiscal year 2004, there were no governmental funds used to liquidate other long-term liabilities. The governmental funds and internal service funds, which committed to a long-term liability such as a capital lease, paid the debt service obligations from current resources.

Long-term liability activity for the year ended June 30, 2004, was as follows:

	Beginning Balance	Reclassi- fications	Additions	Reductions	Ending Balance	Due Within One Year
Government Activities:						
Bonds payable:						
General obligation bonds	\$ 65,290,000	\$ -	\$ 23,165,000	\$ 12,995,000	\$ 75,460,000	\$ 4,240,000
Local tax improvement bonds with government commitment payable from assessment payments	29,650,000	-	-	5,880,000	23,770,000	1,045,000
Urban renewal and redevelopment bonds	285,060,000	(2,500,000)	34,733,268	44,218,268	273,075,000	9,740,000
Limited tax and limited tax revenue bonds	476,586,230	(21,261,015)	25,140,000	31,835,000	448,630,215	44,645,000
Revenue bonds	12,060,512	(4,545,512)	-	395,000	7,120,000	420,000
Unamortized premium and discounts on bonds	5,947,667	-	2,525,071	1,047,224	7,425,514	-
Total bonds payable	874,594,409	(28,306,527)	85,563,339	96,370,492	835,480,729	60,090,000
Notes, loans and lines of credit payable	20,465,090	28,306,527	9,687,798	24,345,686	34,113,729	2,262,561
Compensated absences	42,471,392	-	29,885,047	29,743,744	42,612,695	29,664,206
Capitalized leases	1,324,045	-	-	304,976	1,019,069	306,487
Self-insurance claims	25,440,330	-	32,862,277	33,004,524	25,298,083	9,003,805
Governmental activities Long-term liabilities	\$ 964,295,266	\$ -	\$ 157,998,461	\$ 183,769,422	\$ 938,524,305	\$ 101,327,059

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

III. Detailed notes, Continued:

G. Long-term debt, Continued:

	Beginning Balance	Reclassi- fications	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:						
Bonds payable:						
General obligation bonds	\$ 11,416,606	\$ -	\$ 7,640,000	\$ 9,432,207	\$ 9,624,399	\$ 2,080,000
Limited tax and limited tax revenue bonds	150,411,017	-	-	2,580,000	147,831,017	2,820,000
Revenue bonds	1,046,001,435	-	91,800,000	64,696,333	1,073,105,102	37,580,000
Unamortized premium and discounts on bonds	(4,380,638)	-	4,845,140	(704,212)	1,168,714	-
Total bonds payable	1,203,448,420	-	104,285,140	76,004,328	1,231,729,232	42,480,000
Notes, loans and lines of credit payable	25,579,204	-	-	25,024,700	554,504	29,906
Compensated absences	4,876,423	-	4,398,115	4,210,041	5,064,497	4,420,637
Capitalized leases	2,854,493	-	-	690,901	2,163,592	688,980
Business-type activities						
Long-term liabilities	\$ 1,236,758,540	\$ -	\$ 108,683,255	\$ 105,929,970	\$ 1,239,511,825	\$ 47,619,523

IV. Other information:

A. Risk management:

The City of Portland is self-insured for workers' compensation, general liability claims and certain employees' medical coverage in internal service funds. Per ORS 30.270(1)(b)(c), general and fleet liability claims are limited to \$100,000 per person, an additional \$100,000 per person under special circumstances and \$500,000 aggregate per occurrence. Claims under federal jurisdiction are not subject to such limitations. The City estimates liability for incurred losses for reported and unreported claims for workers' compensation, general and fleet liability and employee medical coverage (included in accrued self-insurance claims in the combined statement of net assets). Workers' compensation, general and fleet liability estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the City's Risk Management Division and independent actuarial studies. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors. Estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine present value of the liability. For fiscal year ended June 30, 2004, the expected rate of return was 1.22 percent. The Bureau of Human Resources and the employee benefits consultant determines relevant employees' medical coverage estimates.

The City provides insurance coverage deemed as adequate, appropriate, and actuarially sound. It meets all the City's anticipated settlements, obligations and outstanding liabilities. Furthermore, current levels of accrued claims and retained earnings are viewed as reasonable provisions for expected future losses. An excess coverage insurance policy covers individual claims in excess of \$1,000,000. Settlements have not exceeded coverages for each of the past three fiscal years.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

A. Risk management, Continued:

Liabilities are reported in the applicable fund when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

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

	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Balance, beginning of fiscal year	\$25,440,330	\$24,194,531
Incurred claims and adjustments	32,862,277	32,743,178
Claim payments	<u>(33,004,524)</u>	<u>(31,497,379)</u>
Unpaid claims, end of fiscal year	<u>\$25,298,083</u>	<u>\$25,440,330</u>

B. Commitments and contingent liabilities

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the City's self-insurance internal service funds are reviewed, and losses, discounted to reflect the time value of money, and are accrued based on the judgment of City management. According to City management, based on advice of legal counsel with respect to such litigation and claims, ultimate disposition of these matters will not have a material adverse effect on the financial position or results of City operations. Claims not covered by the City's self-insurance program are recognized in proprietary funds when it appears probable that the loss has been incurred and the amount in question can be reasonably estimated. Claims against governmental funds are recognized when due.

Bonds

The City has a contingent liability against its full faith and credit for liabilities recorded in enterprise funds for general obligation water bonds in the amount of \$9,624,399 at June 30, 2004. 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 \$23,770,000 at June 30, 2004, only to the extent that liens foreclosed against properties involved in the assessment districts and collections of related assessments and interest are insufficient to retire outstanding bonds and pay bond interest.

Labor agreements

There are eight labor agreements between the City and its employees, two of which have expired. The labor agreement with the City of Portland Professional Employees Association (COPPEA) expired June 30, 2004. Negotiations between COPPEA and the City are continuing. The contract between the City and Laborers International Union of North America (LIUNA) Local 483 covering certain recreation employees of the Parks Bureau expired on June 30, 2004. Negotiations between LIUNA Local 483 and the City are continuing.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

B. Commitments and contingent liabilities, Continued

Contractual commitments

Contractual commitments at June 30, 2004 amounted to:

Governmental Activities	\$114,618,195
Business-type Activities	198,184,547

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

Hydroelectric Power Fund

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

The agreement states that, upon expiration of the term of the agreement, if the accumulated cost of power generated at Hydro's plant exceeds that of the accumulated cost of a like amount of power generated by the utility, then the carrying value of the renewal and replacement assets shall be paid to the utility to offset up to 50% of the "excess cost" incurred by the utility to generate power at Hydro's plant. The balance of the assets, if any, shall be divided equally between Hydro and the utility. In the event the accumulated cost of power generated at Hydro's plant exceeds that of the accumulated cost of a like amount of power generated by the utility, and the carrying value of the renewal and replacement assets is less than 50 percent of the excess cost, no further amounts would be required to be paid to the utility. At August 31, 2004, the total accumulated excess cost was \$22,488,658, 50 percent of this total was \$11,244,329, and the carrying value of the renewal and replacement assets was \$8,703,419.

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 toward developing a sediment management plan and to implement that plan once final. Accordingly, the City of Portland and nine other potentially responsible parties have entered into an Administrative Order on Consent (AOC) with EPA to finance a Remedial Investigation and Feasibility Study (RI/FS) of the Portland Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

B. Commitments and contingent liabilities, Continued

The signatories to the AOC have agreed upon a cost allocation plan to fund the RI/FS. The City's share is 25 percent. The allocation for funding RI/FS costs is voluntary and bears no relationship to the liability for clean up at the site. The City's costs for this phase of the work are being financed primarily from user fees generated by the City's sanitary sewer and storm water utility, which is managed by the City's Bureau of Environmental Services (BES). The City's estimated future costs associated with the RI/FS activities is expected to range between \$2.4 million and \$10.1 million through FY 2010. The minimum amount of this range, \$2.4 million has been accrued. The City believes that an estimate of the maximum exposure of the Portland harbor clean up cannot be made but could be material to the period in which it is recorded.

Costs of cleaning up the site and restoration of natural resources will be estimated at the completion of the RI/FS. Additional parties that contributed to the contamination may be discovered during the investigation. After selection of a remedial action, allocation of liability for 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.

C. Employee retirement systems and pension plans:

State of Oregon Public Employees Retirement System

Plan description. Substantially all civilian City employees and 43 fire and police personnel are participants under one or more plans currently available through Oregon Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system under the authority of ORS 238.600.

There are currently two programs with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are PERS Program members. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members.

OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

Beginning January 1, 2004, all employees who are active members of PERS became members of the OPSRP IAP Program. PERS plan member contributions (the six percent employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. PERS plan members retain their existing PERS accounts, but any future member contributions will be deposited in the member's IAP, not into the member's PERS account.

Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to: Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, URL: <http://www.pers.state.or.us/>, or by telephone (503) 598-7377.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

State of Oregon Public Employees Retirement System, Continued:

PERS' benefits vest after five years of continuous service or at age 50. General service employees may retire after reaching age 55. Employees with 30 years of service (25 years for fire and police personnel at age 50) receive unreduced benefits. General service employee benefits are reduced if retirement occurs prior to age 58 with less than 30 years of service. Fire and police personnel benefits are reduced if retirement occurs prior to age 55 with less than 25 years of service.

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

Funding policy. The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed at least every two years. Beginning in fiscal year 1999-2000, PERS began passing costs on to employers due to the Oregon State Legislature increasing retiree benefits in 1995 by a maximum 9.89 percent benefit increase on benefits earned before October 1991 and because the interpretation of PERS statutes by the PERS Board increased benefits beyond those foreseen by the legislature. The impact on the City to recover the higher PERS costs would have raised its employer contribution rate from 10.48 to 17.4 percent of covered members' compensation. Proceeds of the 1999 Series C, D & E Bonds (the "Bonds") were used to finance all of the estimated unfunded actuarial accrued liability (UAAL) of the City of Portland with PERS as of December 31, 1997. The City elected to finance its December 31, 1997, UAAL of \$257,917,529 to receive a lower employer contribution rate of 8.56 percent of covered employees' salaries. This resulted in the City having an over funded Actuarial Accrued Liability of \$60,844,234 at December 31, 1999. It is the City's policy to recognize pension expenditures or expenses as currently funded.

In addition to paying PERS the City's estimated UAAL, proceeds of the bond were also used to pay costs related to financing of the UAAL, including capitalized interest and costs of issuance. Full faith and credit of the City secures the bonds. Total bonds issued for fiscal year 2000 equaled \$300,848,346. The City is not authorized to levy additional taxes to pay these obligations. The liability will be financed by various city-wide bureaus based upon those bureaus' contributions to PERS for participating employees. The debt is recorded on the government-wide statements and is allocated to both governmental and business-type activities. Ultimately this debt is viewed as being an obligation of the general government.

Risk pooling and revised PERS contribution rates. The most recent actuarial valuation was prepared for the period ending December 31, 2001. There was a major change with respect to employer contribution rates since the 1999 actuarial valuation. Effective January 1, 2000, the City elected to participate in the Local Government Rate Pool (LGRP). The LGRP was created by legislative act of the State of Oregon and provided local governments the option to pool their PERS related assets and liabilities with others that elected to participate in the pool, whereby contribution rates are determined based on the overall experience of the pool versus the potentially more volatile experience of individual employers. The LGRP was expanded and replaced by the State and Local Government Rate Pool (the SLGRP). The City made the election to join the SLGRP as of January 1, 2002.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

State of Oregon Public Employees Retirement System, Continued:

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 would increase from current rates to approximately 10.42 percent effective July 1, 2003. The impact of these contributions has been included in the employer contribution rate. The City had an over funded Actuarial Accrued Liability of \$7,003,525 at December 31, 2001. Prior to the implementation of the July 2003 rate, Oregon Legislature passed laws amending the current pension plan and creating a new plan effective for new hires after August 29, 2003. The legislation effectively reduced future benefit accruals for members, thereby reducing liability for employers and reducing employer rates. The City's employer rate was then set at 3.70 percent, effective July 1, 2003. In January 2004 other legislation took effect which raised the rate to 4.25 percent. In August 2004 the PERS Board settled the law suit City of Eugene et. al vs. PERS Board, which reduced the City's rate to 3.82 percent.

Annual pension cost. The net pension obligation is determined in accordance with GASB Statement 27. PERS sets the rate for the City, based on the independent actuarial study that is performed every two years. This rate establishes the annual required contribution for the City. For fiscal 2004, the City's annual pension cost of \$18,811,120 was equal to the City's required and actual contributions. The required contribution was determined as part of the independent actuarial valuation for the City at December 31, 2001, using the entry age actuarial cost method. The amortization method used is a 28-year closed group, fixed term. Significant economic assumptions used in the actuarial valuation include: (a) rate of return on the investment of present and future assets of eight percent per annum compounded annually, (b) projected salary increases at 4.25 percent per year compounded annually, (c) increases due to promotions and longevity that vary by age and service, (d) pre and post-mortality life expectancies of employees, based upon several mortality tables, (e) rates of withdrawal from active service before retirement for reasons other than death, rates of disabilities, and expected retirement ages developed on the basis of actual plan experience, (f) consumer price inflation at 3.25 percent per year, and (g) a factor for unused sick leave that is used to calculate retirement benefits under the Full Formula and Formula Plus Annuity benefit calculations.

2003 Actuarial Valuation of Assets. The 2003 valuation of assets has been delayed by the inability of the PERS to implement all of the 2003 legislative changes on the funds aging computer system. The fund is working to transfer information to a new system while also implementing new individual accounts and updated demographics, and implementation of the settlement of a lawsuit. The fund actuary, Milliman USA, felt confident that the 2003 valuation would be completed by the end of calendar year 2004 and new rates would be issued to employers in January 2005 to begin July 1, 2005.

The City's schedules of employer contributions, schedule of funding progress and net pension assets are as follows:

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Pension Assets
2002	\$35,865,635	\$27,285,916	76%	\$235,227,253
2003	36,330,124	27,750,405	76%	226,647,534
2004	27,390,839	18,811,120	69%	218,067,815

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

State of Oregon Public Employees Retirement System, Continued:

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Attained Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/97	\$ 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)%

NET PENSION ASSETS

	Fiscal Year Ending June 30, 2004
<u>Net Pension Assets:</u>	
Annual Required Contribution	\$ 18,811,120
Interest on pension assets	(18,131,803)
Adjustment to the Annual Required Contribution	<u>26,711,522</u>
Annual Pension Cost	27,390,839
Contributions made	<u>18,811,120</u>
Decrease in pension assets	(8,579,719)
Pension assets, beginning of year	<u>226,647,534</u>
Pension assets, end of year	<u>\$218,067,815</u>

Fire and Police Disability and Retirement Plan

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

There are 1,190 vested and 382 non-vested active working fire and police personnel that are participants in the Fire and Police Disability and Retirement Plan. Of these members, 51 are on short-term disability at June 30, 2004. In addition, there are 1,709 retirees and beneficiaries currently receiving pension and long-term disability benefits and 32 terminated employees who are vested but not yet receiving benefits under the Plan. Fire and police personnel generally become eligible for membership in the Plan immediately upon employment. The Plan provides for service connected disability benefits at 75 percent of salary for the first year of disability with 25 to 75 percent of salary in later years, depending on the medical status and ability to obtain other employment. The Plan also provides for non-service connected disability benefits at reduced rates of base pay.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

Fire and Police Disability and Retirement Plan , Continued:

Effective July 1, 1990, the Plan was amended to provide for payment of benefits upon termination of employment on or after attaining age 55 or on or after attaining age 50 if the member has 25 or more years of service. Members become 100 percent vested after five years of service. Benefits are paid to members at retirement using the following formula: 2.2 to 2.8 percent (as selected by the member based on the amount of benefits to be paid to the surviving spouse) multiplied by number of years of service (up to 30 years) incurred by the member. The product is multiplied by the highest one-year base pay the member received during the final three years of the member's employment.

Death benefits are paid to the surviving spouse or minor children if the member dies from a service connected or occupational death, regardless of vesting, based on a percentage of base pay or salary as defined in the Plan. Death benefits are also paid to the surviving spouse or minor children in accordance with terms of the Plan from a non-service connected death and for death after retirement.

Summary of significant accounting policies. The Plan is reported as a Pension Trust Fund, included within the fiduciary funds, and is maintained on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Cash and investments held by the City Treasurer in the City of Portland investment pool are stated at fair value. The Pension Trust Fund's cash and investments are maintained in a cash and investment pool with other funds of the City. Interest earned on pooled investments is allocated monthly based on average participation of the Pension Trust Fund in relation to total investments in the pool.

Funding policy and reserves. The Pension Trust Fund was established by adoption of Chapter 5 of the City Charter by the voters at the general election held November 2, 1948. Six subsequent amendments have been made by voters with the last one being November 7, 2000.

The Board of Trustees of the Pension Trust Fund also administers a Reserve Fund, authorized under provisions of Chapter 5 (Section 5-104) of the City of Portland's Charter. The Reserve Fund's purpose is to provide a reserve from which advances can be made to the Fire and Police Disability and Retirement Fund in the event the latter is depleted to the extent it cannot meet its current obligations. Under provisions of the City Charter, the Reserve Fund maximum is established at \$750,000 and is fully funded at June 30, 2004.

In accordance with Charter provisions, there are no requirements to finance the Plan using actuarial techniques. As required by Charter, the Pension Trust Fund's Board of Trustees prepares an estimate of the amount required to pay and discharge all requirements of the Pension Trust Fund, exclusive of any loans or advances, for the next succeeding fiscal year and submits this estimate to the City Council.

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

Fire and Police Disability and Retirement Plan, Continued:

The Council is required by Charter to levy a tax sufficient to provide amounts necessary to meet estimates provided by the Board of Trustees. Funding for the Plan is accomplished by imposition of a special property tax levy which cannot exceed two and eight-tenths mills on each dollar of valuation of property (\$2.80 per \$1,000 of real market value) not exempt from such levy and is recognized in the Fire and Police Disability and Retirement Fund (FPD&R). Prior to July 1, 1990, effective date of the charter revision, the City had no legal liability to pay for obligations in excess of current year revenues available to the plan. Benefits and claims, if a deficiency occurred, would have been required to be paid on a pro rata basis. Effective July 1, 1990, in the event that funding for the Plan is less than the required payment of benefits to be made in any particular year, the FPD&R could receive advances from the FPD&R first, and other City funds second, to make up the difference. Repayment of advances, if any, would be made from the special property tax levy in the succeeding year. In the event that the special property tax levy is insufficient to pay benefits because benefits paid exceed the two and eight-tenth mills limit, then other City funds would be required to make up the difference from the Reserve Fund. For fiscal year ended June 30, 2004, the weighted levy rate per \$1,000 of real market value under the special property tax levy was \$1.59.

Prior to July 1, 1990, members were required to contribute 7 percent of a member's base salary into the Plan. Effective July 1, 1990, members are no longer required to make contributions into the Plan, except those opting to remain in the old plan.

Members enrolled in the Plan prior to July 1, 1990, were required to make an election as to whether they wished to fall under provisions of the Plan as constituted prior to July 1, 1990, or become subject to the new Plan provisions after June 30, 1990. As of June 30, 2004, there were 958 members and beneficiaries that fall under the provisions of the Plan as constituted prior to July 1, 1990, and 2,355 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, 2004, consisted of the special property tax levy of \$85,253,135, which is 82.63 percent of the annual covered payroll of \$103,179,263. The City has recognized a net pension obligation of \$548,784,351. 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, expenditures are reported in the governmental funds only when the amounts in question are, in fact, funded. In the interim, the liability for the NPO is reported in the government-wide statement of net assets.

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
06/30/02	\$8,376,357	\$1,132,146,000	\$1,123,769,643	0.74%	\$101,753,148	1,104.41%
06/30/03	5,687,271	1,264,489,000	1,258,801,729	0.45%	100,293,760	1,255.11%
06/30/04	14,351,075	1,288,704,000	1,274,352,925	1.11%	103,179,263	1,235.09%

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

C. Employee retirement systems and pension plans, Continued:

Fire and Police Disability and Retirement Plan, Continued:

SCHEDULE OF ANNUAL PENSION COST

Fiscal Year Ending June 30,	Annual Pension Percentage of APC		Net Pension Obligation
	Cost (APC)	Contributed	
2002	\$105,431,380	56.94%	\$465,139,495
2003	116,831,706	59.66%	512,270,991
2004	121,766,494	70.01%	548,784,351

NET PENSION OBLIGATION

	Fiscal Year Ending June 30, 2004
<u>Net Pension Obligation:</u>	
Annual Required Contribution	\$ 122,917,887
Interest on Net Pension Obligation	40,981,680
Adjustment of Annual Required Contribution	<u>(42,133,072)</u>
Annual Pension Cost	121,766,495
Contributions Made	<u>(85,253,135)</u>
Increase in Net Pension Obligation	36,513,360
Net Pension Obligation at Beginning of Year	<u>512,270,991</u>
Net Pension Obligation at End of Year	<u>\$ 548,784,351</u>

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

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%

City of Portland, Oregon
Notes to the Financial Statements, Continued
For the Fiscal Year Ended June 30, 2004

IV. Other information, Continued:

D. Subsequent events

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

Notes, Loans, and Lines of Credit	Principal	Length in Years	Interest Rate
Portland Office of Transportation, Non-Revolving Tax-Exempt Credit Facility, origination date June 12, 2002, maximum credit \$13,500,000, draw October 26, 2004.	\$2,387,878	6	Variable
Section 108 U.S. Department of Housing and Urban Development Loan, dated November 7, 2003, draws August-October 2004.	3,699,000	4	Variable
Tax Anticipation Notes, Series 2004, (Fire and Police Disability and Retirement Fund), dated July 2, 2004	15,960,000	1	3.00%

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Current year property taxes	\$ 147,427,197	\$ 144,732,198	\$ 145,342,854	\$ 610,656
Prior year property taxes	3,461,175	3,461,175	3,844,118	382,943
Payment in lieu of taxes	706,515	706,515	660,945	(45,570)
Lodging taxes	10,978,701	10,978,701	11,104,018	125,317
Total taxes	162,573,588	159,878,589	160,951,935	1,073,346
Licenses and permits:				
Business licenses, net	40,664,039	34,331,514	44,450,961	10,119,447
Public utility licenses	41,452,252	41,452,252	40,558,892	(893,360)
Construction permits	984,000	1,044,000	1,134,487	90,487
Other permits	1,879,825	1,679,825	1,685,714	5,889
Total licenses and permits	84,980,116	78,507,591	87,830,054	9,322,463
Intergovernmental revenues:				
State cost sharing	40,000	40,000	17,520	(22,480)
State grants	-	80,544	80,544	-
State revenue sharing	9,480,137	9,480,137	9,794,116	313,979
Local shared revenues	2,502,887	2,997,887	3,361,899	364,012
Local administered Federal funds	127,794	127,794	152,354	24,560
PDC - Overhead charges	275,323	144,430	144,430	-
Multnomah County cost sharing	1,519,961	5,146,934	5,087,119	(59,815)
Local cost sharing	4,792,059	5,993,655	5,795,732	(197,923)
Total intergovernmental revenues	18,738,161	24,011,381	24,433,714	422,333
Service charges and fees:				
Inspection fees	900,000	900,000	843,967	(56,033)
Rents and reimbursements	1,815,284	1,844,892	2,068,636	223,744
Concessions	17,500	7,000	8,554	1,554
Parks and recreation facilities fees	7,731,679	7,813,682	7,408,508	(405,174)
Other service charges	2,332,840	2,532,773	3,119,707	586,934
Total service charges and fees	12,797,303	13,098,347	13,449,372	351,025
Miscellaneous:				
Loan repayments	-	-	18,826	18,826
Assessments	1,095,256	1,257,598	1,167,039	(90,559)
Sales - other	31,500	31,500	52,849	21,349
Refunds	256,304	376,304	465,499	89,195
Private grants and donations	-	86,300	57,058	(29,242)
Investment earnings	1,050,674	1,110,018	648,694	(461,324)
Other interest income	647,600	647,600	233,529	(414,071)
Miscellaneous	2,690,724	3,340,284	2,234,641	(1,105,643)
General Fund Intrafund Revenue	6,838,013	6,952,132	6,976,952	24,820
Total miscellaneous	12,610,071	13,801,736	11,855,087	(1,946,649)

Continued next page

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES, continued:				
Billings to other funds for services:				
General	26,305	-	26,305	26,305
Transportation Operating	1,915,072	1,892,747	1,737,402	(155,345)
Emergency Communication	119,438	119,438	119,438	-
Planning and Development	413,743	428,997	405,745	(23,252)
Public Safety	24,068	24,068	19,020	(5,048)
Cable	313,616	324,616	317,093	(7,523)
Business License Surcharge	304,594	304,594	304,594	-
Sewer System Operating	3,053,357	4,637,304	3,445,055	(1,192,249)
Hydroelectric Power Operating	25,998	26,172	25,841	(331)
Water	2,009,104	3,530,181	2,460,785	(1,069,396)
Golf	483,721	514,621	502,955	(11,666)
Portland International Raceway	108,913	139,913	173,228	33,315
Solid Waste Management	270,841	271,184	276,058	4,874
Parking Facilities	282,358	282,358	258,990	(23,368)
Spectator Facilities Operating	102,294	102,294	98,823	(3,471)
Convention and Tourism	60,254	60,254	60,254	-
Special Finance and Resource	-	50,000	29,458	(20,542)
Housing Investment	31,000	31,000	31,000	-
Parks Local Option Levy	4,421,081	4,421,081	3,807,978	(613,103)
Children's Investment	83,758	284,375	262,768	(21,607)
Housing and Community Development	1,873,937	1,996,014	1,759,962	(236,052)
Home Grant	409,497	441,105	299,985	(141,120)
Pension Debt Redemption	110,921	110,921	110,921	-
FRES Facilities Bond Construction	93,180	93,180	-	(93,180)
Local Improvement District Construction	1,436,885	1,463,885	1,256,291	(207,594)
Parks Construction	375,684	597,531	397,701	(199,830)
Portland Parks Memorial Trust	760,789	1,079,502	651,940	(427,562)
Fire and Police Disability and Retirement	1,136,635	1,141,635	1,073,111	(68,524)
Health Insurance Operating	271,938	271,938	271,938	-
Facilities Services Operating	730,996	754,168	761,787	7,619
Fleet Services Operating	372,193	372,193	365,630	(6,563)
Printing and Distribution Services Operating	165,135	165,135	159,556	(5,579)
Communication Services Operating	384,805	385,662	385,440	(222)
Insurance and Claims Operating	1,564,729	1,505,891	1,463,416	(42,475)
Workers' Compensation Self-Insurance Operating	678,707	619,868	577,394	(42,474)
Information Technology	520,902	538,555	534,712	(3,843)
Total billings to other funds for services	24,936,448	28,982,380	24,432,574	(4,549,806)
Billings to other funds for general and overhead charges:				
Transportation Operating	2,690,003	2,588,334	2,588,334	-
Assessment Collection	209	332	332	-
Emergency Communication	359,399	385,968	385,968	-
Planning and Development	920,424	1,198,440	1,198,440	-
Public Safety	11,468	12,948	12,948	-

Continued next page

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES, continued:				
Billings to other funds for general and overhead charges, continued:				
Cable	14,259	14,772	14,772	-
Sewer System Operating	2,488,812	2,155,115	2,155,115	-
Hydroelectric Power Operating	57,400	54,426	54,426	-
Water	1,730,499	1,885,396	1,885,396	-
Golf	131,604	119,304	119,304	-
Portland International Raceway	28,430	24,425	24,425	-
Solid Waste Management	167,244	159,957	159,957	-
Parking Facilities	108,622	103,057	103,057	-
Spectator Facilities Operating	28,281	41,491	41,491	-
Environmental Remediation	3,661	4,072	4,072	-
Convention and Tourism	7,264	6,582	6,582	-
FRES Facilities Bond Construction	93,769	122,535	122,535	-
Local Improvement District Construction	56,680	-	-	-
Parks Construction	122,551	106,059	106,059	-
Fire and Police Disability and Retirement	102,213	93,172	93,172	-
Health Insurance Operating	266,157	229,835	229,835	-
Facilities Services Operating	1,108,561	1,510,382	1,510,382	-
Fleet Services Operating	869,753	877,260	877,260	-
Printing and Distribution Services Operating	360,732	408,436	408,436	-
Communication Services Operating	445,342	539,623	539,623	-
Insurance and Claims Operating	199,961	167,224	167,224	-
Workers' Compensation Self-Insurance Operating	211,560	196,833	196,833	-
Information Technology	420,200	503,097	503,097	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total billings to other funds for general and overhead charges:	13,005,058	13,509,075	13,509,075	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	329,640,745	331,789,099	336,461,811	4,672,712
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Personal services	220,949,547	224,346,522	220,769,893	3,576,629
Materials and services	112,365,315	135,269,499	102,948,728	32,320,771
Capital outlay	1,519,567	5,272,729	2,245,106	3,027,623
General operating contingencies	8,902,743	3,993,137	-	3,993,137
Debt service:				
Principal	-	-	30,000	(30,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	343,737,172	368,881,887	325,993,727	42,888,160
	<hr/>	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(14,096,427)	(37,092,788)	10,468,084	47,560,872
	<hr/>	<hr/>	<hr/>	<hr/>

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City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Planning and Development	-	27,000	27,000	-
Sewer System Operating	11,767,433	11,767,433	11,538,268	(229,165)
Hydroelectric Power Operating	200,000	200,000	200,000	-
Water	4,016,308	4,016,308	4,134,491	118,183
Solid Waste Management	890,657	1,038,606	697,187	(341,419)
Parking Facilities	208,074	308,074	308,074	-
General Reserve	-	220,135	120,135	(100,000)
Housing and Community Development	231,495	231,495	228,771	(2,724)
Pension Debt Redemption	500,000	500,000	500,000	-
Fleet Services Operating	-	37,486	37,486	-
Federal Grants	9,074,374	33,791,617	16,023,156	(17,768,461)
Transfers to other funds:				
Transportation Operating	(5,285,280)	(3,955,201)	(3,955,201)	-
Emergency Communication	(8,306,504)	(8,045,780)	(8,045,780)	-
Planning and Development	(1,192,518)	(1,193,072)	(1,193,072)	-
Private for Hire Transportation Safety	-	(205,000)	(205,000)	-
Business License Surcharge	-	(5,100,000)	(5,100,000)	-
General Reserve	(625,384)	(625,384)	(625,384)	-
Housing Investment	(495,757)	(495,757)	(495,757)	-
Pension Debt Redemption	(3,320,937)	(1,417,168)	(1,417,168)	-
FRES Facilities Bond Construction	-	-	(30,000)	(30,000)
Parks Construction	(925,000)	(1,073,676)	(1,073,676)	-
Governmental Bond Redemption	(2,320,483)	(7,720,483)	(7,746,853)	(26,370)
Facilities Services Operating	(2,879,202)	(2,897,234)	(2,879,202)	18,032
Fleet Services Operating	(121,545)	(232,159)	(240,800)	(8,641)
Printing and Distribution Services Operating	-	(81,150)	(81,170)	(20)
Communication Services Operating	(250,000)	(771,962)	(557,143)	214,819
Information Technology	(818,419)	(618,616)	(618,616)	-
Total other financing sources and uses	<u>347,312</u>	<u>17,705,512</u>	<u>(450,254)</u>	<u>(18,155,766)</u>
Net change in fund balance	(13,749,115)	(19,387,276)	10,017,830	29,405,106
Fund balances -- beginning	<u>13,749,115</u>	<u>19,387,276</u>	<u>19,387,276</u>	<u>-</u>
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,405,106</u>	<u>\$ 29,405,106</u>

City of Portland, Oregon
Transportation Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Prior years' property taxes	\$ -	\$ -	\$ 56	\$ 56
Licenses and fees:				
Construction permits	698,838	698,838	924,359	225,521
Other permits	72,763	72,763	110,199	37,436
Total licenses and fees	<u>771,601</u>	<u>771,601</u>	<u>1,034,558</u>	<u>262,957</u>
Intergovernmental revenues:				
State cost sharing	2,364,870	2,613,558	1,548,565	(1,064,993)
State grants	-	-	100,000	100,000
State revenue sharing	21,573,000	21,573,000	24,454,564	2,881,564
Local government sources:				
Local shared revenues	-	-	21,901,800	21,901,800
Multnomah County cost sharing	21,241,000	21,241,000	169,097	(21,071,903)
Local cost sharing	20,623,605	17,287,091	14,092,208	(3,194,883)
Total intergovernmental revenues	<u>65,802,475</u>	<u>62,714,649</u>	<u>62,266,234</u>	<u>(448,415)</u>
Service charges and fees:				
Public works and utility charges	3,451,758	3,441,758	5,314,152	1,872,394
Washington Co. traffic impact fees	-	-	19,640	19,640
Inspection fees	200,000	200,000	227,033	27,033
Parking fees	15,940,539	15,965,920	12,971,189	(2,994,731)
Rents and reimbursements	-	-	4,860	4,860
Parks and recreation facilities fees	-	-	25	25
Other service charges	1,032,695	1,032,695	466,716	(565,979)
Total service charges and fees	<u>20,624,992</u>	<u>20,640,373</u>	<u>19,003,615</u>	<u>(1,636,758)</u>
Miscellaneous and interest:				
Assessments	1,700,000	1,700,000	1,213,153	(486,847)
Sales - other	55,000	55,000	560,702	505,702
Refunds	5,000	5,000	50,064	45,064
Private grants and donations	2,611,000	2,611,000	1,000	(2,610,000)
Investment earnings	250,000	250,000	127,667	(122,333)
Other interest income	50,000	50,000	93,870	43,870
Miscellaneous	1,000,100	2,607,784	1,792,802	(814,982)
Total miscellaneous and interest revenues	<u>5,671,100</u>	<u>7,278,784</u>	<u>3,839,258</u>	<u>(3,439,526)</u>
Billings for interfund services:				
General	20,000	20,000	22,280	2,280
Emergency Communication	-	3,904	1,903	(2,001)
Planning and Development	288,380	288,380	288,689	309
Sewer System Operating	15,297,814	15,212,704	14,535,777	(676,927)
Water	1,137,304	1,230,641	1,544,720	314,079
Solid Waste Management	-	8,500	7,114	(1,386)
Housing and Community Development	23,967	23,967	51,128	27,161

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Billings for interfund services, continued:				
FRES Facilities Bond Construction	-	-	41,931	41,931
Local Improvement District Construction	3,933,005	3,933,005	257,391	(3,675,614)
Parks Construction	45,000	162,000	114,784	(47,216)
Portland Parks Memorial Trust	-	-	217	217
Facilities Services Operating	-	30,000	29,538	(462)
Fleet Services Operating	5,000	125,000	121,809	(3,191)
Communication Services Operating	-	-	10,573	10,573
Information Technology	142,000	142,000	117,429	(24,571)
Total billings for interfund services	20,892,470	21,180,101	17,145,283	(4,034,818)
Total revenues	113,762,638	112,585,508	103,289,004	(9,296,504)
EXPENDITURES				
Personal services	54,146,373	53,602,572	48,818,129	4,784,443
Materials and services	44,828,869	49,397,163	47,805,476	1,591,687
Capital outlay	29,615,447	25,174,969	9,914,322	15,260,647
General operating contingencies	13,550,947	8,894,421	-	8,894,421
Overhead charges - General Fund	2,690,003	2,588,334	2,588,334	-
Inventory increase	100,000	-	-	-
Debt service:				
Principal	-	392,000	-	392,000
Total expenditures	144,931,639	140,049,459	109,126,261	30,923,198
Revenues over (under) expenditures	(31,169,001)	(27,463,951)	(5,837,257)	21,626,694
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	5,285,280	3,955,201	3,955,201	-
Parking Facilities	1,400,000	700,000	700,000	-
Spectator Facilities Operating	-	20,000	20,000	-
Housing and Community Development	51,105	51,105	53,829	2,724
Fleet Services Operating	-	14,083	14,083	-
Federal Grants	11,002,770	10,468,600	6,289,347	(4,179,253)
Transfers to other funds:				
Planning and Development	-	(50,000)	(50,000)	-
Pension Debt Redemption	(1,626,846)	(1,626,846)	(449,298)	1,177,548
Gas Tax Bond Redemption	(1,650,527)	(1,650,527)	(1,650,526)	1
Local Improvement District Construction	(1,770)	(1,770)	(1,770)	-
Fleet Services Operating	-	(619,184)	(474,310)	144,874
Printing and Distribution Services Operating	-	(2,500)	(2,500)	-
Communication Services Operating	-	(3,200)	(3,191)	9
Information Technology	-	(500,000)	(500,000)	-
Bonds and notes issued	4,192,500	4,192,500	-	(4,192,500)
Total other financing sources (uses)	18,652,512	14,947,462	7,900,865	(7,046,597)
Net change in fund balances	(12,516,489)	(12,516,489)	2,063,608	14,580,097
Fund balances -- beginning	12,516,489	12,516,489	18,622,597	6,106,108
Fund balances -- ending	\$ -	\$ -	\$ 20,686,205	\$ 20,686,205

City of Portland, Oregon
 Note to the Required Supplementary Information
 For the Fiscal Year Ended June 30, 2004

Reconciliation between the budgetary basis of accounting and GAAP:

Fund balances as of June 30, 2004, on a budgetary basis are reconciled to fund balances on a GAAP basis as follows:

	<u>General Fund</u>	<u>Transportation</u>
Fund balance at 06/30/04 - budgetary basis	\$29,405,106	\$20,686,205
Reserve funds budgeted as separate funds	39,184,722	684,342
Unrealized gain (loss) on investments - GASB 31	(78,057)	(5,770)
Section 108 loan	(868,164)	-
Resources not available for spending:		
Inventories	370,167	1,665,404
Petty cash	22,376	9,000
Fund balances at 06/30/04 - GAAP basis	<u>\$68,036,150</u>	<u>\$23,039,181</u>

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**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
ASSETS					
Cash and investments	\$ 29,203,020	\$ 29,676,591	\$ 20,965,755	\$ 161,443	\$ 80,006,809
Receivables:					
Taxes	702,202	3,936,625	-	-	4,638,827
Accounts	851,626	-	626,041	-	1,477,667
Assessments	1,519,491	31,093,408	1,328,260	-	33,941,159
Grants	16,527,671	-	-	-	16,527,671
Advances	787,516	-	-	-	787,516
Accrued interest	87,498	167,200	52,080	395	307,173
Due from other funds	24,468,792	-	261,152	-	24,729,944
	<u>\$ 74,147,816</u>	<u>\$ 64,873,824</u>	<u>\$ 23,233,288</u>	<u>\$ 161,838</u>	<u>\$ 162,416,766</u>
Total assets					
	<u>\$ 74,147,816</u>	<u>\$ 64,873,824</u>	<u>\$ 23,233,288</u>	<u>\$ 161,838</u>	<u>\$ 162,416,766</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,124,800	\$ 3,641	\$ 559,757	\$ -	\$ 2,688,198
Due to other funds	15,686,339	-	20,176	-	15,706,515
Internal loans payable	-	-	330,123	-	330,123
Notes and mortgages payable	-	-	718,733	-	718,733
Deferred Revenue	28,900,301	34,000,198	1,328,260	-	64,228,759
Other accrued liabilities	-	-	244,614	-	244,614
	<u>46,711,440</u>	<u>34,003,839</u>	<u>3,201,663</u>	<u>-</u>	<u>83,916,942</u>
Total liabilities					
	<u>46,711,440</u>	<u>34,003,839</u>	<u>3,201,663</u>	<u>-</u>	<u>83,916,942</u>
Fund Balances (deficits):					
Reserved:					
Petty cash	6,400	-	-	-	6,400
Debt service	-	30,869,985	-	-	30,869,985
Parks endowments	-	-	-	161,838	161,838
Unreserved, reported in:					
Special revenue funds	27,429,976	-	-	-	27,429,976
Capital projects funds	-	-	20,031,625	-	20,031,625
	<u>27,436,376</u>	<u>30,869,985</u>	<u>20,031,625</u>	<u>161,838</u>	<u>78,499,824</u>
Total fund balances					
	<u>27,436,376</u>	<u>30,869,985</u>	<u>20,031,625</u>	<u>161,838</u>	<u>78,499,824</u>
Total liabilities and fund balances	<u>\$ 74,147,816</u>	<u>\$ 64,873,824</u>	<u>\$ 23,233,288</u>	<u>\$ 161,838</u>	<u>\$ 162,416,766</u>

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

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004**

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Planning and Development</u>
ASSETS			
Cash and investments	\$ 61,714	\$ 556,395	\$ 4,805,797
Receivables:			
Taxes	-	-	-
Accounts	-	713,243	106,999
Assessments	7,320	-	1,363,428
Grants	-	-	-
Advances	-	-	-
Accrued interest	151	126	13,455
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 69,185</u>	<u>\$ 1,269,764</u>	<u>\$ 6,289,679</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 58,850	\$ 105,962
Due to other funds	-	-	-
Deferred revenue	7,320	-	1,363,428
Other accrued liabilities	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>7,320</u>	<u>58,850</u>	<u>1,469,390</u>
Fund Balances (deficits):			
Reserved for:			
Petty cash	-	2,000	4,400
Inventories	-	-	-
Unreserved	61,865	1,208,914	4,815,889
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>61,865</u>	<u>1,210,914</u>	<u>4,820,289</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 69,185</u>	<u>\$ 1,269,764</u>	<u>\$ 6,289,679</u>

<u>Property Management License</u>	<u>Public Safety</u>	<u>Cable</u>	<u>Private for Hire Transportation Safety</u>	<u>Business License Surcharge</u>
\$ 185,413	\$ 857,982	\$ 2,370,527	\$ 284,812	\$ 2,887,500
-	(446)	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
770	2,443	5,849	196	18,016
-	-	-	-	-
<u>\$ 186,183</u>	<u>\$ 859,979</u>	<u>\$ 2,376,376</u>	<u>\$ 285,008</u>	<u>\$ 2,905,516</u>
\$ 157,423	\$ 9,033	\$ 138,441	\$ -	\$ -
-	-	-	-	-
-	(446)	-	-	-
-	-	-	-	-
<u>157,423</u>	<u>8,587</u>	<u>138,441</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
28,760	851,392	2,237,935	285,008	2,905,516
<u>28,760</u>	<u>851,392</u>	<u>2,237,935</u>	<u>285,008</u>	<u>2,905,516</u>
<u>\$ 186,183</u>	<u>\$ 859,979</u>	<u>\$ 2,376,376</u>	<u>\$ 285,008</u>	<u>\$ 2,905,516</u>

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City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2004

	<u>Convention and Tourism</u>	<u>Special Finance and Resource</u>	<u>Housing Investment</u>
ASSETS			
Cash and investments	\$ 152,601	\$ 343,774	\$ 2,463,352
Receivables:			
Taxes	-	-	-
Accounts	-	-	-
Assessments	-	-	-
Grants	-	-	-
Advances	-	-	3,802
Accrued interest	452	885	5,172
Due from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 153,053</u>	<u>\$ 344,659</u>	<u>\$ 2,472,326</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 5,860	\$ 9,021	\$ 90,656
Due to other funds	-	-	-
Deferred revenue	-	-	-
Other accrued liabilities	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>5,860</u>	<u>9,021</u>	<u>90,656</u>
Fund Balances (deficits):			
Reserved for:			
Petty cash	-	-	-
Inventories	-	-	-
Unreserved	147,193	335,638	2,381,670
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>147,193</u>	<u>335,638</u>	<u>2,381,670</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 153,053</u>	<u>\$ 344,659</u>	<u>\$ 2,472,326</u>

<u>Parks Local Option Levy</u>	<u>Children's Investment Fund</u>	<u>Federal Grants</u>	<u>Housing and Community Development</u>
\$ 2,720,101	\$ 6,038,652	\$ 2,413,385	\$ -
345,645	357,003	-	-
-	-	-	-
-	-	-	148,743
-	-	14,485,855	1,721,304
-	783,714	-	-
14,041	16,740	1,689	-
-	-	-	19,668,605
<u>\$ 3,079,787</u>	<u>\$ 7,196,109</u>	<u>\$ 16,900,929</u>	<u>\$ 21,538,652</u>
\$ -	\$ 651,372	\$ -	\$ 625,159
-	-	14,485,855	1,096,146
244,680	252,711	2,415,074	19,817,347
-	-	-	-
<u>244,680</u>	<u>904,083</u>	<u>16,900,929</u>	<u>21,538,652</u>
-	-	-	-
-	-	-	-
<u>2,835,107</u>	<u>6,292,026</u>	<u>-</u>	<u>-</u>
<u>2,835,107</u>	<u>6,292,026</u>	<u>-</u>	<u>-</u>
<u>\$ 3,079,787</u>	<u>\$ 7,196,109</u>	<u>\$ 16,900,929</u>	<u>\$ 21,538,652</u>

Continued next page

City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2004

	Home Grant	Portland Parks Memorial Trust	Total
ASSETS			
Cash and investments	\$ 2,436	\$ 3,058,579	\$ 29,203,020
Receivables:			
Taxes	-	-	702,202
Accounts	-	31,384	851,626
Assessments	-	-	1,519,491
Grants	320,512	-	16,527,671
Advances	-	-	787,516
Accrued interest	-	7,513	87,498
Due from other funds	4,800,187	-	24,468,792
	<u>\$ 5,123,135</u>	<u>\$ 3,097,476</u>	<u>\$ 74,147,816</u>
Total assets			
	<u>\$ 5,123,135</u>	<u>\$ 3,097,476</u>	<u>\$ 74,147,816</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 218,610	\$ 54,413	\$ 2,124,800
Due to other funds	104,338	-	15,686,339
Deferred revenue	4,800,187	-	28,900,301
Other accrued liabilities	-	-	-
	<u>5,123,135</u>	<u>54,413</u>	<u>46,711,440</u>
Total liabilities			
	<u>5,123,135</u>	<u>54,413</u>	<u>46,711,440</u>
Fund Balances (deficits):			
Reserved for:			
Petty cash	-	-	6,400
Inventories	-	-	-
Unreserved	-	3,043,063	27,429,976
	<u>-</u>	<u>3,043,063</u>	<u>27,436,376</u>
Total fund balances			
	<u>-</u>	<u>3,043,063</u>	<u>27,436,376</u>
Total liabilities and fund balances			
	<u>\$ 5,123,135</u>	<u>\$ 3,097,476</u>	<u>\$ 74,147,816</u>

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**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2004**

	<u>River District Urban Renewal Area Debt Redemption</u>	<u>Bonded Debt Interest and Sinking</u>	<u>Waterfront Renewal Bond Sinking</u>
ASSETS			
Cash and investments	\$ 4,816,873	\$ 432,863	\$ 2,108,018
Receivables:			
Taxes	506,418	484,284	906,028
Assessments	-	-	-
Accrued interest	<u>32,669</u>	<u>6,405</u>	<u>28,638</u>
Total assets	<u>\$ 5,355,960</u>	<u>\$ 923,552</u>	<u>\$ 3,042,684</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenue	<u>369,942</u>	<u>366,621</u>	<u>672,530</u>
Total liabilities	369,942	366,621	672,530
Fund Balances (deficits):			
Reserved for debt service	<u>4,986,018</u>	<u>556,931</u>	<u>2,370,154</u>
Total liabilities and fund balances	<u>\$ 5,355,960</u>	<u>\$ 923,552</u>	<u>\$ 3,042,684</u>

<u>Interstate Corridor Debt Service</u>	<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt Service</u>	<u>Gas Tax Bond Redemption</u>
\$ 5,737	\$ 7,500,172	\$ 60,624	\$ 1,916,780	\$ 435
146,562	-	421,928	440,693	-
-	-	-	-	-
<u>476</u>	<u>23,368</u>	<u>12,058</u>	<u>12,382</u>	<u>-</u>
<u>\$ 152,775</u>	<u>\$ 7,523,540</u>	<u>\$ 494,610</u>	<u>\$ 2,369,855</u>	<u>\$ 435</u>

\$ -	\$ 2,850	\$ -	\$ -	\$ -
<u>106,853</u>	<u>-</u>	<u>309,583</u>	<u>325,310</u>	<u>-</u>
106,853	2,850	309,583	325,310	-
<u>45,922</u>	<u>7,520,690</u>	<u>185,027</u>	<u>2,044,545</u>	<u>435</u>
<u>\$ 152,775</u>	<u>\$ 7,523,540</u>	<u>\$ 494,610</u>	<u>\$ 2,369,855</u>	<u>\$ 435</u>

Continued next page

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds, Continued
June 30, 2004**

	<u>Lents Town Center Urban Renewal Area Debt Redemption</u>	<u>Central Eastside Industrial District Debt Service</u>	<u>Bancroft Bond Interest and Sinking</u>	<u>Convention Center Area Debt Service</u>
ASSETS				
Cash and investments	\$ 141,304	\$ 191,668	\$ 11,668,876	\$ 76,042
Receivables:				
Taxes	234,959	253,301	-	419,702
Assessments	-	-	31,093,408	-
Accrued interest	<u>924</u>	<u>8,020</u>	<u>29,589</u>	<u>9,979</u>
Total assets	<u>\$ 377,187</u>	<u>\$ 452,989</u>	<u>\$ 42,791,873</u>	<u>\$ 505,723</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	<u>171,638</u>	<u>186,227</u>	<u>31,093,408</u>	<u>309,289</u>
Total liabilities	171,638	186,227	31,093,408	309,289
Fund Balances (deficits):				
Reserved for debt service	<u>205,549</u>	<u>266,762</u>	<u>11,698,465</u>	<u>196,434</u>
Total liabilities and fund balances	<u>\$ 377,187</u>	<u>\$ 452,989</u>	<u>\$ 42,791,873</u>	<u>\$ 505,723</u>

North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Area Debt Redemption	Governmental Bond Redemption	Total
\$ 146,429	\$ 540,813	\$ 54,361	\$ 15,596	\$ 29,676,591
73,529	-	49,221	-	3,936,625
-	-	-	-	31,093,408
<u>278</u>	<u>2,187</u>	<u>206</u>	<u>21</u>	<u>167,200</u>
<u>\$ 220,236</u>	<u>\$ 543,000</u>	<u>\$ 103,788</u>	<u>\$ 15,617</u>	<u>\$ 64,873,824</u>

\$ -	\$ -	\$ -	\$ 791	\$ 3,641
<u>53,410</u>	<u>-</u>	<u>35,387</u>	<u>-</u>	<u>34,000,198</u>
53,410	-	35,387	791	34,003,839
<u>166,826</u>	<u>543,000</u>	<u>68,401</u>	<u>14,826</u>	<u>30,869,985</u>
<u>\$ 220,236</u>	<u>\$ 543,000</u>	<u>\$ 103,788</u>	<u>\$ 15,617</u>	<u>\$ 64,873,824</u>

**City of Portland, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2004**

	FRES Facilities <u>Bond Construction</u>	Local Improvement District <u>Construction</u>	<u>Parks Construction</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 14,007,061	\$ 4,075,680	\$ 2,883,014	\$ 20,965,755
Receivables:				
Accounts	96,097	-	529,944	626,041
Assessments	-	861,384	466,876	1,328,260
Accrued interest	35,750	11,376	4,954	52,080
Due from other funds	-	-	261,152	261,152
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>14,138,908</u>	\$ <u>4,948,440</u>	\$ <u>4,145,940</u>	\$ <u>23,233,288</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 304,776	\$ 30,354	\$ 224,627	\$ 559,757
Due to other funds	-	-	20,176	20,176
Internal loans payable	-	-	330,123	330,123
Notes and mortgages payable	-	718,733	-	718,733
Deferred revenue	-	861,384	466,876	1,328,260
Other accrued liabilities	152,034	-	92,580	244,614
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	456,810	1,610,471	1,134,382	3,201,663
Fund Balances (deficits):				
Unreserved	<u>13,682,098</u>	<u>3,337,969</u>	<u>3,011,558</u>	<u>20,031,625</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	\$ <u>14,138,908</u>	\$ <u>4,948,440</u>	\$ <u>4,145,940</u>	\$ <u>23,233,288</u>

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2004

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES					
Taxes:					
Property	\$ 17,223,576	\$ 62,116,269	\$ -	\$ -	\$ 79,339,845
Lodging	2,220,804	-	-	-	2,220,804
Rents and reimbursements	284,271	-	-	-	284,271
Licenses and fees	44,130,027	-	-	-	44,130,027
Concessions	5,951	-	-	-	5,951
Intergovernmental	41,170,959	-	1,390,207	-	42,561,166
Charges for services	7,866,474	12,096	8,175,919	-	16,054,489
Miscellaneous service charges	3,366,347	4,723,367	221,612	4,500	8,315,826
Loan collections	3,219,995	-	-	-	3,219,995
Investment earnings	306,586	2,487,009	234,405	3,379	3,031,379
Assessments	457,814	5,971,295	1,204,715	-	7,633,824
	<u>120,252,804</u>	<u>75,310,036</u>	<u>11,226,858</u>	<u>7,879</u>	<u>206,797,577</u>
EXPENDITURES					
Public safety	12,438,072	-	236,577	-	12,674,649
Parks, recreation and culture	8,127,269	-	181,479	100	8,308,848
Community development	62,746,714	-	1,528,963	-	64,275,677
Legislative/ Admin/ Support services	47,620,415	546,641	-	-	48,167,056
Capital outlay	215,599	-	15,751,167	-	15,966,766
Debt Service:					
Principal	1,555,000	90,698,953	-	-	92,253,953
Interest	232,036	36,119,705	19,662	-	36,371,403
	<u>132,935,105</u>	<u>127,365,299</u>	<u>17,717,848</u>	<u>100</u>	<u>278,018,352</u>
Revenues over (under) expenditures	<u>(12,682,301)</u>	<u>(52,055,263)</u>	<u>(6,490,990)</u>	<u>7,779</u>	<u>(71,220,775)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	17,806,093	26,687,577	1,308,278	-	45,801,948
Transfers out	(36,365,506)	(500,000)	(296,644)	-	(37,162,150)
Proceeds from sale of property held for resale	1,785,731	-	-	-	1,785,731
Bonds and notes issued	41,152,187	12,551,879	16,215,000	-	69,919,066
Bond and note premium	-	867,984	134,646	-	1,002,630
Change in inventory held for resale	(1,510,000)	-	-	-	(1,510,000)
	<u>22,868,505</u>	<u>39,607,440</u>	<u>17,361,280</u>	<u>-</u>	<u>79,837,225</u>
Net change in fund balances	10,186,204	(12,447,823)	10,870,290	7,779	8,616,450
Fund balances -- beginning	17,250,172	43,317,808	9,161,335	154,059	69,883,374
Fund balances -- ending	<u>\$ 27,436,376</u>	<u>\$ 30,869,985</u>	<u>\$ 20,031,625</u>	<u>\$ 161,838</u>	<u>\$ 78,499,824</u>

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2004

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Planning and Development</u>
REVENUES			
Taxes:			
Property	\$ -	\$ -	\$ -
Lodging	-	-	-
Rents and reimbursements	-	-	-
Licenses and fees	-	-	20,582,958
Concessions	-	-	-
Intergovernmental	-	4,976,010	-
Charges for services	-	122,914	5,792,584
Miscellaneous service charges	-	-	-
Loan collections	-	-	-
Investment earnings	947	-	102,799
Assessments	450	-	412,200
	<hr/>	<hr/>	<hr/>
Total revenues	1,397	5,098,924	26,890,541
EXPENDITURES			
Public safety	-	12,297,622	-
Parks, recreation and culture	-	-	-
Community development	332	-	28,257,398
Transportation	-	-	-
Legislative/ Admin/ Support services	-	-	-
Capital outlay	-	64,868	-
Debt Service:			
Principal	-	-	-
Interest	-	4,157	-
	<hr/>	<hr/>	<hr/>
Total expenditures	332	12,366,647	28,257,398
Revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	1,065	(7,267,723)	(1,366,857)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	8,500,555	1,243,072
Transfers out	-	(194,953)	(143,656)
Proceeds from sale of property held for resale	-	-	-
Bonds and notes issued	-	-	-
Change in inventory held for resale	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	8,305,602	1,099,416
Net change in fund balances	<hr/>	<hr/>	<hr/>
	1,065	1,037,879	(267,441)
Fund balances -- beginning	<hr/>	<hr/>	<hr/>
	60,800	173,035	5,087,730
Fund balances -- ending	<hr/>	<hr/>	<hr/>
	\$ 61,865	\$ 1,210,914	\$ 4,820,289

<u>Property Management License</u>	<u>Public Safety</u>	<u>Cable</u>	<u>Private for Hire Transportation Safety</u>	<u>Business License Surcharge</u>
\$ -	\$ 45	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
4,177,839	-	922,602	14,655	18,431,973
-	-	-	-	-
-	-	-	-	-
-	-	226,460	-	-
-	-	1,836,496	65,372	-
-	-	-	-	-
3,528	5,603	-	-	40,415
-	-	-	-	-
<u>4,181,367</u>	<u>5,648</u>	<u>2,985,558</u>	<u>80,027</u>	<u>18,472,388</u>
-	140,450	-	-	-
-	-	-	-	-
4,160,620	-	2,977,832	-	-
-	-	-	-	-
-	148,106	-	-	6,304,594
-	-	-	-	-
-	-	15,305	19	-
<u>4,160,620</u>	<u>288,556</u>	<u>2,993,137</u>	<u>19</u>	<u>6,304,594</u>
<u>20,747</u>	<u>(282,908)</u>	<u>(7,579)</u>	<u>80,008</u>	<u>12,167,794</u>
-	171,709	-	205,000	5,100,000
-	(454,775)	(153,096)	-	(14,362,278)
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>(283,066)</u>	<u>(153,096)</u>	<u>205,000</u>	<u>(9,262,278)</u>
20,747	(565,974)	(160,675)	285,008	2,905,516
8,013	1,417,366	2,398,610	-	-
<u>\$ 28,760</u>	<u>\$ 851,392</u>	<u>\$ 2,237,935</u>	<u>\$ 285,008</u>	<u>\$ 2,905,516</u>

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City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds, Continued
For the Year Ended June 30, 2004

	<u>Convention and Tourism</u>	<u>Special Finance and Resource</u>	<u>Housing Investment</u>
REVENUES			
Taxes:			
Property	\$ -	\$ -	\$ -
Lodging	2,220,804	-	-
Rents and reimbursements	-	-	-
Licenses and fees	-	-	-
Concessions	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	54,516
Miscellaneous service charges	-	-	-
Loan collections	-	-	-
Investment earnings	1,494	-	-
Assessments	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	2,222,298	-	54,516
EXPENDITURES			
Public safety	-	-	-
Parks, recreation and culture	-	-	-
Community development	2,220,804	-	1,412,204
Transportation	-	-	-
Legislative/ Admin/ Support services	-	41,198,917	-
Capital outlay	-	-	-
Debt Service:			
Principal	-	-	1,555,000
Interest	-	6,322	197,515
	<hr/>	<hr/>	<hr/>
Total expenditures	2,220,804	41,205,239	3,164,719
Revenues over (under) expenditures	1,494	(41,205,239)	(3,110,203)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	1,540,757
Transfers out	-	(5,566)	(1,052,560)
Proceeds from sale of property held for resale	-	-	1,785,731
Bonds and notes issued	-	41,152,187	-
Change in inventory held for resale	-	-	(1,510,000)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	41,146,621	763,928
Net change in fund balances	1,494	(58,618)	(2,346,275)
Fund balances -- beginning	145,699	394,256	4,727,945
Fund balances -- ending	\$ <u>147,193</u>	\$ <u>335,638</u>	\$ <u>2,381,670</u>

<u>Parks Local Option Levy</u>	<u>Children's Investment</u>	<u>Federal Grants</u>	<u>Housing and Community Development</u>
\$ 8,472,169	\$ 8,751,362	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	17,980,053	12,392,921
-	-	-	-
-	-	797,573	-
-	-	-	2,790,072
42,128	47,896	10,300	17,930
-	-	-	45,164
<u>8,514,297</u>	<u>8,799,258</u>	<u>18,787,926</u>	<u>15,246,087</u>
-	-	-	-
5,679,190	-	-	-
-	2,502,139	-	14,963,487
-	-	-	-
-	-	116,904	-
-	-	-	-
-	-	-	-
-	8,718	-	-
<u>5,679,190</u>	<u>2,510,857</u>	<u>116,904</u>	<u>14,963,487</u>
<u>2,835,107</u>	<u>6,288,401</u>	<u>18,671,022</u>	<u>282,600</u>
-	1,045,000	-	-
-	(1,045,000)	(18,671,022)	(282,600)
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>(18,671,022)</u>	<u>(282,600)</u>
2,835,107	6,288,401	-	-
-	3,625	-	-
<u>\$ 2,835,107</u>	<u>\$ 6,292,026</u>	<u>\$ -</u>	<u>\$ -</u>

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City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds, Continued
For the Year Ended June 30, 2004

	Home Grant	Portland Parks Memorial Trust	Total
REVENUES			
Taxes:			
Property	-	-	17,223,576
Lodging	-	-	2,220,804
Rents and reimbursements	-	284,271	284,271
Licenses and fees	-	-	44,130,027
Concessions	-	5,951	5,951
Intergovernmental	5,821,975	-	41,170,959
Charges for services	-	1,670,000	7,866,474
Miscellaneous service charges	-	666,906	3,366,347
Loan collections	429,923	-	3,219,995
Investment earnings	-	33,546	306,586
Assessments	-	-	457,814
Total revenues	6,251,898	2,660,674	120,252,804
EXPENDITURES			
Public safety	-	-	12,438,072
Parks, recreation and culture	-	2,448,079	8,127,269
Community development	6,251,898	-	62,746,714
Transportation	-	-	-
Legislative/ Admin/ Support services	-	-	47,620,415
Capital outlay	-	2,625	215,599
Debt Service:			
Principal	-	-	1,555,000
Interest	-	-	232,036
Total expenditures	6,251,898	2,450,704	132,935,105
Revenues over (under) expenditures	-	209,970	(12,682,301)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	17,806,093
Transfers out	-	-	(36,365,506)
Proceeds from sale of property held for resale	-	-	1,785,731
Bonds and notes issued	-	-	41,152,187
Change in inventory held for resale	-	-	(1,510,000)
Total other financing sources (uses)	-	-	22,868,505
Net change in fund balances	-	209,970	10,186,204
Fund balances -- beginning	-	2,833,093	17,250,172
Fund balances -- ending	-	3,043,063	27,436,376

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City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2004

	River District Urban Renewal Area Debt Redemption	Bonded Debt Interest and Sinking	Waterfront Renewal Bond Sinking
REVENUES			
Taxes:			
Property	\$ 9,029,115	\$ 6,531,314	\$ 13,658,213
Charges for services	-	-	-
Miscellaneous service charges	-	-	-
Investment earnings	120,786	22,871	74,562
Assessments	-	-	-
	<u>9,149,901</u>	<u>6,554,185</u>	<u>13,732,775</u>
EXPENDITURES			
Legislative/ Admin/ Support services	-	-	-
Debt Service:			
Principal	9,400,000	12,995,000	11,480,000
Interest	2,380,607	3,529,292	3,937,609
	<u>11,780,607</u>	<u>16,524,292</u>	<u>15,417,609</u>
Total expenditures	<u>11,780,607</u>	<u>16,524,292</u>	<u>15,417,609</u>
Revenues over (under) expenditures	<u>(2,630,706)</u>	<u>(9,970,107)</u>	<u>(1,684,834)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	343,776
Transfers out	-	-	-
Bonds and notes issued	-	9,122,800	-
Bond and note premium	-	511,671	-
	<u>-</u>	<u>9,634,471</u>	<u>343,776</u>
Total other financing sources (uses)	<u>-</u>	<u>9,634,471</u>	<u>343,776</u>
Net change in fund balances	<u>(2,630,706)</u>	<u>(335,636)</u>	<u>(1,341,058)</u>
Fund balances -- beginning	<u>7,616,724</u>	<u>892,567</u>	<u>3,711,212</u>
Fund balances -- ending	<u>\$ 4,986,018</u>	<u>\$ 556,931</u>	<u>\$ 2,370,154</u>

<u>Interstate Corridor Debt Service</u>	<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt Service</u>	<u>Gas Tax Bond Redemption</u>
\$ 2,807,738	\$ -	\$ 6,621,285	\$ 6,561,710	\$ -
-	-	-	-	-
-	114,174	-	-	-
6,805	-	31,951	40,322	-
-	-	-	-	-
<u>2,814,543</u>	<u>114,174</u>	<u>6,653,236</u>	<u>6,602,032</u>	<u>-</u>
-	522,108	-	-	-
2,805,000	-	4,930,000	2,863,268	1,404,716
156	9,408,139	2,350,242	3,321,197	512,014
<u>2,805,156</u>	<u>9,930,247</u>	<u>7,280,242</u>	<u>6,184,465</u>	<u>1,916,730</u>
<u>9,387</u>	<u>(9,816,073)</u>	<u>(627,006)</u>	<u>417,567</u>	<u>(1,916,730)</u>
-	2,027,777	-	-	1,916,707
-	(500,000)	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>1,527,777</u>	<u>-</u>	<u>-</u>	<u>1,916,707</u>
9,387	(8,288,296)	(627,006)	417,567	(23)
<u>36,535</u>	<u>15,808,986</u>	<u>812,033</u>	<u>1,626,978</u>	<u>458</u>
<u>\$ 45,922</u>	<u>\$ 7,520,690</u>	<u>\$ 185,027</u>	<u>\$ 2,044,545</u>	<u>\$ 435</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, 2004

	<u>Lents Town Center Urban Renewal Area Debt Redemption</u>	<u>Central Eastside Industrial District Debt Service</u>	<u>Bancroft Bond Interest and Sinking</u>	<u>Convention Center Area Debt Service</u>
REVENUES				
Taxes:				
Property	\$ 4,062,591	\$ 3,949,914	\$ -	\$ 6,506,940
Charges for services	-	-	-	-
Miscellaneous service charges	-	-	-	-
Investment earnings	9,749	27,125	2,147,212	-
Assessments	-	-	5,971,295	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,072,340	3,977,039	8,118,507	6,506,940
EXPENDITURES				
Legislative/ Admin/ Support services	-	-	-	-
Debt Service:				
Principal	3,860,000	3,654,169	5,880,000	3,485,000
Interest	101,893	212,915	1,179,204	3,104,857
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,961,893	3,867,084	7,059,204	6,589,857
Revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	110,447	109,955	1,059,303	(82,917)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Bonds and notes issued	-	-	-	-
Bond and note premium	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	110,447	109,955	1,059,303	(82,917)
Fund balances -- beginning	<hr/>	<hr/>	<hr/>	<hr/>
	95,102	156,807	10,639,162	279,351
Fund balances -- ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 205,549	\$ 266,762	\$ 11,698,465	\$ 196,434

North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Debt Redemption	Governmental Bond Redemption	Total
\$ 1,378,121	\$ -	\$ 1,009,328	\$ -	\$ 62,116,269
-	-	-	12,096	12,096
-	4,606,837	-	2,356	4,723,367
3,068	-	2,523	35	2,487,009
-	-	-	-	5,971,295
<u>1,381,189</u>	<u>4,606,837</u>	<u>1,011,851</u>	<u>14,487</u>	<u>75,310,036</u>
-	-	-	24,533	546,641
1,235,000	380,000	950,000	25,376,800	90,698,953
8,065	5,272,393	15,902	785,220	36,119,705
<u>1,243,065</u>	<u>5,652,393</u>	<u>965,902</u>	<u>26,186,553</u>	<u>127,365,299</u>
<u>138,124</u>	<u>(1,045,556)</u>	<u>45,949</u>	<u>(26,172,066)</u>	<u>(52,055,263)</u>
-	5,026	-	22,394,291	26,687,577
-	-	-	-	(500,000)
-	-	-	3,429,079	12,551,879
-	-	-	356,313	867,984
-	5,026	-	26,179,683	39,607,440
138,124	(1,040,530)	45,949	7,617	(12,447,823)
28,702	1,583,530	22,452	7,209	43,317,808
<u>\$ 166,826</u>	<u>\$ 543,000</u>	<u>\$ 68,401</u>	<u>\$ 14,826</u>	<u>\$ 30,869,985</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, 2004

	<u>FRES Facilities Bond Construction</u>	<u>Local Improvement District Construction</u>	<u>Parks Construction</u>	<u>Total</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,390,207	\$ 1,390,207
Charges for services	212,397	2,124,097	5,839,425	8,175,919
Miscellaneous service charges	30,000	47,620	143,992	221,612
Investment earnings	103,743	76,476	54,186	234,405
Assessments	-	179,977	1,024,738	1,204,715
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	346,140	2,428,170	8,452,548	11,226,858
EXPENDITURES				
Public safety	236,577	-	-	236,577
Parks, recreation and culture	-	-	181,479	181,479
Community development	-	1,528,963	-	1,528,963
Capital outlay	4,309,993	703,524	10,737,650	15,751,167
Debt Service:				
Interest	-	11,574	8,088	19,662
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,546,570	2,244,061	10,927,217	17,717,848
Revenues over (under) expenditures	<hr/> (4,200,430)	<hr/> 184,109	<hr/> (2,474,669)	<hr/> (6,490,990)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,770	1,306,508	1,308,278
Transfers out	-	(8,320)	(288,324)	(296,644)
Bonds and notes issued	13,965,000	-	2,250,000	16,215,000
Bond and note premium	134,646	-	-	134,646
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	14,099,646	(6,550)	3,268,184	17,361,280
Net change in fund balances	9,899,216	177,559	793,515	10,870,290
Fund balances -- beginning	3,782,882	3,160,410	2,218,043	9,161,335
Fund balances -- ending	<hr/> <u>\$ 13,682,098</u>	<hr/> <u>\$ 3,337,969</u>	<hr/> <u>\$ 3,011,558</u>	<hr/> <u>\$ 20,031,625</u>

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City of Portland, Oregon
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2004

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
ASSETS				
Current assets (unrestricted):				
Cash and investments	\$ 488,743	\$ 1,443,105	\$ 96,398	\$ 3,479,647
Receivables:				
Accounts, net	-	14,798	-	34,489
Contracts and mortgages	-	-	-	-
Advances	-	-	-	-
Accrued interest	931	2,556	-	8,692
Other assets	-	10,892	-	-
Total current assets (unrestricted)	<u>489,674</u>	<u>1,471,351</u>	<u>96,398</u>	<u>3,522,828</u>
Current assets (restricted):				
Cash and investments	13,470,844	-	-	-
Receivables:				
Accrued interest	56,755	-	-	-
Total current assets (restricted)	<u>13,527,599</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	<u>14,017,273</u>	<u>1,471,351</u>	<u>96,398</u>	<u>3,522,828</u>
Noncurrent assets:				
Capital assets:				
Land	4,500	249,463	-	229,259
Buildings	-	5,491,053	-	19,679
Improvements to land	-	13,555,980	2,016,527	-
Machinery and equipment	-	1,307,941	75,845	13,406
Infrastructure	44,123,225	-	-	-
Construction in progress	-	2,227,615	143,934	-
Capitalized lease	-	570,519	-	-
Accumulated depreciation and amortization	(15,202,523)	(6,270,505)	(1,290,049)	(22,766)
Capital assets net of accumulated depreciation and amortization	28,925,202	17,132,066	946,257	239,578
Prepaid expense	219,003	1,789,390	344,466	555,657
Total noncurrent assets	<u>29,144,205</u>	<u>18,921,456</u>	<u>1,290,723</u>	<u>795,235</u>
Total assets	<u>43,161,478</u>	<u>20,392,807</u>	<u>1,387,121</u>	<u>4,318,063</u>

<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 2,964,664	\$ 10,592,803	\$ 1,380,522	\$ 20,445,882
263,463	407,105	-	719,855
-	514,272	-	514,272
-	101,995	-	101,995
6,507	28,741	3,305	50,732
-	-	-	10,892
<u>3,234,634</u>	<u>11,644,916</u>	<u>1,383,827</u>	<u>21,843,628</u>
-	-	-	13,470,844
-	-	-	56,755
-	-	-	13,527,599
<u>3,234,634</u>	<u>11,644,916</u>	<u>1,383,827</u>	<u>35,371,227</u>
10,575,202	4,528,031	1,563,333	17,149,788
37,588,545	94,411,370	1,768,170	139,278,817
2,840,801	-	1,520,801	19,934,109
35,900	2,839,481	-	4,272,573
-	-	-	44,123,225
-	-	-	2,371,549
-	-	-	570,519
(18,233,995)	(19,051,842)	(537,903)	(60,609,583)
32,806,453	82,727,040	4,314,401	167,090,997
-	-	12,828	2,921,344
<u>32,806,453</u>	<u>82,727,040</u>	<u>4,327,229</u>	<u>170,012,341</u>
<u>36,041,087</u>	<u>94,371,956</u>	<u>5,711,056</u>	<u>205,383,568</u>

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City of Portland, Oregon
Combining Statement of Net Assets, Continued
Nonmajor Enterprise Funds
June 30, 2004

	Hydroelectric Power	Golf	Portland International Raceway	Solid Waste Management
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	139,797	123,413	43,750	313,366
Compensated absences - current	27,755	138,478	33,782	34,713
Capital leases payable - current	-	123,086	-	-
Bonds payable - current	-	550,000	-	-
Accrued interest payable - current	607	111,978	958	1,545
Other liabilities - current	-	33,598	-	-
Total current liabilities (unrestricted)	168,159	1,080,553	78,490	349,624
Current liabilities (payable from restricted assets)				
Bonds payable - current	1,970,000	-	-	-
Accrued interest payable - current	449,042	-	-	-
Total current liabilities (restricted)	2,419,042	-	-	-
Noncurrent liabilities:				
Compensated absences	4,794	21,456	-	-
Bonds payable	24,018,658	7,359,066	406,584	655,858
Capital leases payable	-	42,398	-	-
Accrued interest payable	7,030	57,588	11,087	17,883
Total noncurrent liabilities	24,030,482	7,480,508	417,671	673,741
Total liabilities	26,617,683	8,561,061	496,161	1,023,365
NET ASSETS				
Invested in capital assets, net of related debt	3,195,037	11,169,582	946,257	239,578
Restricted for debt service	11,108,557	-	-	-
Unrestricted	2,240,201	662,164	(55,297)	3,055,120
Total net assets	\$ 16,543,795	\$ 11,831,746	\$ 890,960	\$ 3,294,698

<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
168,551	88,008	-	876,885
-	-	-	234,728
-	-	-	123,086
1,980,000	2,505,000	-	5,035,000
377,544	300,760	35	793,427
26,816	-	-	60,414
<u>2,552,911</u>	<u>2,893,768</u>	<u>35</u>	<u>7,123,540</u>
-	-	-	1,970,000
-	-	-	449,042
-	-	-	<u>2,419,042</u>
-	-	-	26,250
31,306,072	57,685,937	15,142	121,447,317
-	-	-	42,398
-	4,503,013	412	4,597,013
<u>31,306,072</u>	<u>62,188,950</u>	<u>15,554</u>	<u>126,112,978</u>
<u>33,858,983</u>	<u>65,082,718</u>	<u>15,589</u>	<u>135,655,560</u>
(479,619)	22,536,103	4,314,401	41,921,339
-	-	-	11,108,557
<u>2,661,723</u>	<u>6,753,135</u>	<u>1,381,066</u>	<u>16,698,112</u>
<u>\$ 2,182,104</u>	<u>\$ 29,289,238</u>	<u>\$ 5,695,467</u>	<u>\$ 69,728,008</u>

City of Portland, Oregon
Combining Statement of Net Assets
Internal Service Funds
June 30, 2004

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>Fleet Services Operating</u>
ASSETS			
Current assets:			
Cash and investments	\$ 14,711,298	\$ 13,423,781	\$ 20,892,188
Receivables:			
Accounts, net	-	216,465	13,847
Accrued interest	38,885	28,675	50,812
Due from other funds	-	44,208	-
Inventories	-	-	716,916
Other assets	-	-	-
	<u>14,750,183</u>	<u>13,713,129</u>	<u>21,673,763</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Land	-	4,896,479	-
Buildings	-	138,759,907	65,508
Improvements to land	-	108,611	-
Machinery and equipment	-	414,330	46,601,420
Capitalized lease	-	-	-
Accumulated depreciation and amortization	<u>-</u>	<u>(32,683,742)</u>	<u>(25,696,661)</u>
	-	111,495,585	20,970,267
Capital assets net of accumulated depreciation and amortization			
Prepaid expense	<u>330,282</u>	<u>1,778,748</u>	<u>4,179,929</u>
	<u>330,282</u>	<u>113,274,333</u>	<u>25,150,196</u>
Total noncurrent assets			
Total assets	<u>15,080,465</u>	<u>126,987,462</u>	<u>46,823,959</u>

<u>Printing and Distribution Services Operating</u>	<u>Communications Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
\$ 1,206,070	\$ 11,822,130	\$ 17,226,248	\$ 13,310,939	\$ 6,267,105	\$ 98,859,759
150,616	430,362	-	-	34,184	845,474
2,150	26,648	42,366	32,928	12,053	234,517
-	-	345,368	56,715	83,492	529,783
-	228,374	-	-	-	945,290
-	-	141,240	-	-	141,240
<u>1,358,836</u>	<u>12,507,514</u>	<u>17,755,222</u>	<u>13,400,582</u>	<u>6,396,834</u>	<u>101,556,063</u>
-	-	-	-	-	4,896,479
145,641	834,656	-	-	-	139,805,712
-	8,740,781	-	-	-	8,849,392
4,532,671	15,995,558	-	-	3,195,862	70,739,841
81,182	-	-	-	-	81,182
<u>(3,213,545)</u>	<u>(10,396,235)</u>	<u>-</u>	<u>-</u>	<u>(2,136,697)</u>	<u>(74,126,880)</u>
1,545,949	15,174,760	-	-	1,059,165	150,245,726
<u>1,416,491</u>	<u>1,760,725</u>	<u>780,531</u>	<u>730,089</u>	<u>3,207,203</u>	<u>14,183,998</u>
<u>2,962,440</u>	<u>16,935,485</u>	<u>780,531</u>	<u>730,089</u>	<u>4,266,368</u>	<u>164,429,724</u>
<u>4,321,276</u>	<u>29,442,999</u>	<u>18,535,753</u>	<u>14,130,671</u>	<u>10,663,202</u>	<u>265,985,787</u>

Continued next page

City of Portland, Oregon
Combining Statement of Net Assets, Continued
Internal Service Funds
June 30, 2004

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>Fleet Services Operating</u>
LIABILITIES			
Current liabilities:			
Accounts payable	275,350	743,019	945,928
Compensated absences - current	21,105	116,599	220,991
Self-insurance claims - current	2,497,921	-	-
Deferred revenue	-	174,776	-
Bonds payable - current	-	6,406,000	-
Accrued interest payable - current	917	619,439	11,620
Other liabilities - current	-	74,260	-
	<u>2,795,293</u>	<u>8,134,093</u>	<u>1,178,539</u>
Total current liabilities			
Noncurrent liabilities:			
Compensated absences	4,496	22,243	46,715
Bonds payable	389,842	56,961,102	4,933,686
Capital leases payable	-	-	-
Self-insurance claims	-	-	-
Accrued interest payable	10,631	57,249	134,520
	<u>404,969</u>	<u>57,040,594</u>	<u>5,114,921</u>
Total noncurrent liabilities			
	<u>3,200,262</u>	<u>65,174,687</u>	<u>6,293,460</u>
Total liabilities			
NET ASSETS			
Invested in capital assets, net of related debt	-	50,228,216	20,970,267
Unrestricted	11,880,203	11,584,559	19,560,232
	<u>11,880,203</u>	<u>11,584,559</u>	<u>19,560,232</u>
Total net assets	<u>\$ 11,880,203</u>	<u>\$ 61,812,775</u>	<u>\$ 40,530,499</u>

<u>Printing and Distribution Services Operating</u>	<u>Communications Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
235,234	477,290	142,219	155,013	470,433	3,444,486
75,583	118,039	30,891	31,229	689,519	1,303,956
-	-	3,930,959	2,574,925	-	9,003,805
-	-	-	-	-	174,776
-	1,044,000	-	-	1,450,000	8,900,000
3,938	172,227	2,170	2,029	33,416	845,756
-	-	-	-	-	74,260
<u>314,755</u>	<u>1,811,556</u>	<u>4,106,239</u>	<u>2,763,196</u>	<u>2,643,368</u>	<u>23,747,039</u>
16,099	22,719	6,580	6,652	144,925	270,429
1,671,925	11,985,007	921,281	861,745	4,152,045	81,876,633
16,059	-	-	-	-	16,059
-	-	6,765,743	9,528,535	-	16,294,278
45,583	56,666	25,117	23,493	103,220	456,479
<u>1,749,666</u>	<u>12,064,392</u>	<u>7,718,721</u>	<u>10,420,425</u>	<u>4,400,190</u>	<u>98,913,878</u>
<u>2,064,421</u>	<u>13,875,948</u>	<u>11,824,960</u>	<u>13,183,621</u>	<u>7,043,558</u>	<u>122,660,917</u>
1,529,890	4,232,773	-	-	1,059,165	78,020,311
726,965	11,334,278	6,710,793	947,050	2,560,479	65,304,559
<u>\$ 2,256,855</u>	<u>\$ 15,567,051</u>	<u>\$ 6,710,793</u>	<u>\$ 947,050</u>	<u>\$ 3,619,644</u>	<u>\$ 143,324,870</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, 2004

	<u>Hydroelectric Power</u>	<u>Golf</u>	<u>Portland International Raceway</u>	<u>Solid Waste Management</u>
Operating revenues:				
Service charges and fees	\$ 34,015	\$ 5,662,584	\$ 32,000	\$ 1,548,314
Licenses and permits	-	-	-	1,701,062
Rents and reimbursements	-	5,774	1,311,885	7,122
Concessions	-	369,678	135,948	-
Parking fees	-	-	-	-
Miscellaneous	4,527,960	16,961	-	47,030
	<u>4,561,975</u>	<u>6,054,997</u>	<u>1,479,833</u>	<u>3,303,528</u>
Total operating revenues				
	<u>4,561,975</u>	<u>6,054,997</u>	<u>1,479,833</u>	<u>3,303,528</u>
Operating expenses:				
Salaries and wages	200,396	2,373,573	475,501	714,292
Operating supplies	85	533,761	140,418	286,837
Professional services	114,717	1,508,472	331,365	1,280,792
Utilities	283	168,737	67,077	1,197
Miscellaneous	258,779	398,296	379,164	237,821
Depreciation and amortization	656,000	758,683	39,711	1,508
	<u>1,230,260</u>	<u>5,741,522</u>	<u>1,433,236</u>	<u>2,522,447</u>
Total operating expenses				
	<u>1,230,260</u>	<u>5,741,522</u>	<u>1,433,236</u>	<u>2,522,447</u>
Operating income (loss)	<u>3,331,715</u>	<u>313,475</u>	<u>46,597</u>	<u>781,081</u>
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	-	174,343	-	-
Investment earnings	141,272	20,926	-	4,536
Interest expense	(1,861,335)	(325,790)	(9,608)	(15,497)
Miscellaneous	(8,616)	(70,402)	(15,189)	(21,862)
	<u>(1,728,679)</u>	<u>(200,923)</u>	<u>(24,797)</u>	<u>(32,823)</u>
Total nonoperating revenues (expenses)				
	<u>(1,728,679)</u>	<u>(200,923)</u>	<u>(24,797)</u>	<u>(32,823)</u>
Income (loss) before operating transfers	1,603,036	112,552	21,800	748,258
Transfers in	-	50,674	-	-
Transfers out	(200,000)	-	-	(697,187)
	<u>1,403,036</u>	<u>163,226</u>	<u>21,800</u>	<u>51,071</u>
Change in net assets				
	<u>1,403,036</u>	<u>163,226</u>	<u>21,800</u>	<u>51,071</u>
Total net assets -- beginning	15,140,759	11,668,520	869,160	3,243,627
Total net assets -- ending	<u>\$ 16,543,795</u>	<u>\$ 11,831,746</u>	<u>\$ 890,960</u>	<u>\$ 3,294,698</u>

	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
\$	687,239	\$ 2,155,412	\$ -	\$ 10,119,564
	-	-	-	1,701,062
	763,337	3,289,481	644,363	6,021,962
	-	-	-	505,626
	7,818,630	1,072,431	-	8,891,061
	5,803	68,151	-	4,665,905
	<u>9,275,009</u>	<u>6,585,475</u>	<u>644,363</u>	<u>31,905,180</u>
	-	-	1,237	3,764,999
	548	4,973	-	966,622
	4,044,288	857,827	142,527	8,279,988
	1,273	24,550	-	263,117
	967,969	70,973	6,444	2,319,446
	1,022,974	1,953,700	59,201	4,491,777
	<u>6,037,052</u>	<u>2,912,023</u>	<u>209,409</u>	<u>20,085,949</u>
	<u>3,237,957</u>	<u>3,673,452</u>	<u>434,954</u>	<u>11,819,231</u>
	497,155	-	-	671,498
	94,076	-	8,466	269,276
	(1,586,089)	(4,560,393)	(356)	(8,359,068)
	-	-	(505)	(116,574)
	<u>(994,858)</u>	<u>(4,560,393)</u>	<u>7,605</u>	<u>(7,534,868)</u>
	2,243,099	(886,941)	442,559	4,284,363
	-	-	-	50,674
	<u>(1,351,850)</u>	<u>(288,009)</u>	<u>-</u>	<u>(2,537,046)</u>
	891,249	(1,174,950)	442,559	1,797,991
	1,290,855	30,464,188	5,252,908	67,930,017
\$	<u>2,182,104</u>	<u>\$ 29,289,238</u>	<u>\$ 5,695,467</u>	<u>\$ 69,728,008</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, 2004

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>Fleet Services Operating</u>
Operating revenues:			
Service charges and fees	\$ 25,882,233	\$ 21,830,836	\$ 17,416,334
Rents and reimbursements	-	1,560,573	-
Parking fees	-	30,890	-
Miscellaneous	2,396,814	42,110	873,099
	<u>28,279,047</u>	<u>23,464,409</u>	<u>18,289,433</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	461,547	2,535,739	5,144,521
Operating supplies	2,871	546,004	4,235,005
Professional services	2,637,340	2,884,768	1,422,227
Utilities	436	2,740,155	23,410
Claims	28,079,486	-	-
Miscellaneous	1,581,831	10,066,708	2,807,157
Depreciation and amortization	-	2,914,572	3,791,392
	<u>32,763,511</u>	<u>21,687,946</u>	<u>17,423,712</u>
Total operating expenses			
Operating income (loss)	<u>(4,484,464)</u>	<u>1,776,463</u>	<u>865,721</u>
Nonoperating revenues (expenses):			
Gain (loss) on sale of capital assets	-	611,817	387,028
Investment earnings	-	36,768	-
Interest expense	(53,613)	(4,485,294)	(147,668)
Miscellaneous	(12,995)	(69,984)	(164,456)
Bond and note sales	-	(1,460,732)	-
Bond and note premium	-	1,460,732	-
	<u>(66,608)</u>	<u>(3,906,693)</u>	<u>74,904</u>
Total nonoperating revenues (expenses)			
Income (loss) before contributions and transfers	<u>(4,551,072)</u>	<u>(2,130,230)</u>	<u>940,625</u>
Transfers in	-	6,565,766	-
Transfers out	-	-	(1,042,243)
Capital contributions	-	55,634	5,000
	<u>(4,551,072)</u>	<u>4,491,170</u>	<u>(96,618)</u>
Change in net assets			
Total net assets -- beginning	<u>16,431,275</u>	<u>57,321,605</u>	<u>40,627,117</u>
Total net assets -- ending	<u>\$ 11,880,203</u>	<u>\$ 61,812,775</u>	<u>\$ 40,530,499</u>

<u>Printing and Distribution Services Operating</u>	<u>Communications Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
\$ 6,126,468	\$ 14,697,209	\$ 7,187,010	\$ 3,793,279	\$ 18,863,391	\$ 115,796,760
-	87,958	-	-	-	1,648,531
-	-	-	-	-	30,890
111,132	696,008	113,881	193,900	20,651	4,447,595
<u>6,237,600</u>	<u>15,481,175</u>	<u>7,300,891</u>	<u>3,987,179</u>	<u>18,884,042</u>	<u>121,923,776</u>
1,568,829	2,866,643	599,586	710,009	11,781,740	25,668,614
433,973	711,301	4,228	2,508	1,875,538	7,811,428
2,751,804	5,070,782	3,084,687	1,656,121	2,501,200	22,008,929
3,221	38,351	1,041	1,873	37,312	2,845,799
-	-	2,600,385	2,182,406	-	32,862,277
1,002,268	2,135,812	205,775	266,097	1,368,971	19,434,619
413,168	1,750,348	-	-	291,405	9,160,885
<u>6,173,263</u>	<u>12,573,237</u>	<u>6,495,702</u>	<u>4,819,014</u>	<u>17,856,166</u>	<u>119,792,551</u>
<u>64,337</u>	<u>2,907,938</u>	<u>805,189</u>	<u>(831,835)</u>	<u>1,027,876</u>	<u>2,131,225</u>
(10,801)	-	-	-	-	988,044
-	-	13,062	-	-	49,830
(44,182)	(586,488)	(21,768)	(28,545)	(249,738)	(5,617,296)
(55,731)	(69,275)	(30,709)	(28,725)	(126,185)	(558,060)
-	(61,708)	-	-	-	(1,522,440)
-	61,708	-	-	-	1,522,440
<u>(110,714)</u>	<u>(655,763)</u>	<u>(39,415)</u>	<u>(57,270)</u>	<u>(375,923)</u>	<u>(5,137,482)</u>
(46,377)	2,252,175	765,774	(889,105)	651,953	(3,006,257)
-	403,096	-	-	1,118,616	8,087,478
-	-	-	-	-	(1,042,243)
2,100	-	-	-	-	62,734
<u>(44,277)</u>	<u>2,655,271</u>	<u>765,774</u>	<u>(889,105)</u>	<u>1,770,569</u>	<u>4,101,712</u>
<u>2,301,132</u>	<u>12,911,780</u>	<u>5,945,019</u>	<u>1,836,155</u>	<u>1,849,075</u>	<u>139,223,158</u>
<u>\$ 2,256,855</u>	<u>\$ 15,567,051</u>	<u>\$ 6,710,793</u>	<u>\$ 947,050</u>	<u>\$ 3,619,644</u>	<u>\$ 143,324,870</u>

City of Portland, Oregon
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2004

	Hydro- electric Power	Golf	Portland International Raceway Operating
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,527,960	\$ 6,120,130	\$ 1,454,957
Receipts from interfund services provided	34,016	40,235	32,000
Payments to suppliers	(100,423)	(1,847,284)	(673,033)
Payments to employees	(200,424)	(2,374,519)	(480,171)
Payments for interfund services used	(210,354)	(885,715)	(249,936)
Net cash provided by (used in) operating activities	<u>4,050,775</u>	<u>1,052,847</u>	<u>83,817</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers out	(200,000)	50,674	-
Net cash provided by (used in) noncapital financing activities	<u>(200,000)</u>	<u>50,674</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(1,432,085)	(115,789)
Principal paid on bonds, notes and capital leases	(1,855,000)	(653,487)	-
Interest paid on bonds, notes and capital leases	(1,859,921)	(301,441)	(3,850)
Net cash provided by (used in) capital related financing activities	<u>(3,714,921)</u>	<u>(2,387,013)</u>	<u>(119,639)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	108,229	24,260	(1,773)
Net increase (decrease) in cash and cash equivalents	244,083	(1,259,232)	(37,595)
CASH AND CASH EQUIVALENTS, July 1, 2003	<u>13,715,504</u>	<u>2,702,337</u>	<u>133,993</u>
CASH AND CASH EQUIVALENTS, June 30, 2004	<u>\$ 13,959,587</u>	<u>\$ 1,443,105</u>	<u>\$ 96,398</u>
<u>Noncash information</u>			
Non-operating prepaid PERS amortization	8,616	70,402	15,189

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 3,285,082	\$ 8,628,872	\$ 6,535,615	\$ 644,363	\$ 31,196,979
29,010	687,239	-	-	822,500
(1,249,939)	(2,691,857)	(590,785)	(8,097)	(7,161,418)
(714,476)	-	-	(1,237)	(3,770,827)
<u>(489,897)</u>	<u>(2,487,953)</u>	<u>(372,915)</u>	<u>(142,111)</u>	<u>(4,838,881)</u>
<u>859,780</u>	<u>4,136,301</u>	<u>5,571,915</u>	<u>492,918</u>	<u>16,248,353</u>
<u>(697,187)</u>	<u>(1,351,850)</u>	<u>(288,009)</u>	<u>-</u>	<u>(2,486,372)</u>
<u>(697,187)</u>	<u>(1,351,850)</u>	<u>(288,009)</u>	<u>-</u>	<u>(2,486,372)</u>
-	(23,900)	(97,455)	-	(1,669,229)
-	(2,155,000)	(2,260,000)	-	(6,923,487)
<u>(6,210)</u>	<u>(1,582,225)</u>	<u>(3,826,484)</u>	<u>(143)</u>	<u>(7,580,274)</u>
<u>(6,210)</u>	<u>(3,761,125)</u>	<u>(6,183,939)</u>	<u>(143)</u>	<u>(16,172,990)</u>
<u>4,219</u>	<u>97,476</u>	<u>1,956</u>	<u>7,278</u>	<u>241,645</u>
160,602	(879,198)	(898,077)	500,053	(2,169,364)
<u>3,319,045</u>	<u>3,843,862</u>	<u>11,490,880</u>	<u>880,469</u>	<u>36,086,090</u>
<u>\$ 3,479,647</u>	<u>\$ 2,964,664</u>	<u>\$ 10,592,803</u>	<u>\$ 1,380,522</u>	<u>\$ 33,916,726</u>
21,862	-	-	505	116,574

Continued next page

City of Portland, Oregon
 Nonmajor Enterprise Funds
 Combining Statement of Cash Flows, Continued
 For the Year Ended June 30, 2004

	<u>Hydro- electric Power</u>	<u>Golf</u>	<u>Portland International Raceway Operating</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 3,331,715	\$ 313,475	\$ 46,597
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization of capital assets	656,000	758,683	39,711
Change in assets and liabilities:			
Accounts and contracts receivable	-	77,621	-
Checks and accounts payable	63,088	(84,887)	(4,945)
Accrued compensated absences	(28)	(946)	(4,670)
Due from other funds	-	-	-
Other assets	-	27,748	7,124
Other accrued liabilities	-	(38,847)	-
Net cash provided by (used in) operating activities	<u>\$ 4,050,775</u>	<u>\$ 1,052,847</u>	<u>\$ 83,817</u>

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 781,081	\$ 3,237,957	\$ 3,673,452	\$ 434,954	\$ 11,819,231
1,508	1,022,974	1,953,700	59,201	4,491,777
(17,607)	41,103	(49,860)	-	51,257
76,982	(143,289)	(5,377)	(1,237)	(99,665)
(184)	-	-	-	(5,828)
18,000	-	-	-	18,000
-	-	-	-	34,872
-	(22,444)	-	-	(61,291)
<u>\$ 859,780</u>	<u>\$ 4,136,301</u>	<u>\$ 5,571,915</u>	<u>\$ 492,918</u>	<u>\$ 16,248,353</u>

City of Portland, Oregon
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2004

	Health Insurance Operating	Facilities Services Operating	Fleet Services Operating
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,396,815	\$ 3,602,956	\$ 958,102
Receipts from interfund services provided	25,882,233	19,902,900	17,342,590
Payments to suppliers	(3,303,855)	(12,638,169)	(6,563,906)
Payments to employees	(462,326)	(2,542,518)	(5,133,807)
Payments for interfund services used	(971,001)	(3,776,871)	(2,310,931)
Claims paid	(29,737,153)	-	-
Net cash provided by (used in) operating activities	<u>(6,195,287)</u>	<u>4,548,298</u>	<u>4,292,048</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in	-	6,565,766	-
Operating transfers out	-	-	(1,042,243)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>6,565,766</u>	<u>(1,042,243)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of bonds and notes	-	21,096,000	-
Premium on bonds and notes issued	-	1,460,732	-
Sale of capital assets	-	-	689,093
Acquisition of capital assets	-	(49,574)	(3,151,056)
Principal paid on bonds, notes and capital leases	-	(27,755,328)	-
Interest paid on bonds, notes and capital leases	(48,092)	(4,445,645)	(77,797)
Net cash provided by (used in) capital related financing activities	<u>(48,092)</u>	<u>(9,693,815)</u>	<u>(2,539,760)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	<u>15,671</u>	<u>34,609</u>	<u>(6,841)</u>
Net increase (decrease) in cash and cash equivalents	(6,227,708)	1,454,858	703,204
CASH AND CASH EQUIVALENTS, July 1, 2003	<u>20,939,006</u>	<u>11,968,923</u>	<u>20,188,984</u>
CASH AND CASH EQUIVALENTS, June 30, 2004	<u>\$ 14,711,298</u>	<u>\$ 13,423,781</u>	<u>\$ 20,892,188</u>
Noncash information:			
Non-operating prepaid PERS amortization	12,995	69,984	164,456
Capital contribution	-	55,634.00	5,000

Printing and Distribution Services Operating	Communication Services Operating	Insurance and Claims Operating	Workers' Compensation Self-Insurance Operating	Information Technology	Total
\$ 1,422,299	\$ 4,213,796	\$ 113,881	\$ 193,899	\$ 257,308	\$ 13,159,056
4,804,443	11,144,652	7,187,010	3,793,279	18,630,137	108,687,244
(3,289,385)	(8,206,117)	(1,450,778)	(1,054,158)	(3,473,545)	(39,979,913)
(1,574,354)	(2,874,268)	(580,200)	(700,102)	(11,782,206)	(25,649,781)
(961,866)	(1,665,750)	(1,730,334)	(876,408)	(1,919,438)	(14,212,599)
-	-	(1,820,563)	(1,446,808)	-	(33,004,524)
<u>401,137</u>	<u>2,612,313</u>	<u>1,719,016</u>	<u>(90,298)</u>	<u>1,712,256</u>	<u>8,999,483</u>
-	403,096	-	-	1,118,616	8,087,478
-	-	-	-	-	(1,042,243)
<u>-</u>	<u>403,096</u>	<u>-</u>	<u>-</u>	<u>1,118,616</u>	<u>7,045,235</u>
-	685,708	-	-	-	21,781,708
-	-	-	-	-	1,460,732
1,000	-	-	-	-	690,093
(277,954)	(1,529,303)	-	-	(466,609)	(5,474,496)
(15,211)	(914,673)	-	-	(995,000)	(29,680,212)
(20,506)	(573,666)	(8,722)	(16,341)	(217,961)	(5,408,730)
<u>(312,671)</u>	<u>(2,331,934)</u>	<u>(8,722)</u>	<u>(16,341)</u>	<u>(1,679,570)</u>	<u>(16,630,905)</u>
<u>81</u>	<u>(288)</u>	<u>8,378</u>	<u>(247)</u>	<u>(2,198)</u>	<u>49,165</u>
88,547	683,187	1,718,672	(106,886)	1,149,104	(537,022)
<u>1,117,523</u>	<u>11,138,943</u>	<u>15,507,576</u>	<u>13,417,825</u>	<u>5,118,001</u>	<u>99,396,781</u>
<u>\$ 1,206,070</u>	<u>\$ 11,822,130</u>	<u>\$ 17,226,248</u>	<u>\$ 13,310,939</u>	<u>\$ 6,267,105</u>	<u>\$ 98,859,759</u>
55,731	69,275	30,709	28,725	126,185	558,060
2,100	-	-	-	-	62,734

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City of Portland, Oregon
Internal Service Funds
Combining Statement of Cash Flows, Continued
For the Year Ended June 30, 2004

	Health Insurance Operating	Facilities Services Operating	Fleet Services Operating
	<u> </u>	<u> </u>	<u> </u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (4,484,464) \$	1,776,463 \$	865,721
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization of capital assets	-	2,914,572	3,791,392
Change in assets and liabilities:			
Accounts and contracts receivable	-	76,822	11,259
Inventories	-	-	(329,166)
Checks and accounts payable	(52,377)	(172,784)	(57,872)
Accrued compensated absences	(779)	(6,779)	10,714
Due from other funds	-	(44,208.00)	-
Accrued claims	(1,657,667)	-	-
Other accrued liabilities	-	4,212	-
Net cash provided by (used in) operating activities	<u>\$ (6,195,287) \$</u>	<u>\$ 4,548,298 \$</u>	<u>\$ 4,292,048</u>

<u>Printing and Distribution Services Operating</u>	<u>Communication Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self-Insurance Operating</u>	<u>Information Technology</u>	<u>Total</u>
\$ 64,337	\$ 2,907,938	\$ 805,189	\$ (831,835)	\$ 1,027,876	\$ 2,131,225
413,168	1,750,348	-	-	291,405	9,160,885
(10,858)	(144,884)	-	-	3,402	(64,259)
-	8,298	-	-	-	(320,868)
(59,985)	(1,923,919)	114,619	(3,968)	390,039	(1,766,247)
(5,525)	(7,625)	19,386	9,907	(466)	18,833
-	22,157	-	-	-	(22,051)
-	-	779,822	735,598	-	(142,247)
-	-	-	-	-	4,212
<u>\$ 401,137</u>	<u>\$ 2,612,313</u>	<u>\$ 1,719,016</u>	<u>\$ (90,298)</u>	<u>\$ 1,712,256</u>	<u>\$ 8,999,483</u>

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City of Portland, Oregon
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2004

	Fire and Police Disability and Retirement	Fire and Police Disability and Retirement Reserve	Fire and Police Supplemental Retirement Reserve	Total
ASSETS				
Cash and investments	\$ 16,346,463	\$ 750,000	\$ 83,687	\$ 17,180,150
Receivables:				
Due from other funds	5,062,189	-	-	5,062,189
Accrued interest	100,043	-	206	100,249
Machinery and equipment	41,046	-	-	41,046
Accumulated depreciation and amortization	(26,290)	-	-	(26,290)
Prepaid expense	445,642	-	-	445,642
	<u>21,969,093</u>	<u>750,000</u>	<u>83,893</u>	<u>22,802,986</u>
Total assets				
LIABILITIES				
Accounts payable	7,526,435	-	33	7,526,468
Accrued interest payable - current	15,581	-	-	15,581
Other liabilities - current	300,000	-	-	300,000
Bonds payable	526,002	-	-	526,002
	<u>8,368,018</u>	<u>-</u>	<u>33</u>	<u>8,368,051</u>
Total liabilities				
NET ASSETS				
Invested in capital assets, net of related debt	14,756	-	-	14,756
Held in trust for pension benefits	13,586,319	750,000	83,860	14,420,179
	<u>13,601,075</u>	<u>750,000</u>	<u>83,860</u>	<u>14,434,935</u>
Total net assets				

City of Portland, Oregon
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2004

	Trustee	Multnomah County Business Income Tax	Clearing Funds	Totals
ASSETS				
Cash and investments	\$ 6,536,496	\$ 1,023,602	\$ 29,246,121	\$ 36,806,219
Receivables:				
Accounts, net	-	-	208,200	208,200
Accrued interest	5,133	2,585	-	7,718
	<u>\$ 6,541,629</u>	<u>\$ 1,026,187</u>	<u>\$ 29,454,321</u>	<u>\$ 37,022,137</u>
Total assets				
	<u>\$ 6,541,629</u>	<u>\$ 1,026,187</u>	<u>\$ 29,454,321</u>	<u>\$ 37,022,137</u>
LIABILITIES				
Accounts payable	\$ 69	\$ -	\$ 9,096,812	\$ 9,096,881
Salaries and withholding taxes	-	-	19,236,478	19,236,478
Other liabilities - current	6,541,560	1,026,187	1,121,031	8,688,778
	<u>\$ 6,541,629</u>	<u>\$ 1,026,187</u>	<u>\$ 29,454,321</u>	<u>\$ 37,022,137</u>
Total liabilities				
	<u>\$ 6,541,629</u>	<u>\$ 1,026,187</u>	<u>\$ 29,454,321</u>	<u>\$ 37,022,137</u>

City of Portland, Oregon
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended June 30, 2004

	Fire and Police Disability and Retirement	Fire and Police Disability and Retirement Reserve	Fire and Police Supplemental Retirement Reserve	Total
ADDITIONS				
Contributions:				
Employer	\$ 85,572,724	\$ -	\$ -	\$ 85,572,724
Plan member	184,984	-	-	184,984
Other	97,081	-	-	97,081
Total contributions	85,854,789	-	-	85,854,789
Investment earnings	380,117	-	1,054	381,171
Bond and note premium	261,547	-	-	261,547
Total additions	86,496,453	-	1,054	86,497,507
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries	75,320,893	-	7,110	75,328,003
Refunds	63,229	-	-	63,229
Administrative expenses	2,448,527	-	-	2,448,527
Total deductions	77,832,649	-	7,110	77,839,759
Change in net assets	8,663,804	-	(6,056)	8,657,748
Net assets - beginning	4,937,271	750,000	89,916	5,777,187
Net assets - ending	\$ 13,601,075	\$ 750,000	\$ 83,860	\$ 14,434,935

City of Portland, Oregon
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2004

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Trustee				
Assets:				
Cash and investments	\$ 7,476,216	\$ 30,446,013	\$ 31,385,733	\$ 6,536,496
Accrued interest receivable	7,006	34,758	36,631	5,133
Total assets	\$ 7,483,222	\$ 30,480,771	\$ 31,422,364	\$ 6,541,629
Liabilities - amounts held in trust	\$ 7,483,222	\$ 27,446,455	\$ 28,388,048	\$ 6,541,629
Clearing				
Assets:				
Cash and investments	\$ 22,430,000	\$ 895,304,115	\$ 888,487,994	\$ 29,246,121
Accounts receivable other	-	208,200	-	208,200
Total assets	\$ 22,430,000	\$ 895,512,315	\$ 888,487,994	\$ 29,454,321
Liabilities:				
Checks and accounts payable	\$ 9,695,065	\$ 462,199,468	\$ 462,797,721	\$ 9,096,812
Salaries, withholdings and taxes payable	11,635,461	411,943,921	404,342,904	19,236,478
Other liabilities - current	1,099,474	8,448,243	8,426,686	1,121,031
Liabilities - amounts held in trust	\$ 22,430,000	\$ 882,591,632	\$ 875,567,311	\$ 29,454,321
Multnomah Co. Business Income Tax				
Assets:				
Cash and investments	\$ 498,667	\$ 38,526,736	\$ 38,001,801	\$ 1,023,602
Accrued interest receivable	1,728	7,534	6,677	2,585
Total assets	\$ 500,395	\$ 38,534,270	\$ 38,008,478	\$ 1,026,187
Liabilities - amounts held in trust	\$ 500,395	\$ 43,321,890	\$ 42,796,098	\$ 1,026,187
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 30,404,883	\$ 964,276,864	\$ 957,875,528	\$ 36,806,219
Accrued interest receivable	8,734	42,292	43,308	7,718
Accounts receivable other	-	208,200	-	208,200
Total assets	\$ 30,413,617	\$ 964,527,356	\$ 957,918,836	\$ 37,022,137
Liabilities:				
Checks and accounts payable	\$ 9,695,065	\$ 462,199,468	\$ 462,797,721	\$ 9,096,812
Salaries, withholdings and taxes payable	11,635,461	411,943,921	404,342,904	19,236,478
Other liabilities - current	1,099,474	8,448,243	8,426,686	1,121,031
Amounts held in trust	7,983,617	70,768,345	71,184,146	7,567,816
Total liabilities	\$ 30,413,617	\$ 953,359,977	\$ 946,751,457	\$ 37,022,137

City of Portland, Oregon
General Fund by Department
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes:				
Current year's taxes	\$ 147,427,197	\$ 144,732,198	\$ 145,342,854	\$ 610,656
Prior years' property taxes	3,461,175	3,461,175	3,844,118	382,943
Payment in lieu of taxes	706,515	706,515	660,945	(45,570)
Lodging taxes	10,978,701	10,978,701	11,104,018	125,317
Total taxes	<u>162,573,588</u>	<u>159,878,589</u>	<u>160,951,935</u>	<u>1,073,346</u>
Licenses and permits:				
Business licenses, net	40,664,039	34,331,514	44,450,961	10,119,447
Public utility licenses	41,452,252	41,452,252	40,558,892	(893,360)
Construction permits	984,000	1,044,000	1,134,487	90,487
Other permits	1,879,825	1,679,825	1,685,714	5,889
Total licenses and permits	<u>84,980,116</u>	<u>78,507,591</u>	<u>87,830,054</u>	<u>9,322,463</u>
Intergovernmental revenues:				
State cost sharing	40,000	40,000	17,520	(22,480)
State grants	-	80,544	80,544	-
State revenue sharing	9,480,137	9,480,137	9,794,116	313,979
Local shared revenues	2,502,887	2,997,887	3,361,899	364,012
Local administered Federal funds	127,794	127,794	152,354	24,560
PDC - Overhead charges	275,323	144,430	144,430	-
Multnomah County cost sharing	1,519,961	5,146,934	5,087,119	(59,815)
Local cost sharing	4,792,059	5,993,655	5,795,732	(197,923)
Total intergovernmental	<u>18,738,161</u>	<u>24,011,381</u>	<u>24,433,714</u>	<u>422,333</u>
Service charges and fees:				
Inspection fees	900,000	900,000	843,967	(56,033)
Rents and reimbursements	1,815,284	1,844,892	2,068,636	223,744
Concessions	17,500	7,000	8,554	1,554
Parks and recreation facilities fees	7,731,679	7,813,682	7,408,508	(405,174)
Other service charges	2,332,840	2,532,773	3,119,707	586,934
Total service charges and fees	<u>12,797,303</u>	<u>13,098,347</u>	<u>13,449,372</u>	<u>351,025</u>
Miscellaneous:				
Loan repayments	-	-	18,826	18,826
Assessments	1,095,256	1,257,598	1,167,039	(90,559)
Sales - other	31,500	31,500	52,849	21,349
Refunds	256,304	376,304	465,499	89,195
Private grants and donations	-	86,300	57,058	(29,242)
Investment earnings	1,050,674	1,110,018	648,694	(461,324)
Other interest income	647,600	647,600	233,529	(414,071)
Miscellaneous	2,690,724	3,340,284	2,234,641	(1,105,643)
General Fund Intrafund Revenue	6,838,013	6,952,132	6,976,952	24,820
Total miscellaneous	<u>12,610,071</u>	<u>13,801,736</u>	<u>11,855,087</u>	<u>(1,946,649)</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES, Continued				
Billings to other funds for services:				
General	26,305	-	26,305	26,305
Transportation Operating	1,915,072	1,892,747	1,737,402	(155,345)
Emergency Communication	119,438	119,438	119,438	-
Planning and Development	413,743	428,997	405,745	(23,252)
Public Safety	24,068	24,068	19,020	(5,048)
Cable	313,616	324,616	317,093	(7,523)
Business License Surcharge	304,594	304,594	304,594	-
Sewer System Operating	3,053,357	4,637,304	3,445,055	(1,192,249)
Hydroelectric Power Operating	25,998	26,172	25,841	(331)
Water	2,009,104	3,530,181	2,460,785	(1,069,396)
Golf	483,721	514,621	502,955	(11,666)
Portland International Raceway	108,913	139,913	173,228	33,315
Solid Waste Management	270,841	271,184	276,058	4,874
Parking Facilities	282,358	282,358	258,990	(23,368)
Spectator Facilities Operating	102,294	102,294	98,823	(3,471)
Convention and Tourism	60,254	60,254	60,254	-
Special Finance and Resource	-	50,000	29,458	(20,542)
Housing Investment	31,000	31,000	31,000	-
Parks Local Option Levy	4,421,081	4,421,081	3,807,978	(613,103)
Children's Investment	83,758	284,375	262,768	(21,607)
Housing and Community Development	1,873,937	1,996,014	1,759,962	(236,052)
Home Grant	409,497	441,105	299,985	(141,120)
Pension Debt Redemption	110,921	110,921	110,921	-
FRES Facilities Bond Construction	93,180	93,180	-	(93,180)
Local Improvement District Construction	1,436,885	1,463,885	1,256,291	(207,594)
Parks Construction	375,684	597,531	397,701	(199,830)
Portland Parks Memorial Trust	760,789	1,079,502	651,940	(427,562)
Fire and Police Disability and Retirement	1,136,635	1,141,635	1,073,111	(68,524)
Health Insurance Operating	271,938	271,938	271,938	-
Facilities Services Operating	730,996	754,168	761,787	7,619
Fleet Services Operating	372,193	372,193	365,630	(6,563)
Printing and Distribution Services Operating	165,135	165,135	159,556	(5,579)
Communication Services Operating	384,805	385,662	385,440	(222)
Insurance and Claims Operating	1,564,729	1,505,891	1,463,416	(42,475)
Workers' Compensation Self-Insurance Operating	678,707	619,868	577,394	(42,474)
Information Technology	520,902	538,555	534,712	(3,843)
Total billings to other funds for services	24,936,448	28,982,380	24,432,574	(4,549,806)

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES, Continued				
Billings to other funds for general and overhead charges:				
Transportation Operating	2,690,003	2,588,334	2,588,334	-
Assessment Collection	209	332	332	-
Emergency Communication	359,399	385,968	385,968	-
Planning and Development	920,424	1,198,440	1,198,440	-
Public Safety	11,468	12,948	12,948	-
Cable	14,259	14,772	14,772	-
Sewer System Operating	2,488,812	2,155,115	2,155,115	-
Hydroelectric Power Operating	57,400	54,426	54,426	-
Water	1,730,499	1,885,396	1,885,396	-
Golf	131,604	119,304	119,304	-
Portland International Raceway	28,430	24,425	24,425	-
Solid Waste Management	167,244	159,957	159,957	-
Parking Facilities	108,622	103,057	103,057	-
Spectator Facilities Operating	28,281	41,491	41,491	-
Environmental Remediation	3,661	4,072	4,072	-
Convention and Tourism	7,264	6,582	6,582	-
FRES Facilities Bond Construction	93,769	122,535	122,535	-
Local Improvement District Construction	56,680	-	-	-
Parks Construction	122,551	106,059	106,059	-
Fire and Police Disability and Retirement	102,213	93,172	93,172	-
Health Insurance Operating	266,157	229,835	229,835	-
Facilities Services Operating	1,108,561	1,510,382	1,510,382	-
Fleet Services Operating	869,753	877,260	877,260	-
Printing and Distribution Services Operating	360,732	408,436	408,436	-
Communication Services Operating	445,342	539,623	539,623	-
Insurance and Claims Operating	199,961	167,224	167,224	-
Workers' Compensation Self-Insurance Operating	211,560	196,833	196,833	-
Information Technology	420,200	503,097	503,097	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total billings to other funds for general and overhead charges	13,005,058	13,509,075	13,509,075	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	329,640,745	331,789,099	336,461,811	4,672,712

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Department of Finance and Administration				
Office of the Mayor				
Personal services	976,094	976,094	946,778	29,316
Materials and services	410,364	398,940	360,285	38,655
Total Office of the Mayor	<u>1,386,458</u>	<u>1,375,034</u>	<u>1,307,063</u>	<u>67,971</u>
Office of City Attorney				
Personal services	4,339,039	4,295,826	4,265,615	30,211
Materials and services	821,185	828,185	779,162	49,023
Total Office of City Attorney	<u>5,160,224</u>	<u>5,124,011</u>	<u>5,044,777</u>	<u>79,234</u>
Office of Management and Finance				
Personal services	14,193,419	14,109,406	13,383,889	725,517
Materials and services	11,104,809	13,730,159	11,098,680	2,631,479
Capital outlay	-	945,000	-	945,000
Total Office of Management and Finance	<u>25,298,228</u>	<u>28,784,565</u>	<u>24,482,569</u>	<u>4,301,996</u>
Bureau of Police				
Personal services	91,092,911	93,695,591	93,445,287	250,304
Materials and services	33,783,823	36,092,138	31,326,441	4,765,697
Capital outlay	200,000	1,418,151	888,694	529,457
Total Bureau of Police	<u>125,076,734</u>	<u>131,205,880</u>	<u>125,660,422</u>	<u>5,545,458</u>
Office of Government Relations				
Personal services	426,147	440,147	434,696	5,451
Materials and services	304,219	295,421	275,344	20,077
Total Office of Government Relations	<u>730,366</u>	<u>735,568</u>	<u>710,040</u>	<u>25,528</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, Continued Department of Finance and Administration, Continued				
SPECIAL APPROPRIATIONS				
Regional Arts Council/RACC Materials and services	1,963,603	1,963,603	1,963,603	-
City Membership and Dues Materials and services	228,949	228,949	230,902	(1,953)
Leaders Roundtable Materials and services	9,570	9,570	9,570	-
Public Safety Coord. Materials and services	26,405	26,405	-	26,405
Millennium Celebration Materials and services	-	50,000	50,000	-
Clean & Safe Materials and services	16,628	16,628	16,291	337
Employee Transit Program Materials and services	132,293	132,293	132,293	-
Compensation Adjustment Materials and services	7,536,302	8,339,354	507,389	7,831,965
Council Emergency Funds Materials and services	5,081	5,081	5,000	81
CIP O&M Set Aside Materials and services	567,566	281,966	-	281,966
MERC/PCPA Materials and services	641,256	641,256	641,256	-
PDC Enterprise Zones Materials and services	50,582	50,582	37,938	12,644
PDC Business Development Materials and services	428,038	428,038	321,030	107,008
Workforce Development Materials and services	100,088	100,088	86,874	13,214

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, Continued				
Department of Finance and Administration, Continued				
PDC Business Districts				
Materials and services	54,280	54,280	40,710	13,570
PDC Targeted Industry Jobs				
Materials and services	118,150	118,150	88,614	29,536
Business Retention				
Materials and services	136,237	136,237	102,180	34,057
Managing for Results				
Materials and services	92,000	92,000	-	92,000
Downtown Marketing and Promo				
Materials and services	-	400,000	400,000	-
Business License Refunds				
Materials and services	6,382,525	50,000	-	50,000
Small Business Opportunity				
Materials and services	111,200	111,200	83,400	27,800
Downtown Services				
Materials and services	878,111	878,111	819,117	58,994
COPPEA Professional Development				
Materials and services	125,000	235,375	207,249	28,126
Total Department of Finance and Administration	<u>177,255,874</u>	<u>181,574,224</u>	<u>162,948,287</u>	<u>18,625,937</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, Continued				
Department of Public Affairs				
Office of Commissioner				
Personal services	638,183	742,381	731,371	11,010
Materials and services	119,024	144,269	136,015	8,254
Total Office of Commissioner	<u>757,207</u>	<u>886,650</u>	<u>867,386</u>	<u>19,264</u>
Bureau of Fire, Rescue and Emergency Services				
Personal services	57,776,651	58,203,559	57,695,965	507,594
Materials and services	8,821,568	10,530,254	9,597,672	932,582
Capital outlay	1,223,004	2,781,020	1,302,514	1,478,506
Total Bureau of Fire, Rescue and Emergency Services	<u>67,821,223</u>	<u>71,514,833</u>	<u>68,596,151</u>	<u>2,918,682</u>
Bureau of Emergency Management				
Personal services	509,262	507,525	447,637	59,888
Materials and services	446,990	7,448,328	662,012	6,786,316
Total Bureau of Emergency Management	<u>956,252</u>	<u>7,955,853</u>	<u>1,109,649</u>	<u>6,846,204</u>
Bureau of Housing and Community Development				
Personal services	1,851,942	1,947,511	1,779,543	167,968
Materials and services	7,510,095	16,833,818	13,288,470	3,545,348
Total Bureau of Housing and Community Development	<u>9,362,037</u>	<u>18,781,329</u>	<u>15,068,013</u>	<u>3,713,316</u>
Office of Neighborhood Involvement				
Personal services	4,047,193	4,102,265	3,998,128	104,137
Materials and services	3,218,762	3,608,531	3,386,704	221,827
Total Office of Neighborhood Involvement	<u>7,265,955</u>	<u>7,710,796</u>	<u>7,384,832</u>	<u>325,964</u>
Total Department of Public Affairs	<u>86,162,674</u>	<u>106,849,461</u>	<u>93,026,031</u>	<u>13,823,430</u>
Department of Public Works				
Office of Commissioner				
Personal services	511,982	516,711	509,073	7,638
Materials and services	108,569	108,569	106,250	2,319
Total Office of Commissioner	<u>620,551</u>	<u>625,280</u>	<u>615,323</u>	<u>9,957</u>
Office of Cable Communications and Franchise				
Personal services	619,182	626,998	624,289	2,709
Materials and services	1,100,515	1,140,515	1,056,393	84,122
Total Office of Cable Communications and Franchise	<u>1,719,697</u>	<u>1,767,513</u>	<u>1,680,682</u>	<u>86,831</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, Continued				
Department of Public Works, Continued				
Office of Sustainable Development				
Personal services	1,156,846	1,153,664	1,050,328	103,336
Materials and services	1,949,194	2,329,239	394,989	1,934,250
Total Office of Sustainable Development	3,106,040	3,482,903	1,445,317	2,037,586
Total Department of Public Works	5,446,288	5,875,696	3,741,322	2,134,374
Department of Public Utilities				
Office of Commissioner				
Personal services	531,417	524,883	486,162	38,721
Materials and services	122,370	132,370	111,000	21,370
Total Office of Commissioner	653,787	657,253	597,162	60,091
Bureau of Licenses				
Personal services	2,788,412	4,153,507	3,391,083	762,424
Materials and services	1,242,679	3,508,125	2,597,397	910,728
Capital outlay	-	6,995	6,995	-
Total Bureau of Licenses	4,031,091	7,668,627	5,995,475	1,673,152
Bureau of Parks				
Personal services	29,003,150	28,121,367	27,604,489	516,878
Materials and services	16,582,211	18,870,198	17,845,623	1,024,575
Capital outlay	96,563	121,563	46,903	74,660
Principal	-	-	30,000	(30,000)
Total Bureau of Parks	45,681,924	47,113,128	45,527,015	1,586,113
Total Department of Public Utilities	50,366,802	55,439,008	52,119,652	3,319,356
Department of Public Safety				
Office of Commissioner				
Personal services	505,675	505,675	459,838	45,837
Materials and services	109,904	104,355	112,960	(8,605)
Total Office of Commissioner	615,579	610,030	572,798	37,232
Bureau of Planning				
Personal services	5,139,362	4,905,639	4,884,251	21,388
Materials and services	2,960,265	2,731,598	2,260,614	470,984
Total Bureau of Planning	8,099,627	7,637,237	7,144,865	492,372
Total Department of Public Safety	8,715,206	8,247,267	7,717,663	529,604

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES, Continued				
Nondepartmental				
Office of the City Auditor				
Personal services	4,842,680	4,817,773	4,631,471	186,302
Materials and services	2,019,905	2,060,321	1,755,957	304,364
Total Office of the City Auditor	<u>6,862,585</u>	<u>6,878,094</u>	<u>6,387,428</u>	<u>490,666</u>
Other requirements				
Inventory stores stock	25,000	25,000	53,344	(28,344)
General operating contingencies	6,902,743	1,993,137	-	1,993,137
Reimbursable expense	2,000,000	2,000,000	-	2,000,000
Total nondepartmental	<u>15,790,328</u>	<u>10,896,231</u>	<u>6,440,772</u>	<u>4,455,459</u>
Total expenditures	<u>343,737,172</u>	<u>368,881,887</u>	<u>325,993,727</u>	<u>42,888,160</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Planning and Development	-	27,000	27,000	-
Sewer System Operating	11,767,433	11,767,433	11,538,268	(229,165)
Hydroelectric Power Operating	200,000	200,000	200,000	-
Water	4,016,308	4,016,308	4,134,491	118,183
Solid Waste Management	890,657	1,038,606	697,187	(341,419)
Parking Facilities	208,074	308,074	308,074	-
General Reserve	-	220,135	120,135	(100,000)
Housing and Community Development	231,495	231,495	228,771	(2,724)
Pension Debt Redemption	500,000	500,000	500,000	-
Fleet Services Operating	-	37,486	37,486	-
Federal Grants	9,074,374	33,791,617	16,023,156	(17,768,461)
Transfers to other funds:				
Transportation Operating	(5,285,280)	(3,955,201)	(3,955,201)	-
Emergency Communication	(8,306,504)	(8,045,780)	(8,045,780)	-
Planning and Development	(1,192,518)	(1,193,072)	(1,193,072)	-
Private for Hire Transportation Safety	-	(205,000)	(205,000)	-
Business License Surcharge	-	(5,100,000)	(5,100,000)	-
General Reserve	(625,384)	(625,384)	(625,384)	-
Housing Investment	(495,757)	(495,757)	(495,757)	-
Pension Debt Redemption	(3,320,937)	(1,417,168)	(1,417,168)	-
FRES Facilities Bond Construction	-	-	(30,000)	(30,000)

Continued next page

City of Portland, Oregon
General Fund by Department
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES), Continued				
Transfers to other funds, continued:				
Parks Construction	(925,000)	(1,073,676)	(1,073,676)	-
Governmental Bond Redemption	(2,320,483)	(7,720,483)	(7,746,853)	(26,370)
Facilities Services Operating	(2,879,202)	(2,897,234)	(2,879,202)	18,032
Fleet Services Operating	(121,545)	(232,159)	(240,800)	(8,641)
Printing and Distribution Services Operating	-	(81,150)	(81,170)	(20)
Communication Services Operating	(250,000)	(771,962)	(557,143)	214,819
Information Technology	(818,419)	(618,616)	(618,616)	-
	<u>347,312</u>	<u>17,705,512</u>	<u>(450,254)</u>	<u>(18,155,766)</u>
Net change in fund balance	(13,749,115)	(19,387,276)	10,017,830	29,405,106
Fund balances -- beginning	<u>13,749,115</u>	<u>19,387,276</u>	<u>19,387,276</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,405,106</u>	<u>\$ 29,405,106</u>

City of Portland, Oregon
Assessment Collection Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 1,000	\$ 1,000	\$ 450	\$ (550)
Investment earnings	1,000	1,000	748	(252)
Other interest income	1,000	1,000	970	(30)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,168</u>	<u>(832)</u>
EXPENDITURES				
General operating contingencies	63,112	62,989	-	62,989
Overhead charges - General Fund	209	332	332	-
Total expenditures	<u>63,321</u>	<u>63,321</u>	<u>332</u>	<u>62,989</u>
Revenues over (under) expenditures	(60,321)	(60,321)	1,836	62,157
Fund balances -- beginning	<u>60,321</u>	<u>60,321</u>	<u>60,091</u>	<u>(230)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,927</u>	<u>\$ 61,927</u>

City of Portland, Oregon
Emergency Communication Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues:				
State cost sharing	\$ 1,972,821	\$ 2,099,215	\$ 2,557,969	\$ 458,754
Multnomah County cost sharing	252,392	239,888	246,140	6,252
Local cost sharing	2,295,590	2,181,700	2,238,480	56,780
	<u>4,520,803</u>	<u>4,520,803</u>	<u>5,042,589</u>	<u>521,786</u>
Total intergovernmental revenues				
Miscellaneous and interest:				
Other service charges	50,000	50,000	56,335	6,335
Investment earnings	-	-	(4,288)	(4,288)
	<u>50,000</u>	<u>50,000</u>	<u>52,047</u>	<u>2,047</u>
Total miscellaneous and interest				
Total revenues				
	<u>4,570,803</u>	<u>4,570,803</u>	<u>5,094,636</u>	<u>523,833</u>
EXPENDITURES				
Personal services	9,507,144	9,501,719	9,176,240	325,479
Materials and services	3,021,600	2,988,192	2,735,414	252,778
Capital outlay	155,000	172,235	64,868	107,367
Overhead charges - General Fund	359,399	385,968	385,968	-
	<u>13,043,143</u>	<u>13,048,114</u>	<u>12,362,490</u>	<u>685,624</u>
Total expenditures				
Revenues over (under) expenditures				
	<u>(8,472,340)</u>	<u>(8,477,311)</u>	<u>(7,267,854)</u>	<u>1,209,457</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	8,306,504	8,045,780	8,045,780	-
Public Safety	250,000	454,775	454,775	-
Transfers to other funds:				
Public Safety	-	(171,709)	(171,709)	-
Pension Debt Redemption	(84,164)	(23,244)	(23,244)	-
	<u>8,472,340</u>	<u>8,305,602</u>	<u>8,305,602</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances				
	-	(171,709)	1,037,748	1,209,457
Fund balances -- beginning				
	-	171,709	171,709	-
Fund balances -- ending				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,209,457</u>	<u>\$ 1,209,457</u>

City of Portland, Oregon
Planning and Development Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and fees:				
Construction permits	\$ 20,131,115	\$ 20,131,115	\$ 20,204,259	\$ 73,144
Other permits	343,000	343,000	378,699	35,699
Total licenses and fees	<u>20,474,115</u>	<u>20,474,115</u>	<u>20,582,958</u>	<u>108,843</u>
Service charges and fees:				
Inspection fees	1,475,000	1,475,000	1,702,523	227,523
Other service charges	4,053,000	4,053,000	3,951,603	(101,397)
Total service charges and fees	<u>5,528,000</u>	<u>5,528,000</u>	<u>5,654,126</u>	<u>126,126</u>
Miscellaneous and interest:				
Assessments	525,000	525,000	412,200	(112,800)
Investment earnings	114,000	114,000	68,782	(45,218)
Other interest income	42,000	42,000	79,212	37,212
Total miscellaneous and interest	<u>681,000</u>	<u>681,000</u>	<u>560,194</u>	<u>(120,806)</u>
Billings for interfund services:				
General	178,122	178,122	48,062	(130,060)
Transportation Operating	41,795	41,795	41,795	-
Sewer System Operating	43,377	43,377	43,377	-
Water	5,224	5,224	5,224	-
Total billings for interfund services	<u>268,518</u>	<u>268,518</u>	<u>138,458</u>	<u>(130,060)</u>
Total revenues	<u>26,951,633</u>	<u>26,951,633</u>	<u>26,935,736</u>	<u>(15,897)</u>
EXPENDITURES				
Personal services	21,214,821	21,165,375	19,612,684	1,552,691
Materials and services	6,995,600	7,438,537	6,713,914	724,623
Capital outlay	12,063	12,063	-	12,063
General operating contingencies	3,097,918	2,023,344	-	2,023,344
Overhead charges - General Fund	920,424	1,198,440	1,198,440	-
Total expenditures	<u>32,240,826</u>	<u>31,837,759</u>	<u>27,525,038</u>	<u>4,312,721</u>
Revenues over (under) expenditures	<u>(5,289,193)</u>	<u>(4,886,126)</u>	<u>(589,302)</u>	<u>4,296,824</u>

Continued next page

City of Portland, Oregon
Planning and Development Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,192,518	1,193,072	1,193,072	-
Transportation Operating	-	50,000	50,000	-
Transfers to other funds:				
General	-	(27,000)	(27,000)	-
General Reserve	-	(730,360)	(730,360)	-
Pension Debt Redemption	(422,395)	(116,656)	(116,656)	-
Printing and Distribution Services Operating	-	(2,000)	(2,000)	-
Total other financing sources (uses)	<u>770,123</u>	<u>367,056</u>	<u>367,056</u>	
Net change in fund balances	(4,519,070)	(4,519,070)	(222,246)	4,296,824
Fund balances -- beginning	<u>4,519,070</u>	<u>4,519,070</u>	<u>5,042,870</u>	<u>523,800</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,820,624</u>	<u>\$ 4,820,624</u>

City of Portland, Oregon
Property Management License Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Business licenses, net	\$ 4,203,884	\$ 4,203,884	\$ 4,177,839	\$ (26,045)
Investment earnings	8,750	8,750	4,387	(4,363)
Total revenues	<u>4,212,634</u>	<u>4,212,634</u>	<u>4,182,226</u>	<u>(30,408)</u>
EXPENDITURES				
Materials and services	<u>4,212,634</u>	<u>4,394,434</u>	<u>4,160,620</u>	<u>233,814</u>
Revenues over (under) expenditures	-	(181,800)	21,606	203,406
Fund balances -- beginning	<u>-</u>	<u>181,800</u>	<u>7,337</u>	<u>(174,463)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,943</u>	<u>\$ 28,943</u>

City of Portland, Oregon
Public Safety Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Prior years' property taxes	\$ -	\$ -	\$ 45	\$ 45
Investment earnings	-	-	15,361	15,361
Total revenues	-	-	15,406	15,406
EXPENDITURES				
Personal services	-	10,000	5,174	4,826
Materials and services	95,268	358,916	122,328	236,588
Capital outlay	70,000	521,491	148,106	373,385
General operating contingencies	421,668	215,413	-	215,413
Overhead charges - General Fund	11,468	12,948	12,948	-
Total expenditures	598,404	1,118,768	288,556	830,212
Revenues over (under) expenditures	(598,404)	(1,118,768)	(273,150)	845,618
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Emergency Communication	-	171,709	171,709	-
Transfers to other funds:				
Emergency Communication	(250,000)	(454,775)	(454,775)	-
Pension Debt Redemption	(6,620)	(6,620)	-	6,620
Total financing sources (uses)	(256,620)	(289,686)	(283,066)	6,620
Net change in fund balances	(855,024)	(1,408,454)	(556,216)	852,238
Fund balances -- beginning	855,024	1,408,454	1,408,454	-
Fund balances -- ending	\$ -	\$ -	\$ 852,238	\$ 852,238

City of Portland, Oregon
Cable Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public utility licenses	\$ 831,013	\$ 831,013	\$ 922,602	\$ 91,589
Investment earnings	92,801	92,801	27,961	(64,840)
Miscellaneous	1,831,110	1,831,110	1,836,496	5,386
Billings for interfund services:				
General	244,738	244,738	226,460	(18,278)
Total revenues	<u>2,999,662</u>	<u>2,999,662</u>	<u>3,013,519</u>	<u>13,857</u>
EXPENDITURES				
Materials and services	2,885,344	3,050,248	2,963,060	87,188
General operating contingencies	812,319	493,806	-	493,806
Overhead charges - General Fund	14,259	14,772	14,772	-
Total expenditures	<u>3,711,922</u>	<u>3,558,826</u>	<u>2,977,832</u>	<u>580,994</u>
Revenues over (under) expenditures	<u>(712,260)</u>	<u>(559,164)</u>	<u>35,687</u>	<u>594,851</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Communication Services Operating	-	(153,096)	(153,096)	-
Total financing sources (uses)	<u>-</u>	<u>(153,096)</u>	<u>(153,096)</u>	<u>-</u>
Net change in fund balances	(712,260)	(712,260)	(117,409)	594,851
Fund balances -- beginning	<u>2,959,636</u>	<u>2,959,636</u>	<u>2,357,680</u>	<u>(601,956)</u>
Fund balances -- ending	<u>\$ 2,247,376</u>	<u>\$ 2,247,376</u>	<u>\$ 2,240,271</u>	<u>\$ (7,105)</u>

City of Portland, Oregon
Private for Hire Transportation Safety Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other permits	\$ -	\$ -	\$ 14,655	\$ 14,655
Investment earnings	-	-	263	263
Miscellaneous	-	45,000	65,372	20,372
Total revenues	<u>-</u>	<u>45,000</u>	<u>80,290</u>	<u>35,290</u>
EXPENDITURES				
Materials and services	-	250,000	-	250,000
Total expenditures	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>(205,000)</u>	<u>80,290</u>	<u>285,290</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	-	205,000	205,000	-
Total other financing sources (uses)	<u>-</u>	<u>205,000</u>	<u>205,000</u>	<u>-</u>
Net change in fund balances	-	-	285,290	285,290
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,290</u>	<u>\$ 285,290</u>

City of Portland, Oregon
Business License Surcharge Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Business licenses, net	\$ 13,000,000	\$ 19,014,448	\$ 18,431,973	\$ (582,475)
Investment earnings	-	-	43,260	43,260
Total revenues	<u>13,000,000</u>	<u>19,014,448</u>	<u>18,475,233</u>	<u>(539,215)</u>
EXPENDITURES				
Materials and services	<u>304,594</u>	<u>9,749,042</u>	<u>6,304,594</u>	<u>3,444,448</u>
Total expenditures	<u>304,594</u>	<u>9,749,042</u>	<u>6,304,594</u>	<u>3,444,448</u>
Revenues over (under) expenditures	<u>12,695,406</u>	<u>9,265,406</u>	<u>12,170,639</u>	<u>2,905,233</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	-	5,100,000	5,100,000	-
Transfers to other funds:				
Governmental Bond Redemption	<u>(12,695,406)</u>	<u>(14,365,406)</u>	<u>(14,362,278)</u>	<u>3,128</u>
Total financing sources (uses)	<u>(12,695,406)</u>	<u>(9,265,406)</u>	<u>(9,262,278)</u>	<u>3,128</u>
Net change in fund balances	-	-	2,908,361	2,908,361
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,908,361</u>	<u>\$ 5,819,850</u>

City of Portland, Oregon
Convention and Tourism Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Lodging taxes	\$ 2,140,903	\$ 2,240,903	\$ 2,220,804	\$ (20,099)
Investment earnings	15,900	15,900	3,518	(12,382)
Total revenues	<u>2,156,803</u>	<u>2,256,803</u>	<u>2,224,322</u>	<u>(32,481)</u>
EXPENDITURES				
Materials and services	2,133,639	2,329,674	2,214,222	115,452
Overhead charges - General Fund	7,264	6,582	6,582	-
Total expenditures	<u>2,140,903</u>	<u>2,336,256</u>	<u>2,220,804</u>	<u>115,452</u>
Revenues over (under) expenditures	15,900	(79,453)	3,518	82,971
Fund balances -- beginning	<u>154,997</u>	<u>250,350</u>	<u>143,824</u>	<u>(106,526)</u>
Fund balances -- ending	<u>\$ 170,897</u>	<u>\$ 170,897</u>	<u>\$ 147,342</u>	<u>\$ (23,555)</u>

City of Portland, Oregon
General Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 520,668	\$ 520,668	\$ 445,001	\$ (75,667)
Total revenues	<u>520,668</u>	<u>520,668</u>	<u>445,001</u>	<u>(75,667)</u>
EXPENDITURES				
General operating contingencies	<u>35,937,416</u>	<u>36,705,964</u>	<u>-</u>	<u>36,705,964</u>
Revenues over (under) expenditures	<u>(35,416,748)</u>	<u>(36,185,296)</u>	<u>445,001</u>	<u>36,630,297</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	625,384	625,384	625,384	-
Planning and Development	-	730,360	730,360	-
Health Insurance Operating	-	262,281	262,281	-
Transfers to other funds:				
General	-	(220,135)	(120,135)	100,000
Health Insurance Operating	-	(3,958)	(3,958)	-
Total financing sources (uses)	<u>625,384</u>	<u>1,393,932</u>	<u>1,493,932</u>	<u>100,000</u>
Net change in fund balances	(34,791,364)	(34,791,364)	1,938,933	36,730,297
Fund balances -- beginning	<u>34,791,364</u>	<u>34,791,364</u>	<u>37,245,789</u>	<u>2,454,425</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,184,722</u>	<u>\$ 39,184,722</u>

City of Portland, Oregon
Special Finance and Resource Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 12,740	\$ 12,740
EXPENDITURES				
Materials and services	152,232,000	154,724,027	41,198,917	113,525,110
Revenues over (under) expenditures	(152,232,000)	(154,724,027)	(41,186,177)	113,537,850
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Special Projects Debt Service	-	(7,000)	(5,026)	1,974
Governmental Bond Redemption	-	(1,000)	(540)	460
Bonds and notes issued	152,232,000	154,654,027	41,152,187	(113,501,840)
Total other financing sources (uses)	152,232,000	154,646,027	41,146,621	(113,499,406)
Net change in fund balances	-	(78,000)	(39,556)	38,444
Fund balances -- beginning	-	78,000	375,534	297,534
Fund balances -- ending	\$ -	\$ -	\$ 335,978	\$ 335,978

City of Portland, Oregon
Transportation Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Investment earnings	\$ 25,000	\$ 25,000	\$ 8,265	\$ (16,735)
EXPENDITURES				
General operating contingencies	<u>702,582</u>	<u>702,582</u>	<u>-</u>	<u>702,582</u>
Revenues over (under) expenditures	(677,582)	(677,582)	8,265	685,847
Fund balances -- beginning	<u>677,582</u>	<u>677,582</u>	<u>676,077</u>	<u>(1,505)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,342</u>	<u>\$ 684,342</u>

City of Portland, Oregon
Housing Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rents and reimbursements	\$ 154,000	\$ 154,000	\$ 54,516	\$ (99,484)
Other service charges	63,000	63,000	-	(63,000)
Investment earnings	89,979	89,979	35,841	(54,138)
	<u>306,979</u>	<u>306,979</u>	<u>90,357</u>	<u>(216,622)</u>
EXPENDITURES				
Materials and services	9,009,205	9,842,709	1,412,204	8,430,505
Capital outlay	12,000,000	12,000,000	-	12,000,000
General operating contingencies	96,531	66,797	-	66,797
Inventory increase	-	-	1,510,000	(1,510,000)
Debt service:				
Principal	1,020,000	1,020,000	1,555,000	(535,000)
Interest	-	800,000	171,402	628,598
	<u>22,125,736</u>	<u>23,729,506</u>	<u>4,648,606</u>	<u>19,080,900</u>
Revenues over (under) expenditures	<u>(21,818,757)</u>	<u>(23,422,527)</u>	<u>(4,558,249)</u>	<u>18,864,278</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	495,757	495,757	495,757	-
Children's Investment	1,051,531	1,051,531	1,045,000	(6,531)
Transfers to other funds:				
Children's Investment	(1,045,000)	(1,045,000)	(1,045,000)	-
Governmental Bond Redemption	(4,854,000)	(4,854,000)	(7,560)	4,846,440
Bonds and notes issued	16,885,000	16,885,000	-	(16,885,000)
Loan proceeds	500,000	-	-	-
Sale of capital asset	5,874,000	6,674,000	1,785,731	(4,888,269)
	<u>18,907,288</u>	<u>19,207,288</u>	<u>2,273,928</u>	<u>(16,933,360)</u>
Net change in fund balances	(2,911,469)	(4,215,239)	(2,284,321)	1,930,918
Fund balances -- beginning	2,911,469	4,215,239	3,158,419	(1,056,820)
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 874,098</u>	<u>\$ 874,098</u>

City of Portland, Oregon
Parks Local Option Levy Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 8,671,109	\$ 8,671,109	\$ 8,472,169	\$ (198,940)
Investment earnings	36,880	36,880	44,809	7,929
Total revenues	<u>8,707,989</u>	<u>8,707,989</u>	<u>8,516,978</u>	<u>(191,011)</u>
EXPENDITURES				
Materials and services	4,983,081	5,577,733	5,679,190	(101,457)
General operating contingencies	3,724,908	2,530,256	-	2,530,256
Total expenditures	<u>8,707,989</u>	<u>8,107,989</u>	<u>5,679,190</u>	<u>2,428,799</u>
Revenues over (under) expenditures	<u>-</u>	<u>600,000</u>	<u>2,837,788</u>	<u>2,237,788</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Parks Construction	-	(600,000)	-	600,000
Total financing sources (uses)	<u>-</u>	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>2,837,788</u>	<u>2,837,788</u>
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,837,788</u>	<u>\$ 2,837,788</u>

City of Portland, Oregon
Children's Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 8,977,866	\$ 8,600,000	\$ 8,751,362	\$ 151,362
Investment earnings	34,000	32,680	54,059	21,379
Total revenues	<u>9,011,866</u>	<u>8,632,680</u>	<u>8,805,421</u>	<u>172,741</u>
EXPENDITURES				
Materials and services	8,450,000	8,570,617	2,502,139	6,068,478
General operating contingencies	555,335	55,532	-	55,532
Debt service:				
Interest	-	-	8,718	(8,718)
Total expenditures	<u>9,005,335</u>	<u>8,626,149</u>	<u>2,510,857</u>	<u>6,115,292</u>
Revenues over (under) expenditures	<u>6,531</u>	<u>6,531</u>	<u>6,294,564</u>	<u>6,288,033</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Housing Investment	1,045,000	1,045,000	1,045,000	-
Transfers to other funds:				
Housing Investment	<u>(1,051,531)</u>	<u>(1,051,531)</u>	<u>(1,045,000)</u>	<u>6,531</u>
Total other financing sources (uses)	<u>(6,531)</u>	<u>(6,531)</u>	<u>-</u>	<u>6,531</u>
Net change in fund balances	-	-	6,294,564	6,294,564
Fund balances -- beginning	-	-	3,622	3,622
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,298,186</u>	<u>\$ 6,298,186</u>

City of Portland, Oregon
Federal Grants Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal grants	\$ 20,221,575	\$ 46,097,742	\$ 24,949,473	\$ (21,148,269)
State grants	-	1,557,651	689,843	(867,808)
Private grants and donations	1,612,611	2,406,321	797,573	(1,608,748)
Investment earnings	-	-	10,300	10,300
	<u>21,834,186</u>	<u>50,061,714</u>	<u>26,447,189</u>	<u>(23,614,525)</u>
EXPENDITURES				
Materials and services	-	1,175,000	116,904	1,058,096
	<u>21,834,186</u>	<u>48,886,714</u>	<u>26,330,285</u>	<u>(22,556,429)</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General	(9,074,374)	(33,791,616)	(16,023,156)	17,768,460
Transportation Operating	(11,002,770)	(10,468,600)	(6,289,347)	4,179,253
Sewer System Operating	(671,307)	(1,190,823)	(271,488)	919,335
Water	(513,500)	(1,373,743)	(2,849,568)	(1,475,825)
Solid Waste Management	-	(22,000)	(22,000)	-
Parks Construction	(572,235)	(809,065)	(232,832)	576,233
Sewer System Construction	-	(1,190,867)	(580,466)	610,401
Facilities Services Operating	-	(40,000)	(61,428)	(21,428)
	<u>(21,834,186)</u>	<u>(48,886,714)</u>	<u>(26,330,285)</u>	<u>22,556,429</u>
Net change in fund balances	-	-	-	-
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Portland, Oregon
Housing and Community Development Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal grants	\$ 14,429,980	\$ 23,931,613	\$ 12,392,921	\$ (11,538,692)
Other service charges	18,000	18,000	-	(18,000)
Loan repayments	2,100,000	2,100,000	2,790,072	690,072
Assessments	85,000	85,000	45,164	(39,836)
Other interest income	-	-	17,930	17,930
	<u>16,632,980</u>	<u>26,134,613</u>	<u>15,246,087</u>	<u>(10,888,526)</u>
EXPENDITURES				
Materials and services	16,300,867	25,802,500	14,963,487	10,839,013
General operating contingencies	49,513	49,513	-	49,513
	<u>16,350,380</u>	<u>25,852,013</u>	<u>14,963,487</u>	<u>10,888,526</u>
Revenues over (under) expenditures	<u>282,600</u>	<u>282,600</u>	<u>282,600</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General	(231,495)	(231,495)	(228,771)	2,724
Transportation Operating	(51,105)	(51,105)	(53,829)	(2,724)
	<u>(282,600)</u>	<u>(282,600)</u>	<u>(282,600)</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances -- beginning	-	-	-	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Portland, Oregon
Home Grant Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal grants	\$ 4,868,221	\$ 15,017,145	\$ 5,821,975	\$ (9,195,170)
Loan repayments	250,000	250,000	429,923	179,923
Total revenues	<u>5,118,221</u>	<u>15,267,145</u>	<u>6,251,898</u>	<u>(9,015,247)</u>
EXPENDITURES				
Materials and services	<u>5,118,221</u>	<u>15,267,145</u>	<u>6,251,898</u>	<u>9,015,247</u>
Total expenditures	<u>5,118,221</u>	<u>15,267,145</u>	<u>6,251,898</u>	<u>9,015,247</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Parking fees	\$ 178,000	\$ 157,000	\$ 152,290	\$ (4,710)
Rents and reimbursements	356,400	377,400	475,732	98,332
Concessions	45,000	45,000	5,951	(39,049)
Parks and recreation facilities fees	888,941	888,941	988,496	99,555
Miscellaneous revenues:				
Private grants and donations	8,100	152,850	647,184	494,334
Investment earnings	75,259	75,259	36,774	(38,485)
Miscellaneous	-	-	19,722	19,722
Billings for interfund services:				
General	93,000	140,720	193,975	53,255
Transportation Operating	-	143,778	143,778	-
	<u>1,644,700</u>	<u>1,980,948</u>	<u>2,663,902</u>	<u>682,954</u>
Total revenues				
EXPENDITURES				
Materials and services	2,123,733	3,332,350	2,446,829	885,521
Capital outlay	-	2,625	2,625	-
General operating contingencies	2,147,689	1,477,603	-	1,477,603
	<u>4,271,422</u>	<u>4,812,578</u>	<u>2,449,454</u>	<u>2,363,124</u>
Total expenditures				
Revenues over (under) expenditures	<u>(2,626,722)</u>	<u>(2,831,630)</u>	<u>214,448</u>	<u>3,046,078</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Printing and Distribution Services Operating	-	(1,250)	(1,250)	-
	<u>-</u>	<u>(1,250)</u>	<u>(1,250)</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	<u>(2,626,722)</u>	<u>(2,832,880)</u>	<u>213,198</u>	<u>3,046,078</u>
Fund balances -- beginning	2,626,722	2,832,880	2,682,882	(149,998)
Prior period adjustment	-	-	150,000	150,000
Fund balances -- beginning, as adjusted	<u>2,626,722</u>	<u>2,832,880</u>	<u>2,832,882</u>	<u>2</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,046,080</u>	<u>\$ 3,046,080</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 7,876,755	\$ 8,970,118	\$ 8,873,135	\$ (96,983)
Prior years' property taxes	326,163	126,163	155,980	29,817
Investment earnings	53,168	103,168	134,217	31,049
Total revenues	<u>8,256,086</u>	<u>9,199,449</u>	<u>9,163,332</u>	<u>(36,117)</u>
EXPENDITURES				
Debt service:				
Principal	5,712,000	9,690,374	9,400,000	290,374
Interest	<u>2,544,086</u>	<u>2,382,165</u>	<u>2,380,607</u>	<u>1,558</u>
Total expenditures	<u>8,256,086</u>	<u>12,072,539</u>	<u>11,780,607</u>	<u>291,932</u>
Revenues over (under) expenditures	-	(2,873,090)	(2,617,275)	255,815
Fund balances -- beginning	<u>-</u>	<u>2,873,090</u>	<u>7,608,040</u>	<u>4,734,950</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,990,765</u>	<u>\$ 4,990,765</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 6,295,123	\$ 6,295,123	\$ 6,338,377	\$ 43,254
Prior years' property taxes	100,000	100,000	192,937	92,937
Investment earnings	45,000	45,000	35,497	(9,503)
Total revenues	<u>6,440,123</u>	<u>6,440,123</u>	<u>6,566,811</u>	<u>126,688</u>
EXPENDITURES				
Debt service:				
Principal	3,710,000	3,710,000	3,710,000	-
Interest	3,180,123	3,180,123	2,931,870	248,253
Total expenditures	<u>6,890,123</u>	<u>6,890,123</u>	<u>6,641,870</u>	<u>248,253</u>
Revenues over (under) expenditures	<u>(450,000)</u>	<u>(450,000)</u>	<u>(75,059)</u>	<u>374,941</u>
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	-	-	9,122,800	9,122,800
Bond and note premium	-	-	511,671	511,671
Payments to refunding escrow agent	-	-	(9,882,743)	(9,882,743)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(248,272)</u>	<u>(248,272)</u>
Net change in fund balances	(450,000)	(450,000)	(323,331)	126,669
Fund balances -- beginning	450,000	450,000	880,369	430,369
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,038</u>	<u>\$ 557,038</u>

City of Portland, Oregon
Waterfront Renewal Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 13,343,110	\$ 13,477,896	\$ 13,303,203	\$ (174,693)
Prior years' property taxes	225,000	225,000	355,010	130,010
Investment earnings	90,066	90,066	113,076	23,010
	<u>13,658,176</u>	<u>13,792,962</u>	<u>13,771,289</u>	<u>(21,673)</u>
EXPENDITURES				
Debt service:				
Principal	10,059,000	12,186,561	11,480,000	706,561
Interest	3,942,952	3,943,452	3,941,584	1,868
	<u>14,001,952</u>	<u>16,130,013</u>	<u>15,421,584</u>	<u>708,429</u>
Revenues over (under) expenditures	<u>(343,776)</u>	<u>(2,337,051)</u>	<u>(1,650,295)</u>	<u>686,756</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Parking Facilities	343,776	343,776	343,776	-
	<u>343,776</u>	<u>343,776</u>	<u>343,776</u>	<u>-</u>
Net change in fund balances	-	(1,993,275)	(1,306,519)	686,756
Fund balances -- beginning	<u>1,681,000</u>	<u>3,674,275</u>	<u>3,674,775</u>	<u>500</u>
Fund balances -- ending	<u>\$ 1,681,000</u>	<u>\$ 1,681,000</u>	<u>\$ 2,368,256</u>	<u>\$ 687,256</u>

City of Portland, Oregon
Interstate Corridor Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 2,794,350	\$ 2,800,668	\$ 2,770,409	\$ (30,259)
Prior years' property taxes	15,000	20,000	37,329	17,329
Investment earnings	18,862	18,862	6,875	(11,987)
Total revenues	<u>2,828,212</u>	<u>2,839,530</u>	<u>2,814,613</u>	<u>(24,917)</u>
EXPENDITURES				
Debt service:				
Principal	2,827,000	2,874,789	2,805,000	69,789
Interest	1,212	1,212	156	1,056
Total expenditures	<u>2,828,212</u>	<u>2,876,001</u>	<u>2,805,156</u>	<u>70,845</u>
Revenues over (under) expenditures	-	(36,471)	9,457	45,928
Fund balances -- beginning	<u>-</u>	<u>36,471</u>	<u>36,471</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,928</u>	<u>\$ 45,928</u>

City of Portland, Oregon
Pension Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 219,244	\$ 219,244	\$ 163,959	\$ (55,285)
Miscellaneous	242,898	242,898	251,566	8,668
	<u>462,142</u>	<u>462,142</u>	<u>415,525</u>	<u>(46,617)</u>
EXPENDITURES				
Materials and services	522,634	522,634	522,108	526
Debt service:				
Interest	12,330,533	12,330,533	9,408,139	2,922,394
	<u>12,853,167</u>	<u>12,853,167</u>	<u>9,930,247</u>	<u>2,922,920</u>
Revenues over (under) expenditures	<u>(12,391,025)</u>	<u>(12,391,025)</u>	<u>(9,514,722)</u>	<u>2,876,303</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	3,320,937	3,320,937	1,417,168	(1,903,769)
Transportation Operating	1,626,846	1,626,846	449,298	(1,177,548)
Emergency Communication	84,164	84,164	23,244	(60,920)
Planning and Development	422,395	422,395	116,656	(305,739)
Public Safety	6,620	6,620	-	(6,620)
Sewer System Operating	1,156,177	1,156,177	-	(1,156,177)
Hydroelectric Power Operating	8,862	8,862	-	(8,862)
Water	1,200,815	1,200,815	-	(1,200,815)
Golf	72,406	72,406	-	(72,406)
Portland International Raceway	13,939	13,939	-	(13,939)
Solid Waste Management	22,484	22,484	-	(22,484)
Spectator Facilities Operating	-	-	1,828	1,828
Environmental Remediation	519	519	-	(519)
Local Improvement District Construction	30,128	30,128	8,320	(21,808)
Parks Construction	40,783	40,783	11,263	(29,520)
Fire and Police Disability and Retirement	18,032	18,032	-	(18,032)
Health Insurance Operating	13,365	13,365	-	(13,365)
Facilities Services Operating	71,975	71,975	-	(71,975)
Fleet Services Operating	169,138	169,138	-	(169,138)
Printing and Distribution Services Operating	57,317	57,317	-	(57,317)
Communication Services Operating	71,246	71,246	-	(71,246)
Insurance and Claims Operating	31,583	31,583	-	(31,583)
Workers' Compensation Self-Insurance Operating	29,542	29,542	-	(29,542)
Information Technology	129,777	129,777	-	(129,777)
Transfers to other funds:				
General	(500,000)	(500,000)	(500,000)	-
	<u>8,099,050</u>	<u>8,099,050</u>	<u>1,527,777</u>	<u>(6,571,273)</u>
Net change in fund balances	(4,291,975)	(4,291,975)	(7,986,945)	(3,694,970)
Fund balances -- beginning	<u>15,241,789</u>	<u>15,241,789</u>	<u>15,515,027</u>	<u>273,238</u>
Fund balances -- ending	<u>\$ 10,949,814</u>	<u>\$ 10,949,814</u>	<u>\$ 7,528,082</u>	<u>\$ (3,421,732)</u>

City of Portland, Oregon
South Park Block Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Current year's taxes	\$ 6,407,274	\$ 6,529,415	\$ 6,452,233	\$ (77,182)
Prior years' property taxes	120,221	120,221	169,052	48,831
Investment earnings	43,249	43,249	42,535	(714)
Total revenues	<u>6,570,744</u>	<u>6,692,885</u>	<u>6,663,820</u>	<u>(29,065)</u>
EXPENDITURES:				
Debt service:				
Principal	3,100,000	4,023,550	4,930,000	(906,450)
Interest	3,470,744	3,470,844	2,350,242	1,120,602
Total expenditures	<u>6,570,744</u>	<u>7,494,394</u>	<u>7,280,242</u>	<u>214,152</u>
Revenues over (under) expenditures	-	(801,509)	(616,422)	185,087
Fund balances -- beginning	<u>-</u>	<u>801,509</u>	<u>801,509</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,087</u>	<u>\$ 185,087</u>

City of Portland, Oregon
Airport Way Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 6,913,254	\$ 6,913,254	\$ 6,376,327	\$ (536,927)
Prior years' property taxes	150,000	150,000	185,383	35,383
Investment earnings	66,914	66,914	48,500	(18,414)
	<u>7,130,168</u>	<u>7,130,168</u>	<u>6,610,210</u>	<u>(519,958)</u>
EXPENDITURES				
Debt service:				
Principal	3,808,000	3,808,000	2,863,268	944,732
Interest	3,322,168	3,322,168	3,321,197	971
	<u>7,130,168</u>	<u>7,130,168</u>	<u>6,184,465</u>	<u>945,703</u>
Revenues over (under) expenditures	-	-	425,745	425,745
Fund balances -- beginning	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,620,689</u>	<u>270,689</u>
Fund balances -- ending	<u>\$ 1,350,000</u>	<u>\$ 1,350,000</u>	<u>\$ 2,046,434</u>	<u>\$ 696,434</u>

City of Portland, Oregon
Gas Tax Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal	1,458,494	1,458,494	1,404,716	53,778
Interest	458,215	458,215	512,207	(53,992)
Total expenditures	<u>1,916,709</u>	<u>1,916,709</u>	<u>1,916,923</u>	<u>(214)</u>
Revenues over (under) expenditures	<u>(1,916,709)</u>	<u>(1,916,709)</u>	<u>(1,916,923)</u>	<u>(214)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Transportation Operating	1,650,527	1,650,527	1,650,526	(1)
Spectator Facilities Operating	266,182	266,182	266,181	(1)
Total other financing sources (uses)	<u>1,916,709</u>	<u>1,916,709</u>	<u>1,916,707</u>	<u>(2)</u>
Net change in fund balances	-	-	(216)	(216)
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>617</u>	<u>617</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ 401</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 3,993,817	\$ 4,027,644	\$ 3,984,114	\$ (43,530)
Prior years' property taxes	20,000	40,000	78,477	38,477
Investment earnings	26,958	16,958	10,591	(6,367)
	<u>4,040,775</u>	<u>4,084,602</u>	<u>4,073,182</u>	<u>(11,420)</u>
EXPENDITURES				
Debt service:				
Principal	3,726,000	3,864,227	3,860,000	4,227
Interest	314,775	314,775	101,893	212,882
	<u>4,040,775</u>	<u>4,179,002</u>	<u>3,961,893</u>	<u>217,109</u>
Revenues over (under) expenditures	-	(94,400)	111,289	205,689
Fund balances -- beginning	-	94,400	94,400	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,689</u>	<u>\$ 205,689</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 4,176,739	\$ 4,176,739	\$ 3,848,244	\$ (328,495)
Prior years' property taxes	85,000	85,000	101,670	16,670
Investment earnings	48,443	48,443	25,343	(23,100)
	<u>4,310,182</u>	<u>4,310,182</u>	<u>3,975,257</u>	<u>(334,925)</u>
EXPENDITURES				
Debt service:				
Principal	3,848,079	3,848,079	3,654,169	193,910
Interest	462,103	462,103	212,915	249,188
	<u>4,310,182</u>	<u>4,310,182</u>	<u>3,867,084</u>	<u>443,098</u>
Revenues over (under) expenditures	-	-	108,173	108,173
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>158,778</u>	<u>158,778</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,951</u>	<u>\$ 266,951</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 2,926,480	\$ 2,926,480	\$ 5,971,295	\$ 3,044,815
Investment earnings	267,696	267,696	146,087	(121,609)
Other interest income	2,715,937	2,715,937	2,098,691	(617,246)
	<u>5,910,113</u>	<u>5,910,113</u>	<u>8,216,073</u>	<u>2,305,960</u>
EXPENDITURES				
Debt service:				
Principal	3,835,000	3,835,000	5,880,000	(2,045,000)
Interest	1,499,821	1,499,821	1,190,355	309,466
	<u>5,334,821</u>	<u>5,334,821</u>	<u>7,070,355</u>	<u>(1,735,534)</u>
Revenues over (under) expenditures	575,292	575,292	1,145,718	570,426
Fund balances -- beginning	<u>9,013,314</u>	<u>9,013,314</u>	<u>10,553,093</u>	<u>1,539,779</u>
Fund balances -- ending	<u>\$ 9,588,606</u>	<u>\$ 9,588,606</u>	<u>\$ 11,698,811</u>	<u>\$ 2,110,205</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Current year's taxes	\$ 6,295,950	\$ 6,416,025	\$ 6,340,843	\$ (75,182)
Prior years' property taxes	143,366	103,366	166,097	62,731
Investment earnings	42,498	17,498	32,930	15,432
Total revenues	<u>6,481,814</u>	<u>6,536,889</u>	<u>6,539,870</u>	<u>2,981</u>
EXPENDITURES				
Debt service:				
Principal	3,187,000	3,487,309	3,485,000	2,309
Interest	<u>3,294,814</u>	<u>3,294,814</u>	<u>3,103,594</u>	<u>191,220</u>
Total expenditures	<u>6,481,814</u>	<u>6,782,123</u>	<u>6,588,594</u>	<u>193,529</u>
Revenues over (under) expenditures	-	(245,234)	(48,724)	196,510
Fund balances -- beginning	<u>-</u>	<u>245,234</u>	<u>245,234</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 196,510</u>	<u>\$ 196,510</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 1,307,159	\$ 1,371,854	\$ 1,357,036	\$ (14,818)
Prior years' property taxes	-	15,000	21,085	6,085
Investment earnings	8,823	8,823	3,492	(5,331)
Total revenues	<u>1,315,982</u>	<u>1,395,677</u>	<u>1,381,613</u>	<u>(14,064)</u>
EXPENDITURES				
Debt service:				
Principal	1,127,000	1,235,118	1,235,000	118
Interest	188,982	188,982	8,065	180,917
Total expenditures	<u>1,315,982</u>	<u>1,424,100</u>	<u>1,243,065</u>	<u>181,035</u>
Revenues over (under) expenditures	-	(28,423)	138,548	166,971
Fund balances -- beginning	-	28,423	28,423	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,971</u>	<u>\$ 166,971</u>

City of Portland, Oregon
Special Projects Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 18,590	\$ 18,590	\$ 14,815	\$ (3,775)
Miscellaneous	4,669,893	4,669,893	4,669,893	-
Total revenues	<u>4,688,483</u>	<u>4,688,483</u>	<u>4,684,708</u>	<u>(3,775)</u>
EXPENDITURES				
Debt service:				
Principal	380,000	380,000	380,000	-
Interest	5,272,393	5,279,393	5,272,393	7,000
Total expenditures	<u>5,652,393</u>	<u>5,659,393</u>	<u>5,652,393</u>	<u>7,000</u>
Revenues over (under) expenditures	<u>(963,910)</u>	<u>(970,910)</u>	<u>(967,685)</u>	<u>3,225</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Special Finance and Resource	-	7,000	5,026	(1,974)
Total other financing sources and uses	<u>-</u>	<u>7,000</u>	<u>5,026</u>	<u>(1,974)</u>
Net change in fund balances	(963,910)	(963,910)	(962,659)	1,251
Fund balances -- beginning	<u>1,484,952</u>	<u>1,484,952</u>	<u>1,506,192</u>	<u>21,240</u>
Fund balances -- ending	<u>\$ 521,042</u>	<u>\$ 521,042</u>	<u>\$ 543,533</u>	<u>\$ 22,491</u>

City of Portland, Oregon
Gateway Urban Renewal Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Current year's taxes	\$ 906,329	\$ 1,009,584	\$ 998,668	\$ (10,916)
Prior years' property taxes	-	7,000	10,660	3,660
Investment earnings	6,118	3,118	2,589	(529)
Total revenues	<u>912,447</u>	<u>1,019,702</u>	<u>1,011,917</u>	<u>(7,785)</u>
EXPENDITURES				
Debt service:				
Principal	822,000	951,695	950,000	1,695
Interest	90,447	90,447	15,902	74,545
Total expenditures	<u>912,447</u>	<u>1,042,142</u>	<u>965,902</u>	<u>76,240</u>
Revenues over (under) expenditures	-	(22,440)	46,015	68,455
Fund balances -- beginning	<u>-</u>	<u>22,440</u>	<u>22,440</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>-</u>	<u>\$ 68,455</u>	<u>\$ 68,455</u>

City of Portland, Oregon
Governmental Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 30	\$ 30
Other interest income	-	-	5	5
Miscellaneous	65,625	65,625	2,356	(63,269)
Billings for interfund services:				
General	12,097	12,097	12,096	(1)
	<u>77,722</u>	<u>77,722</u>	<u>14,487</u>	<u>(63,235)</u>
Total revenues				
EXPENDITURES				
Materials and services	4,000	30,313	24,533	5,780
Debt service:				
Principal	18,854,844	25,932,053	25,376,800	555,253
Interest	1,640,130	1,641,130	785,220	855,910
	<u>20,498,974</u>	<u>27,603,496</u>	<u>26,186,553</u>	<u>1,416,943</u>
Total expenditures				
Revenues over (under) expenditures	<u>(20,421,252)</u>	<u>(27,525,774)</u>	<u>(26,172,066)</u>	<u>1,353,708</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	2,320,483	7,720,483	7,746,852	26,369
Business License Surcharge	12,695,406	14,365,406	14,362,278	(3,128)
Special Finance and Resource	-	1,000	540	(460)
Housing Investment	4,854,000	4,854,000	7,560	(4,846,440)
Parks Construction	407,363	407,363	277,061	(130,302)
Bonds and notes issued	144,000	170,313	3,429,079	3,258,766
Bond and note premium	-	-	356,313	356,313
	<u>20,421,252</u>	<u>27,518,565</u>	<u>26,179,683</u>	<u>(1,338,882)</u>
Total other financing sources (uses)				
Net change in fund balances	-	(7,209)	7,617	14,826
Fund balances -- beginning	-	7,209	7,209	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,826</u>	<u>\$ 14,826</u>

City of Portland, Oregon
FRES Facilities Bond Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other service charges	\$ -	\$ -	\$ 96,097	\$ 96,097
Investment earnings	77,000	77,000	103,743	26,743
Billings for interfund services:				
General	116,300	146,300	116,300	(30,000)
Total revenues	<u>193,300</u>	<u>223,300</u>	<u>316,140</u>	<u>92,840</u>
EXPENDITURES				
Materials and services	2,613,180	2,613,180	1,514,948	1,098,232
Capital outlay	10,438,820	11,606,988	2,909,087	8,697,901
General operating contingencies	9,512,531	9,513,765	-	9,513,765
Overhead charges - General Fund	93,769	122,535	122,535	-
Total expenditures	<u>22,658,300</u>	<u>23,856,468</u>	<u>4,546,570</u>	<u>19,309,898</u>
Revenues over (under) expenditures	<u>(22,465,000)</u>	<u>(23,633,168)</u>	<u>(4,230,430)</u>	<u>19,402,738</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	-	-	30,000	30,000
Transfers to other funds:				
Facilities Services Operating	(300,000)	(300,000)	-	300,000
Bonds and notes issued	20,000,000	20,000,000	13,965,000	(6,035,000)
Bond and note premium	-	-	134,646	134,646
Total other financing sources and uses	<u>19,700,000</u>	<u>19,700,000</u>	<u>14,129,646</u>	<u>(5,570,354)</u>
Net change in fund balances	<u>(2,765,000)</u>	<u>(3,933,168)</u>	<u>9,899,216</u>	<u>13,832,384</u>
Fund balances -- beginning	<u>2,765,000</u>	<u>3,933,168</u>	<u>3,782,880</u>	<u>(150,288)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,682,096</u>	<u>\$ 13,682,096</u>

City of Portland, Oregon
Local Improvement District Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other service charges	\$ 1,253,020	\$ 1,253,020	\$ 1,527,647	\$ 274,627
Assessments	200,000	200,000	179,977	(20,023)
Investment earnings	90,000	90,000	57,151	(32,849)
Other interest income	110,000	110,000	49,116	(60,884)
Miscellaneous	-	-	987	987
Billings for interfund services:				
Housing and Community Development	600,000	1,033,730	596,449	(437,281)
Total revenues	<u>2,253,020</u>	<u>2,686,750</u>	<u>2,411,327</u>	<u>(275,423)</u>
EXPENDITURES				
Materials and services	5,444,890	5,471,890	1,528,963	3,942,927
Capital outlay	3,359,713	3,793,443	703,524	3,089,919
General operating contingencies	787,024	816,704	-	816,704
Overhead charges - General Fund	56,680	-	-	-
Debt service:				
Principal	3,300,000	3,300,000	-	3,300,000
Interest	108,250	108,250	11,574	96,676
Total expenditures	<u>13,056,557</u>	<u>13,490,287</u>	<u>2,244,061</u>	<u>11,246,226</u>
Revenues over (under) expenditures	<u>(10,803,537)</u>	<u>(10,803,537)</u>	<u>167,266</u>	<u>10,970,803</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Transportation Operating	1,770	1,770	1,770	-
Sewer System Operating	41,095	41,095	41,095	-
Sewer System Construction	5,538	5,538	5,538	-
Transfers to other funds:				
Pension Debt Redemption	(30,128)	(30,128)	(8,320)	21,808
Sewer System Construction	(750,000)	(750,000)	-	750,000
Bonds and notes issued	10,542,718	10,542,718	-	(10,542,718)
Total other financing sources and uses	<u>9,810,993</u>	<u>9,810,993</u>	<u>40,083</u>	<u>(9,770,910)</u>
Net change in fund balances	<u>(992,544)</u>	<u>(992,544)</u>	<u>207,349</u>	<u>1,199,893</u>
Fund balances -- beginning	<u>992,544</u>	<u>992,544</u>	<u>2,174,264</u>	<u>1,181,720</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,381,613</u>	<u>\$ 2,381,613</u>

City of Portland, Oregon
Parks Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local cost sharing	\$ 1,796,809	\$ 11,383,498	\$ 1,390,207	\$ (9,993,291)
Service charges and fees:				-
Public works and utility charges	1,837,660	1,837,660	2,151,870	314,210
Rents and reimbursements	-	204,642	180,664	(23,978)
Parks and recreation facilities fees	-	-	2,268	2,268
Other service charges	-	-	340	340
Assessments	-	700,000	1,024,738	324,738
Private grants and donations	275,000	275,000	143,992	(131,008)
Investment earnings	-	33,000	25,061	(7,939)
Other interest income	-	-	12,262	12,262
Billings for interfund services:				
General	36,893	197,268	211,832	14,564
Sewer System Operating	62,500	94,500	59,954	(34,546)
Water	153,000	410,000	375,037	(34,963)
Golf	59,516	95,336	60,648	(34,688)
Parks Local Option Levy	562,000	1,156,652	1,871,212	714,560
Housing and Community Development	85,615	85,615	85,615	-
Portland Parks Memorial Trust	387,774	1,110,928	839,983	(270,945)
Total revenues	<u>5,256,767</u>	<u>17,584,099</u>	<u>8,435,683</u>	<u>(9,148,416)</u>
EXPENDITURES				
Personal services	1,164,754	1,515,072	1,278,004	237,068
Materials and services	1,124,932	3,421,826	2,313,580	1,108,246
Capital outlay	7,108,352	17,813,739	7,218,286	10,595,453
General operating contingencies	57,879	1,754,783	-	1,754,783
Overhead charges - General Fund	122,551	106,059	106,059	-
Debt service:				
Interest	-	6,930	8,088	(1,158)
Total expenditures	<u>9,578,468</u>	<u>24,618,409</u>	<u>10,924,017</u>	<u>13,694,392</u>
Revenues over (under) expenditures	<u>(4,321,701)</u>	<u>(7,034,310)</u>	<u>(2,488,334)</u>	<u>4,545,976</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	925,000	1,073,676	1,073,676	-
Sewer System Operating	-	360,000	-	(360,000)
Children's Investment	-	600,000	-	(600,000)
Federal Grants	572,235	809,065	232,832	(576,233)
Transfers to other funds:				
Pension Debt Redemption	(40,783)	(40,783)	(11,263)	29,520
Governmental Bond Redemption	(407,363)	(407,363)	(277,061)	130,302
Printing and Distribution Services Operating	-	(3,200)	(3,200)	-
Bonds and notes issued	2,250,000	2,250,000	2,250,000	-
Total other financing sources and uses	<u>3,299,089</u>	<u>4,641,395</u>	<u>3,264,984</u>	<u>(1,376,411)</u>
Net change in fund balances	(1,022,612)	(2,392,915)	776,650	3,169,565
Fund balances -- beginning	<u>1,022,612</u>	<u>2,392,915</u>	<u>2,392,916</u>	<u>1</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,169,566</u>	<u>\$ 3,169,566</u>

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City of Portland, Oregon
Parks Endowment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Private grants and donations	\$ -	\$ -	\$ 4,500	\$ 4,500
Investment earnings	700	700	3,678	2,978
Billings for interfund services:				
Portland Parks Memorial Trust	50,000	-	-	-
 Total revenues	<u>50,700</u>	<u>700</u>	<u>8,178</u>	<u>7,478</u>
EXPENDITURES				
Materials and services	700	700	100	600
General operating contingencies	-	74,919	-	74,919
 Total expenditures	<u>700</u>	<u>75,619</u>	<u>100</u>	<u>75,519</u>
 Revenues over (under) expenditures	50,000	(74,919)	8,078	82,997
 Fund balances -- beginning	<u>29,000</u>	<u>153,919</u>	<u>153,919</u>	<u>-</u>
 Fund balances -- ending	<u>\$ 79,000</u>	<u>\$ 79,000</u>	<u>\$ 161,997</u>	<u>\$ 82,997</u>

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City of Portland, Oregon
Sewer System Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits:				
Construction permits	\$ 107,500	\$ 107,500	\$ 125,897	\$ 18,397
Other permits	309,000	309,000	493,789	184,789
Intergovernmental revenues:				
State cost sharing	-	286,307	426,420	140,113
Local cost sharing	683,002	683,002	157,488	(525,514)
Service charges and fees:				
Public works and utility charges	171,904,219	171,904,219	173,900,431	1,996,212
Rents and reimbursements	131,376	131,376	77,278	(54,098)
Other service charges	29,000	29,000	102,688	73,688
Miscellaneous:				
Sales - other	131,850	131,850	114,524	(17,326)
Refunds	72,806	72,806	77,565	4,759
Private grants and donations	409,620	409,620	56,981	(352,639)
Investment earnings	1,921,487	1,921,487	392,762	(1,528,725)
Other interest income	-	-	561,184	561,184
Miscellaneous	62,000	62,000	456,225	394,225
Billings for interfund services:				
General	86,500	272,641	208,991	(63,650)
Transportation Operating	1,164,575	1,241,702	543,382	(698,320)
Water	96,000	177,969	311,490	133,521
Golf	1,997	9,997	1,997	(8,000)
Portland International Raceway	64,463	70,437	64,462	(5,975)
Solid Waste Management	12,701	12,701	15,037	2,336
Environmental Remediation	10,803	10,803	8,869	(1,934)
Parks Construction	4,000	4,000	78,231	74,231
Facilities Services Operating	-	50,000	50,203	203
Total revenues	177,202,899	177,898,417	178,225,894	327,477
EXPENDITURES				
Personal services	38,966,622	38,818,647	36,029,388	2,789,259
Materials and services	71,317,432	74,822,429	65,789,851	9,032,578
Capital outlay	116,738,009	141,647,703	119,870,196	21,777,507
General operating contingencies	23,667,908	20,808,163	-	20,808,163
Overhead charges - General Fund	2,488,812	2,155,115	2,155,115	-
Debt service:				
Principal	131,354	131,354	131,354	-
Interest	1,156,177	796,936	(9,941)	806,877
Total expenditures	254,466,314	279,180,347	223,965,963	55,214,384
Revenues over (under) expenditures	(77,263,415)	(101,281,930)	(45,740,069)	55,541,861

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City of Portland, Oregon
Sewer System Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Construction	152,435,739	178,626,606	150,972,063	(27,654,543)
Sewer System Rate Stabilization	-	362,215	362,215	-
Federal Grants	671,307	1,190,823	271,488	(919,335)
Transfers to other funds:				
General	(11,767,433)	(11,767,433)	(11,538,268)	229,165
Pension Debt Redemption	-	(1)	-	1
Sewer System Debt Redemption	(71,144,529)	(70,752,029)	(66,725,899)	4,026,130
Local Improvement District Construction	(41,095)	(41,095)	(41,095)	-
Parks Construction	-	(360,000)	-	360,000
Sewer System Construction	(25,000,000)	(25,000,000)	(25,000,000)	-
Sewer System Rate Stabilization	(6,000,000)	(9,400,000)	(9,187,215)	212,785
Printing and Distribution Services Operating	(25,000)	(25,000)	(1,000)	24,000
Sale of capital asset	-	-	67,300	67,300
	<u>39,128,989</u>	<u>62,834,086</u>	<u>39,179,589</u>	<u>(23,654,497)</u>
Total other financing sources (uses)				
Net change in fund balances	(38,134,426)	(38,447,844)	(6,560,480)	31,887,364
Fund balances -- beginning	<u>38,134,426</u>	<u>38,447,844</u>	<u>40,468,073</u>	<u>2,020,229</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,907,593</u>	<u>\$ 33,907,593</u>

City of Portland, Oregon
Sewer System Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 520	\$ 520	\$ 7,206	\$ 6,686
Other interest income	-	-	237	237
Total revenues	<u>520</u>	<u>520</u>	<u>7,443</u>	<u>6,923</u>
EXPENDITURES				
Debt Service:				
Principal	25,754,700	25,754,700	26,229,700	(475,000)
Interest	<u>45,390,349</u>	<u>44,997,849</u>	<u>40,504,750</u>	<u>4,493,099</u>
Total expenditures	<u>71,145,049</u>	<u>70,752,549</u>	<u>66,734,450</u>	<u>4,018,099</u>
Revenues over (under) expenditures	<u>(71,144,529)</u>	<u>(70,752,029)</u>	<u>(66,727,007)</u>	<u>4,025,022</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	<u>71,144,529</u>	<u>70,752,029</u>	<u>66,725,899</u>	<u>(4,026,130)</u>
Total other financing sources (uses)	<u>71,144,529</u>	<u>70,752,029</u>	<u>66,725,899</u>	<u>(4,026,130)</u>
Net change in fund balances	-	-	(1,108)	(1,108)
Fund balances -- beginning	<u>2,837,425</u>	<u>2,837,425</u>	<u>2,840,172</u>	<u>2,747</u>
Fund balances -- ending	<u>\$ 2,837,425</u>	<u>\$ 2,837,425</u>	<u>\$ 2,839,064</u>	<u>\$ 1,639</u>

City of Portland, Oregon
Sewer System Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Public works and utility charges	\$ 571,104	\$ 571,104	\$ 1,392,847	\$ 821,743
Miscellaneous:				
Investment earnings	4,294,269	4,294,269	1,502,869	(2,791,400)
Total revenues	<u>4,865,373</u>	<u>4,865,373</u>	<u>2,895,716</u>	<u>(1,969,657)</u>
EXPENDITURES				
Materials and services	-	50,000	47,386	2,614
General operating contingencies	36,169,541	11,119,541	-	11,119,541
Total expenditures	<u>36,169,541</u>	<u>11,119,541</u>	<u>-</u>	<u>11,119,541</u>
Revenues over (under) expenditures	<u>(31,304,168)</u>	<u>(6,254,168)</u>	<u>2,895,716</u>	<u>9,149,884</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	25,000,000	25,000,000	25,000,000	-
Local Improvement District Construction	750,000	750,000	-	(750,000)
Federal Grants	-	1,190,867	580,467	(610,400)
Transfers to other funds:				
Sewer System Operating	(152,435,739)	(178,626,606)	(150,972,063)	27,654,543
Local Improvement District Construction	(5,538)	(5,538)	(5,538)	-
Total other financing sources (uses)	<u>(126,691,277)</u>	<u>(151,691,277)</u>	<u>(125,397,134)</u>	<u>26,294,143</u>
Net change in fund balances	(157,995,445)	(157,945,445)	(122,501,418)	35,444,027
Fund balances -- beginning	157,995,445	157,995,445	168,371,012	10,375,567
Fund balances -- ending	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 45,869,594</u>	<u>\$ 45,819,594</u>

City of Portland, Oregon
Sewer System Rate Stabilization Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 552,144	\$ 552,144	\$ 109,622	\$ (442,522)
EXPENDITURES				
General operating contingencies	16,194,974	19,232,759	-	19,232,759
Revenues over (under) expenditures	<u>(15,642,830)</u>	<u>(18,680,615)</u>	109,622	<u>18,790,237</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer System Operating	6,000,000	9,400,000	9,187,215	(212,785)
Transfers to other funds:				
Sewer System Operating		<u>(362,215)</u>	<u>(362,215)</u>	<u>-</u>
Total other financing sources (uses)	<u>6,000,000</u>	<u>9,037,785</u>	<u>8,825,000</u>	<u>(212,785)</u>
Net change in fund balances	(9,642,830)	(9,642,830)	8,934,622	18,577,452
Fund balances -- beginning	<u>9,642,830</u>	<u>9,642,830</u>	<u>8,316,232</u>	<u>(1,326,598)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,250,854</u>	<u>\$ 17,250,854</u>

City of Portland, Oregon
Sewer System Safety Net Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Loan repayments	\$ 230,000	\$ 230,000	\$ 58,394	\$ (171,606)
Investment earnings	10,000	10,000	2,774	(7,226)
Total revenues	<u>240,000</u>	<u>240,000</u>	<u>61,168</u>	<u>(178,832)</u>
EXPENDITURES				
Materials and services	200,000	1,077,085	1,077,085	-
General operating contingencies	1,114,433	1,114,433	-	1,114,433
Debt service:				
Principal	-	2,915	-	2,915
Interest	30,000	355,000	322,389	32,611
Total expenditures	<u>1,344,433</u>	<u>2,549,433</u>	<u>1,399,474</u>	<u>1,149,959</u>
Revenues over (under) expenditures	(1,104,433)	(2,309,433)	(1,338,306)	971,127
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Sewer Revolving Loan	-	1,205,000	1,205,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,205,000</u>	<u>1,205,000</u>	<u>-</u>
Net change in fund balances	(1,104,433)	(1,104,433)	(133,306)	971,127
Fund balances -- beginning	<u>1,104,433</u>	<u>1,104,433</u>	<u>1,121,732</u>	<u>17,299</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 988,426</u>	<u>\$ 988,426</u>

City of Portland, Oregon
Sewer Revolving Loan Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public works and utility charges	\$ 75,000	\$ 75,000	\$ 880	\$ (74,120)
Loan repayments	40,000	40,000	15,222	(24,778)
Investment earnings	50,000	50,000	11,116	(38,884)
Total revenues	<u>165,000</u>	<u>165,000</u>	<u>27,218</u>	<u>(137,782)</u>
EXPENDITURES				
Materials and services	76,000	76,000	840	75,160
General operating contingencies	1,754,363	549,363	-	549,363
Total expenditures	<u>1,830,363</u>	<u>625,363</u>	<u>840</u>	<u>624,523</u>
Revenues over (under) expenditures	(1,665,363)	(460,363)	26,378	486,741
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Sewer System Safety Net	-	(1,205,000)	(1,205,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,205,000)</u>	<u>(1,205,000)</u>	<u>-</u>
Net change in fund balances	(1,665,363)	(1,665,363)	(1,178,622)	486,741
Fund balances -- beginning	<u>1,665,363</u>	<u>1,665,363</u>	<u>1,668,873</u>	<u>3,510</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ 1,205,000</u>	<u>\$ 1,695,251</u>	<u>\$ 490,251</u>

City of Portland, Oregon
Water Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Public works and utility charges	\$ 72,835,253	\$ 72,707,136	\$ 75,407,539	\$ 2,700,403
Other service charges	75,000	75,000	163,087	88,087
Rents and reimbursements	295,000	295,000	380,700	85,700
Miscellaneous and interest:				
Local cost sharing	1,060,239	1,060,239	1,314,511	254,272
Sales - other	549,000	549,000	130,635	(418,365)
Refunds	80,000	80,000	81,637	1,637
Investment earnings	124,983	124,983	288,739	163,756
Other interest income	-	-	5,227	5,227
Miscellaneous	-	-	450,515	450,515
Billings for interfund services:				
General	20,000	20,000	6,581	(13,419)
Transportation Operating	658,500	674,000	396,365	(277,635)
Sewer System Operating	8,868,140	8,691,501	7,337,389	(1,354,112)
Hydroelectric Power Operating	80,190	80,190	52,618	(27,572)
Parks Construction	-	-	2,488	2,488
Fleet Services Operating	90,000	90,000	88,768	(1,232)
	<u>84,736,305</u>	<u>84,447,049</u>	<u>86,106,799</u>	<u>1,659,750</u>
EXPENDITURES				
Personal services	39,287,493	39,329,493	35,184,415	4,145,078
Materials and services	36,367,266	38,591,092	32,121,754	6,469,338
Capital outlay	28,118,729	18,161,392	10,605,409	7,555,983
General operating contingencies	14,928,049	14,780,183	-	14,780,183
Overhead charges - General Fund	1,730,499	1,885,396	1,885,396	-
Debt service:				
Interest	2,323,014	1,510,390	687,435	822,955
	<u>122,755,050</u>	<u>114,257,946</u>	<u>80,484,409</u>	<u>33,773,537</u>
Revenues over (under) expenditures	<u>(38,018,745)</u>	<u>(29,810,897)</u>	<u>5,622,390</u>	<u>35,433,287</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water Construction	49,908,995	38,408,995	34,833,787	(3,575,208)
Federal Grants	513,500	1,373,743	2,849,568	1,475,825
Transfers to other funds:				
General	(4,016,308)	(4,016,308)	(4,134,491)	(118,183)
Pension Debt Redemption	(1,200,815)	-	-	-
Water Bond Sinking	(10,310,152)	(9,157,458)	(8,349,844)	807,614
Washington County Supply Bond Redemption	(203,185)	(203,185)	(195,935)	7,250
Water Construction	(14,239,647)	(14,159,647)	(14,007,155)	152,492
Printing and Distribution Services Operating	(20,000)	(21,600)	(9,200)	12,400
Communication Services Operating	(7,600)	(7,600)	-	7,600
Sale of capital asset	-	-	93,725	93,725
	<u>20,424,788</u>	<u>12,216,940</u>	<u>11,080,455</u>	<u>(1,136,485)</u>
Total other financing sources (uses)				
Net change in fund balance	(17,593,957)	(17,593,957)	16,702,845	34,296,802
Fund balances -- beginning	<u>17,593,957</u>	<u>17,593,957</u>	<u>13,685,588</u>	<u>(3,908,369)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,388,433</u>	<u>\$ 30,388,433</u>

City of Portland, Oregon
Water Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 2,117	\$ 2,117
Other interest income	-	-	41	41
Total revenues	<u>-</u>	<u>-</u>	<u>2,158</u>	<u>2,158</u>
EXPENDITURES				
Debt service:				
Principal	3,277,208	3,277,208	28,277,208	(25,000,000)
Interest	7,809,799	6,491,667	5,538,617	953,050
Total expenditures	<u>11,087,007</u>	<u>9,768,875</u>	<u>33,815,825</u>	<u>(24,046,950)</u>
Revenues over (under) expenditures	<u>(11,087,007)</u>	<u>(9,768,875)</u>	<u>(33,813,667)</u>	<u>(24,044,792)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water	10,310,152	9,157,458	8,349,844	(807,614)
Water Construction	776,855	611,417	466,012	(145,405)
Bonds and notes issued	-	-	62,259,994	62,259,994
Bond and note premium	-	-	2,002,669	2,002,669
Payments to refunding escrow agent	-	-	(39,262,693)	(39,262,693)
Total other financing sources	<u>11,087,007</u>	<u>9,768,875</u>	<u>33,815,826</u>	<u>24,046,951</u>
Net change in fund balance	-	-	2,159	2,159
Fund balances -- beginning	<u>-</u>	<u>-</u>	<u>9,449</u>	<u>9,449</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,608</u>	<u>\$ 11,608</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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
REVENUES				
Local cost sharing	\$ -	\$ -	\$ 84,008	\$ 84,008
Public works and utility charges	1,862,603	1,862,603	1,778,587	(84,016)
Investment earnings	-	-	764	764
	<u>1,862,603</u>	<u>1,862,603</u>	<u>1,863,359</u>	<u>756</u>
EXPENDITURES				
Debt service:				
Principal	1,900,000	1,900,000	1,900,000	-
Interest	131,850	131,850	131,850	-
	<u>2,031,850</u>	<u>2,031,850</u>	<u>2,031,850</u>	<u>-</u>
Revenues over (under) expenditures	(169,247)	(169,247)	(168,491)	756
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water	203,185	203,185	195,935	7,250
Net change in fund balances	33,938	33,938	27,444	(6,494)
Fund balances -- beginning	1,638,676	1,638,676	1,643,140	4,464
Fund balances -- ending	<u>\$ 1,672,614</u>	<u>\$ 1,672,614</u>	<u>\$ 1,670,584</u>	<u>\$ (2,030)</u>

City of Portland, Oregon
Water Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Public works and utility charges	\$ 2,021,945	\$ 2,021,945	\$ 3,133,299	\$ 1,111,354
Investment earnings	836,855	671,417	216,580	(454,837)
Total revenues	<u>2,858,800</u>	<u>2,693,362</u>	<u>3,349,879</u>	<u>656,517</u>
EXPENDITURES				
Materials and services	-	-	44,381	(44,381)
General operating contingencies	7,602,877	5,853,062	-	5,853,062
Total expenditures	<u>7,602,877</u>	<u>5,853,062</u>	<u>44,381</u>	<u>5,808,681</u>
Revenues over (under) expenditures	<u>(4,744,077)</u>	<u>(3,159,700)</u>	<u>3,305,498</u>	<u>6,465,198</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water	14,239,647	14,159,647	14,007,155	(152,492)
Transfers to other funds:				
Water	(49,908,995)	(38,408,995)	(34,833,787)	3,575,208
Water Bond Sinking	(776,855)	(611,417)	(466,012)	145,405
Bonds and notes issued	72,400,000	49,250,000	37,180,006	(12,069,994)
Bond and note premium	-	-	2,842,470	2,842,470
Total other financing sources (uses)	<u>35,953,797</u>	<u>24,389,235</u>	<u>18,729,832</u>	<u>(5,659,403)</u>
Net change in fund balances	31,209,720	21,229,535	22,035,330	805,795
Fund balances -- beginning	<u>13,333,255</u>	<u>13,333,255</u>	<u>15,939,155</u>	<u>2,605,900</u>
Fund balances -- ending	<u>\$ 44,542,975</u>	<u>\$ 34,562,790</u>	<u>\$ 37,974,485</u>	<u>\$ 3,411,695</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 19,760	\$ 19,760	\$ 20,106	\$ 346
Fund balances -- beginning	<u>1,646,701</u>	<u>1,646,701</u>	<u>1,644,762</u>	<u>(1,939)</u>
Fund balances -- ending	<u>\$ 1,666,461</u>	<u>\$ 1,666,461</u>	<u>\$ 1,664,868</u>	<u>\$ (1,593)</u>

City of Portland, Oregon
Hydroelectric Power Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales - other	\$ 582,950	\$ 582,950	\$ 584,336	\$ 1,386
Investment earnings	6,000	6,000	4,619	(1,381)
Miscellaneous	1,000	1,000	-	(1,000)
Billings for interfund services:				
Water	31,000	31,000	34,015	3,015
Total revenues	<u>620,950</u>	<u>620,950</u>	<u>622,970</u>	<u>2,020</u>
EXPENDITURES				
Personal services	256,958	256,958	200,423	56,535
Materials and services	290,309	382,309	319,439	62,870
General operating contingencies	177,671	183,407	-	183,407
Overhead charges - General Fund	57,400	54,426	54,426	-
Debt service:				
Interest	8,862	6,100	2,448	3,652
Total expenditures	<u>791,200</u>	<u>883,200</u>	<u>576,736</u>	<u>306,464</u>
Revenues over (under) expenditures	<u>(170,250)</u>	<u>(262,250)</u>	<u>46,234</u>	<u>308,484</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Hydroelectric Power Renewal and Replacement	50,000	142,000	139,352	(2,648)
Transfers to other funds:				
General	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>(58,000)</u>	<u>(60,648)</u>	<u>(2,648)</u>
Net change in fund balances	<u>(320,250)</u>	<u>(320,250)</u>	<u>(14,414)</u>	<u>305,836</u>
Fund balances -- beginning	<u>320,250</u>	<u>320,250</u>	<u>360,753</u>	<u>40,503</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,339</u>	<u>\$ 346,339</u>

City of Portland, Oregon
Hydroelectric Power Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales - other	\$ 3,685,080	\$ 3,685,080	\$ 3,686,764	\$ 1,684
Other interest income	<u>58,600</u>	<u>58,600</u>	<u>45,613</u>	<u>(12,987)</u>
Total revenues	<u>3,743,680</u>	<u>3,743,680</u>	<u>3,732,377</u>	<u>(11,303)</u>
EXPENDITURES				
Debt service:				
Principal	1,855,000	1,855,000	1,855,000	-
Interest	<u>1,826,819</u>	<u>1,826,819</u>	<u>1,826,819</u>	<u>-</u>
Total expenditures	<u>3,681,819</u>	<u>3,681,819</u>	<u>3,681,819</u>	<u>-</u>
Revenues over (under) expenditures	61,861	61,861	50,558	(11,303)
Fund balances -- beginning	<u>4,244,905</u>	<u>4,244,905</u>	<u>4,240,561</u>	<u>(4,344)</u>
Fund balances -- ending	<u>\$ 4,306,766</u>	<u>\$ 4,306,766</u>	<u>\$ 4,291,119</u>	<u>\$ (15,647)</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Sales - other	\$ 216,400	\$ 216,400	\$ 256,860	\$ 40,460
Other interest income	106,500	106,500	95,670	(10,830)
Total revenues	<u>322,900</u>	<u>322,900</u>	<u>352,530</u>	<u>29,630</u>
EXPENDITURES				
General operating contingencies	<u>8,521,085</u>	<u>8,429,085</u>	-	<u>8,429,085</u>
Revenues over (under) expenditures	<u>(8,198,185)</u>	<u>(8,106,185)</u>	<u>352,530</u>	<u>8,458,715</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Hydroelectric Power Operating	<u>(50,000)</u>	<u>(142,000)</u>	<u>(139,352)</u>	<u>2,648</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(142,000)</u>	<u>(139,352)</u>	<u>2,648</u>
Net changes in fund balances	(8,248,185)	(8,248,185)	213,178	8,461,363
Fund balances -- beginning	<u>8,248,185</u>	<u>8,248,185</u>	<u>8,281,798</u>	<u>33,613</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,494,976</u>	<u>\$ 8,494,976</u>

**City of Portland, Oregon
Golf Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Rents and reimbursements	\$ 80,000	\$ -	\$ 5,773	\$ 5,773
Concessions	202,357	202,357	369,678	167,321
Parks and recreation facilities fees	6,345,277	6,425,277	5,622,349	(802,928)
Miscellaneous:				
Sales - other	17,371	17,371	9,361	(8,010)
Private grants and donations	-	-	500	500
Investment earnings	35,282	35,282	15,871	(19,411)
Miscellaneous	-	-	7,100	7,100
Billings for interfund services:				
Portland International Raceway	-	34,000	23,375	(10,625)
Portland Parks Memorial Trust	40,000	40,000	16,860	(23,140)
 Total revenues	 <u>6,720,287</u>	 <u>6,754,287</u>	 <u>6,070,867</u>	 <u>(683,420)</u>
EXPENDITURES				
Personal services	2,459,754	2,459,754	2,375,672	84,082
Materials and services	2,439,808	3,115,783	3,105,770	10,013
Capital outlay	620,484	1,292,763	815,123	477,640
General operating contingencies	577,568	552,680	-	552,680
Overhead charges - General Fund	131,604	119,304	119,304	-
Debt Service:				
Principal	154,765	26,255	128,438	(102,183)
Interest	-	49,909	14,434	35,475
 Total expenditures	 <u>6,383,983</u>	 <u>7,616,448</u>	 <u>6,558,741</u>	 <u>1,057,707</u>
 Revenues over (under) expenditures	 <u>336,304</u>	 <u>(862,161)</u>	 <u>(487,874)</u>	 <u>374,287</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Fleet Services Operating	-	50,674	50,674	-
Transfers to other funds:				
Pension Debt Redemption	(72,406)	-	-	-
Golf Revenue Bond Redemption	(800,000)	(800,000)	(797,000)	3,000
 Total other financing sources (uses)	 <u>(872,406)</u>	 <u>(749,326)</u>	 <u>(746,326)</u>	 <u>3,000</u>
 Net changes in fund balances	 (536,102)	 (1,611,487)	 (1,234,200)	 377,287
Fund balances -- beginning	536,102	1,611,487	1,762,442	150,955
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 528,242</u>	<u>\$ 528,242</u>

City of Portland, Oregon
Golf Revenue Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 10,000	\$ 10,000	\$ 7,511	\$ (2,489)
EXPENDITURES				
Debt service:				
Principal	-	-	536,333	(536,333)
Interest	806,500	806,500	270,160	536,340
Total expenditures	806,500	806,500	806,493	7
Revenues over (under) expenditures	(796,500)	(796,500)	(798,982)	(2,482)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Golf	800,000	800,000	797,000	(3,000)
Total other financing sources (uses)	800,000	800,000	797,000	(3,000)
Net change in fund balances	3,500	3,500	(1,982)	(5,482)
Fund balances -- beginning	639,500	639,500	639,912	412
Fund balances -- ending	<u>\$ 643,000</u>	<u>\$ 643,000</u>	<u>\$ 637,930</u>	<u>\$ (5,070)</u>

City of Portland, Oregon
Portland International Raceway Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Concessions	\$ 150,000	\$ 150,000	\$ 135,948	\$ (14,052)
Rents and reimbursements	1,200,000	1,200,000	1,311,885	111,885
Miscellaneous:				
Investment earnings	5,000	5,000	-	(5,000)
Billings for interfund services:				
General	-	30,000	32,000	2,000
	<u>1,355,000</u>	<u>1,385,000</u>	<u>1,479,833</u>	<u>94,833</u>
Total revenues				
EXPENDITURES				
Personal services	544,167	464,167	480,171	(16,004)
Materials and services	574,095	900,311	965,548	(65,237)
Capital outlay	-	43,839	43,839	-
General operating contingencies	536,768	28,898	-	28,898
Overhead charges - General Fund	28,430	24,425	24,425	-
Debt service:				
Interest	13,939	9,608	4,459	5,149
	<u>1,697,399</u>	<u>1,471,248</u>	<u>1,518,442</u>	<u>(47,194)</u>
Total expenditures				
Revenues over (under) expenditures	<u>(342,399)</u>	<u>(86,248)</u>	<u>(38,609)</u>	<u>47,639</u>
Fund balances -- beginning	342,399	86,248	237,485	151,237
Prior period adjustment	-	-	(150,000)	(150,000)
Fund balances -- beginning as adjusted	<u>342,399</u>	<u>86,248</u>	<u>87,485</u>	<u>1,237</u>
Fund Balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,876</u>	<u>\$ 48,876</u>

City of Portland, Oregon
Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits:				
Public utility licenses	\$ 1,698,889	\$ 1,698,889	\$ 1,697,402	\$ (1,487)
Other permits	-	-	3,660	3,660
Local cost sharing	270,000	320,227	327,078	6,851
Service charges and fees:				
Public works and utility charges	1,169,918	1,169,918	1,221,236	51,318
Rents and reimbursements	7,239	7,239	7,122	(117)
Other service charges	-	-	1,400	1,400
Miscellaneous:				
Investment earnings	28,782	28,782	41,399	12,617
Miscellaneous	4,500	15,495	12,619	(2,876)
Total revenues	<u>3,179,328</u>	<u>3,240,550</u>	<u>3,311,916</u>	<u>71,366</u>
EXPENDITURES				
Personal services	752,717	787,717	714,477	73,240
Materials and services	2,196,097	2,294,350	1,653,781	640,569
General operating contingencies	1,957,735	1,781,139	-	1,781,139
Overhead charges - General Fund	167,244	159,957	159,957	-
Debt service:				
Interest	22,484	15,497	6,209	9,288
Total expenditures	<u>5,096,277</u>	<u>5,038,660</u>	<u>2,534,424</u>	<u>2,504,236</u>
Revenues over (under) expenditures	<u>(1,916,949)</u>	<u>(1,798,110)</u>	<u>777,492</u>	<u>2,575,602</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Fleet Services Operating	-	11,010	11,010	-
Federal Grants	-	22,000	22,000	-
Transfers to other funds:				
General	(890,657)	(1,038,606)	(697,187)	341,419
Printing and Distribution Services Operating	-	(3,900)	(3,080)	820
Total other financing sources (uses)	<u>(890,657)</u>	<u>(1,009,496)</u>	<u>(667,257)</u>	<u>342,239</u>
Net changes in fund balances	<u>(2,807,606)</u>	<u>(2,807,606)</u>	<u>110,235</u>	<u>2,917,841</u>
Fund balances -- beginning	<u>2,807,606</u>	<u>2,807,606</u>	<u>3,022,550</u>	<u>214,944</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,132,785</u>	<u>\$ 3,132,785</u>

City of Portland, Oregon
Parking Facilities Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service charges and fees:				
Parking fees	\$ 7,997,091	\$ 7,656,581	\$ 7,818,630	\$ 162,049
Rents and reimbursements	1,085,985	776,221	763,337	(12,884)
Miscellaneous:				
Investment earnings	18,250	18,250	49,009	30,759
Miscellaneous	-	-	5,803	5,803
Billings for interfund services:				
General	375,720	375,720	371,765	(3,955)
Transportation Operating	35,830	35,830	34,997	(833)
Parks Construction	3,720	3,720	3,600	(120)
Sewer System Operating	16,080	16,080	26,123	10,043
Water	63,240	63,240	60,091	(3,149)
Hydroelectric Power Operating	1,860	1,860	1,800	(60)
Golf	1,860	1,860	1,800	(60)
Facilities Services Operating	171,147	169,663	169,063	(600)
Printing and Distribution Services Operating	7,440	7,440	7,200	(240)
Communication Services Operating	3,720	3,720	3,600	(120)
Insurance and Claims Operating	3,720	3,720	3,600	(120)
Workers' Compensation Self-Insurance Operating	3,720	3,720	3,600	(120)
Total revenues	<u>9,789,383</u>	<u>9,137,625</u>	<u>9,324,018</u>	<u>186,393</u>
EXPENDITURES				
Materials and services	4,522,252	5,409,847	4,893,159	516,688
Capital outlay	26,500	28,000	23,900	4,100
General operating contingencies	1,101,415	1,933,090	-	1,933,090
Overhead charges - General Fund	108,622	103,057	103,057	-
Total expenditures	<u>5,758,789</u>	<u>7,473,994</u>	<u>5,020,116</u>	<u>2,453,878</u>
Revenues over (under) expenditures	<u>4,030,594</u>	<u>1,663,631</u>	<u>4,303,902</u>	<u>2,640,271</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General	(208,074)	(308,074)	(308,074)	-
Transportation Operating	(1,400,000)	(700,000)	(700,000)	-
Waterfront Renewal Bond Sinking	(343,776)	(343,776)	(343,776)	-
Parking Facilities Debt Redemption	(3,737,226)	(3,735,279)	(3,735,279)	-
Total other financing sources (uses)	<u>(5,689,076)</u>	<u>(5,087,129)</u>	<u>(5,087,129)</u>	<u>-</u>
Net changes in fund balances	(1,658,482)	(3,423,498)	(783,227)	2,640,271
Fund balances -- beginning	1,658,482	3,423,498	3,444,363	20,865
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,661,136</u>	<u>\$ 2,661,136</u>

City of Portland, Oregon
Parking Facilities Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 18	\$ 18
Other interest income	-	-	109	109
Total revenues	<u>-</u>	<u>-</u>	<u>127</u>	<u>127</u>
EXPENDITURES				
Debt service:				
Principal	2,946,114	2,155,000	2,155,000	-
Interest	<u>791,112</u>	<u>1,582,226</u>	<u>1,582,225</u>	<u>1</u>
Total expenditures	<u>3,737,226</u>	<u>3,737,226</u>	<u>3,737,225</u>	<u>1</u>
Revenues over (under) expenditures	<u>(3,737,226)</u>	<u>(3,737,226)</u>	<u>(3,737,098)</u>	<u>128</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Parking Facilities	<u>3,737,226</u>	<u>3,735,279</u>	<u>3,735,279</u>	<u>-</u>
Total other financing sources (uses)	<u>3,737,226</u>	<u>3,735,279</u>	<u>3,735,279</u>	<u>-</u>
Net changes in fund balances	-	(1,947)	(1,819)	128
Fund balances -- beginning	<u>-</u>	<u>1,947</u>	<u>1,947</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128</u>	<u>\$ 128</u>

City of Portland, Oregon
Spectator Facilities Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local cost sharing	\$ 2,155,413	\$ 2,155,413	\$ 2,155,412	\$ (1)
Service charges and fees:				
Parking fees	1,400,000	1,200,000	1,072,431	(127,569)
Rents and reimbursements	4,605,000	4,123,000	3,289,481	(833,519)
Miscellaneous:				
Investment earnings	200,000	200,000	143,316	(56,684)
Other interest income	30,358	30,358	29,984	(374)
Miscellaneous	68,152	68,152	68,151	(1)
Total revenues	<u>8,458,923</u>	<u>7,776,923</u>	<u>6,758,775</u>	<u>(1,018,148)</u>
EXPENDITURES				
Materials and services	1,634,225	2,293,979	916,832	1,377,147
Capital outlay	850,000	350,000	97,456	252,544
General operating contingencies	5,495,732	5,740,270	-	5,740,270
Overhead charges - General Fund	28,281	41,491	41,491	-
Debt service:				
Principal	2,260,000	2,260,000	2,260,000	-
Interest	4,455,311	4,455,311	3,737,403	717,908
Total expenditures	<u>14,723,549</u>	<u>15,141,051</u>	<u>7,053,182</u>	<u>8,087,869</u>
Revenues over (under) expenditures	<u>(6,264,626)</u>	<u>(7,364,128)</u>	<u>(294,407)</u>	<u>7,069,721</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Transportation Operating	-	(20,000)	(20,000)	-
Pension Debt Redemption	-	(1,828)	(1,828)	-
Gas Tax Bond Redemption	(266,182)	(266,182)	(266,181)	1
Total other financing sources (uses)	<u>(266,182)</u>	<u>(288,010)</u>	<u>(288,009)</u>	<u>1</u>
Net change in fund balances	(6,530,808)	(7,652,138)	(582,416)	7,069,722
Fund balances -- beginning	6,530,808	7,652,138	7,652,138	-
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,069,722</u>	<u>\$ 7,069,722</u>

City of Portland, Oregon
Environmental Remediation Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rents and reimbursements	\$ 617,354	\$ 617,354	\$ 644,363	\$ 27,009
Investment earnings	7,500	7,500	13,838	6,338
	<u>624,854</u>	<u>624,854</u>	<u>658,201</u>	<u>33,347</u>
Total revenues				
EXPENDITURES				
Personal services	-	2,000	1,237	763
Materials and services	227,467	225,467	144,899	80,568
Capital outlay	325,000	325,000	-	325,000
General operating contingencies	803,157	802,909	-	802,909
Overhead charges - General Fund	3,661	4,072	4,072	-
Debt service:				
Interest	-	356	143	213
	<u>1,359,285</u>	<u>1,359,804</u>	<u>150,351</u>	<u>1,209,453</u>
Total expenditures				
Revenues over (under) expenditures	(734,431)	(734,950)	507,850	1,242,800
Fund balances -- beginning	<u>734,950</u>	<u>734,950</u>	<u>877,105</u>	<u>142,155</u>
Fund balances -- ending	<u>\$ 519</u>	<u>\$ -</u>	<u>\$ 1,384,955</u>	<u>\$ 1,384,955</u>

City of Portland, Oregon
Health Insurance Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Health care charges	\$ 29,176,537	\$ 29,176,537	\$ 25,882,233	\$ (3,294,304)
Investment earnings	211,695	211,695	238,737	27,042
Miscellaneous	735,250	735,250	2,392,857	1,657,607
Total revenues	<u>30,123,482</u>	<u>30,123,482</u>	<u>28,513,827</u>	<u>(1,609,655)</u>
EXPENDITURES				
Personal services	467,942	478,468	462,327	16,141
Materials and services	32,919,221	33,913,179	33,467,514	445,665
General operating contingencies	14,618,489	15,626,330	-	15,626,330
Overhead charges - General Fund	266,157	229,835	229,835	-
Debt service:				
Interest	-	9,213	3,690	5,523
Total expenditures	<u>48,271,809</u>	<u>50,257,025</u>	<u>34,163,366</u>	<u>16,093,659</u>
Revenues over (under) expenditures	<u>(18,148,327)</u>	<u>(20,133,543)</u>	<u>(5,649,539)</u>	<u>14,484,004</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Reserve	-	3,958	3,958	-
Transfers from other funds:				
General Reserve	-	(262,281)	(262,281)	-
Pension Debt Redemption	(13,365)	-	-	-
Total other financing sources (uses)	<u>(13,365)</u>	<u>(258,323)</u>	<u>(258,323)</u>	<u>-</u>
Net change in fund balances	(18,161,692)	(20,391,866)	(5,907,862)	14,484,004
Fund balances -- beginning	<u>18,161,692</u>	<u>20,391,866</u>	<u>20,391,169</u>	<u>(697)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,483,307</u>	<u>\$ 14,483,307</u>

City of Portland, Oregon
Facilities Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local cost sharing revenues:				
State cost sharing	\$ 156,012	\$ 156,012	\$ 165,120	\$ 9,108
Multnomah County cost sharing	755,884	692,784	697,024	4,240
Local cost sharing	817,264	862,358	869,362	7,004
Service charges and fees:				
Parking fees	18,729	18,729	30,890	12,161
Rents and reimbursements	1,605,420	1,547,236	1,560,573	13,337
Other service charges	-	-	196,431	196,431
Miscellaneous and interest:				
Investment earnings	96,983	96,983	156,283	59,300
Miscellaneous	-	-	42,109	42,109
Billings for interfund services:				
General	8,707,639	9,528,556	9,252,718	(275,838)
Transportation Operating	1,984,772	1,984,772	2,020,309	35,537
Emergency Communication	281,756	281,756	273,471	(8,285)
Planning and Development	2,121,066	2,121,066	2,122,865	1,799
Cable	22,255	22,255	22,308	53
Sewer System Operating	1,431,974	1,866,974	1,938,010	71,036
Water	1,640,891	1,789,277	1,734,319	(54,958)
Solid Waste Management	-	-	1,793	1,793
Parking Facilities	2,014,365	2,364,676	2,024,307	(340,369)
Spectator Facilities Operating	223,548	223,548	215,783	(7,765)
Environmental Remediation	176,664	176,664	133,242	(43,422)
FRES Facilities Bond Construction	2,020,000	2,020,000	1,247,976	(772,024)
Parks Construction	-	-	477	477
Fire and Police Disability and Retirement	-	-	36	36
Health Insurance Operating	27,483	27,483	30,097	2,614
Fleet Services Operating	532,200	532,200	468,859	(63,341)
Printing and Distribution Services Operating	203,651	203,651	181,678	(21,973)
Communication Services Operating	413,472	413,472	343,138	(70,334)
Insurance and Claims Operating	46,323	46,323	44,473	(1,850)
Workers' Compensation Self-Insurance Operating	51,331	51,331	45,634	(5,697)
Information Technology	474,074	474,074	486,543	12,469
	<u>25,823,756</u>	<u>27,502,180</u>	<u>26,305,828</u>	<u>(1,196,352)</u>
Total revenues				

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Personal services	2,961,542	2,961,542	2,556,083	405,459
Materials and services	15,032,587	20,478,095	14,720,122	5,757,973
Capital outlay	299,000	299,000	26,146	272,854
General operating contingencies	6,047,429	7,381,304	-	7,381,304
Overhead charges - General Fund	1,108,561	1,510,382	1,510,382	-
Debt service:				
Principal	6,925,242	6,925,242	5,560,000	1,365,242
Interest	3,016,134	3,065,747	2,434,888	630,859
	<u>35,390,495</u>	<u>42,621,312</u>	<u>26,807,621</u>	<u>15,813,691</u>
Revenues over (under) expenditures	<u>(9,566,739)</u>	<u>(15,119,132)</u>	<u>(501,793)</u>	<u>14,617,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	2,879,202	2,897,234	2,879,202	(18,032)
FRES Facilities Bond Construction	300,000	300,000	-	(300,000)
Fleet Services Operating	-	940,000	940,000	-
Communication Services Operating	-	1,603	-	(1,603)
Federal Grants	-	40,000	61,428	21,428
Transfers to other funds:				
Pension Debt Redemption	(71,975)	-	-	-
Bonds and notes issued	-	-	21,096,000	21,096,000
Bond and note premium	-	-	1,460,732	1,460,732
Payments to refunding escrow agent	-	-	(24,255,927)	(24,255,927)
	<u>3,107,227</u>	<u>4,178,837</u>	<u>2,181,435</u>	<u>(1,997,402)</u>
Net change in fund balances	(6,459,512)	(10,940,295)	1,679,642	12,619,937
Fund balances -- beginning	<u>6,459,512</u>	<u>10,940,295</u>	<u>10,922,430</u>	<u>(17,865)</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,602,072</u>	<u>\$ 12,602,072</u>

City of Portland, Oregon
Fleet Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Other service charges	\$ 30,000	\$ 30,000	\$ 73,744	\$ 43,744
Sales - other	1,000	1,000	367	(633)
Refunds	-	-	950	950
Investment earnings	196,000	196,000	239,529	43,529
Miscellaneous	1,000	56,419	125,394	68,975
Billings for interfund services:				
General	7,965,035	7,477,147	7,380,814	(96,333)
Transportation Operating	6,952,796	7,152,796	7,140,891	(11,905)
Emergency Communication	7,632	7,632	2,308	(5,324)
Planning and Development	286,975	286,975	284,680	(2,295)
Cable	321	321	-	(321)
Sewer System Operating	403,129	403,129	384,396	(18,733)
Parks Construction	8,031	8,031	6,157	(1,874)
Health Insurance Operating	214	214	124	(90)
Hydroelectric Power Operating	4,085	4,085	3,290	(795)
Golf	279,009	279,009	250,407	(28,602)
Water	1,757,697	1,757,697	1,730,407	(27,290)
Portland International Raceway	5,758	5,758	5,364	(394)
Solid Waste Management	5,399	5,399	2,656	(2,743)
Parking Facilities	-	-	18	18
Facilities Services Operating	60,895	60,895	57,370	(3,525)
Fleet Services Operating	-	-	473	473
Printing and Distribution Services Operating	31,799	31,799	22,937	(8,862)
Communication Services Operating	64,430	64,430	58,011	(6,419)
Insurance and Claims Operating	2,678	2,678	1,775	(903)
Workers' Compensation Self-Insurance Operating	2,678	2,678	767	(1,911)
Information Technology	1,498	1,498	9,745	8,247
	<u>18,068,059</u>	<u>17,835,590</u>	<u>17,782,574</u>	<u>(53,016)</u>
Total revenues				

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Personal services	5,704,114	5,704,114	5,133,807	570,307
Materials and services	8,103,705	8,241,104	7,929,295	311,809
Capital outlay	7,387,964	9,283,721	3,151,056	6,132,665
General operating contingencies	1,970,399	5,157,053	-	5,157,053
Overhead charges - General Fund	869,753	877,260	877,260	-
Debt service:				
Interest	-	116,583	46,712	69,871
	<u>24,035,935</u>	<u>29,379,835</u>	<u>17,138,130</u>	<u>12,241,705</u>
Total expenditures				
Revenues over (under) expenditures	<u>(5,967,876)</u>	<u>(11,544,245)</u>	<u>644,444</u>	<u>12,188,689</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	121,545	232,159	240,800	8,641
Transportation Operating	-	619,184	474,310	(144,874)
Communication Services Operating	-	33,973	31,278	(2,695)
Transfers to other funds:				
General	-	(37,486)	(37,486)	-
Transportation Operating	-	(14,083)	(14,083)	-
Golf	-	(50,674)	(50,674)	-
Solid Waste Management	-	(11,010)	(11,010)	-
Pension Debt Redemption	(169,138)	-	-	-
Facilities Services Operating	-	(940,000)	(940,000)	-
Sale of capital asset	984,953	1,229,942	689,093	(540,849)
	<u>937,360</u>	<u>1,062,005</u>	<u>382,228</u>	<u>(679,777)</u>
Total other financing sources (uses)				
Net change in fund balances	(5,030,516)	(10,482,240)	1,026,672	11,508,912
Fund balances -- beginning	<u>13,435,247</u>	<u>18,886,971</u>	<u>18,886,971</u>	<u>-</u>
Fund balances -- ending	<u>\$ 8,404,731</u>	<u>\$ 8,404,731</u>	<u>\$ 19,913,643</u>	<u>\$ 11,508,912</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local cost sharing revenues:				
State cost sharing	\$ 283,210	\$ 273,310	\$ 255,995	\$ (17,315)
Multnomah County cost sharing	560,917	556,549	547,996	(8,553)
Local cost sharing	232,572	232,572	255,767	23,195
Other service charges	278,963	278,963	262,266	(16,697)
Investment earnings	14,400	14,400	9,651	(4,749)
Miscellaneous	7,085	7,085	182	(6,903)
Billings for interfund services:				
General	2,578,897	2,641,588	2,218,533	(423,055)
Transportation Operating	435,930	435,930	377,208	(58,722)
Emergency Communication	33,986	33,986	15,169	(18,817)
Planning and Development	522,480	522,480	450,133	(72,347)
Cable	10,699	10,699	6,228	(4,471)
Sewer System Operating	603,490	581,490	481,174	(100,316)
Hydroelectric Power Operating	3,421	3,421	2,819	(602)
Water	841,441	938,441	920,711	(17,730)
Golf	909	909	374	(535)
Portland International Raceway	692	692	1,447	755
Solid Waste Management	99,643	159,643	128,128	(31,515)
Parking Facilities	1,713	1,713	722	(991)
Spectator Facilities Operating	1,433	1,433	498	(935)
FRES Facilities Bond Construction	-	-	1,715	1,715
Parks Construction	15,834	15,834	28,138	12,304
Portland Parks Memorial Trust	1,103	1,103	2,887	1,784
Fire and Police Disability and Retirement	39,830	46,830	44,948	(1,882)
Health Insurance Operating	34,709	39,077	39,078	1
Facilities Services Operating	54,095	54,095	26,853	(27,242)
Fleet Services Operating	24,694	24,694	17,520	(7,174)
Communication Services Operating	13,482	13,482	6,301	(7,181)
Insurance and Claims Operating	14,648	14,648	12,303	(2,345)
Workers' Compensation Self-Insurance Operating	12,949	12,949	11,156	(1,793)
Information Technology	11,360	11,360	10,401	(959)
Total revenues	<u>6,734,585</u>	<u>6,929,376</u>	<u>6,136,301</u>	<u>(793,075)</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Personal services	1,672,248	1,672,248	1,574,354	97,894
Materials and services	4,218,847	4,423,788	3,798,041	625,747
Capital outlay	442,000	535,000	277,954	257,046
General operating contingencies	965,490	739,824	-	739,824
Overhead charges - General Fund	360,732	408,436	408,436	-
Debt service:				
Interest	-	39,506	15,830	23,676
Total expenditures	<u>7,659,317</u>	<u>7,818,802</u>	<u>6,074,615</u>	<u>1,744,187</u>
Revenues over (under) expenditures	<u>(924,732)</u>	<u>(889,426)</u>	<u>61,686</u>	<u>951,112</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	-	81,150	81,170	20
Transportation Operating	-	2,500	2,500	-
Water	20,000	21,600	9,200	(12,400)
Planning and Development	-	2,000	2,000	-
Sewer System Operating	25,000	25,000	1,000	(24,000)
Solid Waste Management	-	3,900	3,080	(820)
Parks Construction	-	3,200	3,200	-
Portland Parks Memorial Trust	-	1,250	1,250	-
Insurance and Claims Operating	-	3,775	3,775	-
Workers' Compensation Self-Insurance Operating	-	3,775	3,775	-
Transfers to other funds:				
Pension Debt Redemption	(57,317)	-	-	-
Sale of capital asset	-	-	1,000	1,000
Total other financing sources (uses)	<u>(12,317)</u>	<u>148,150</u>	<u>111,950</u>	<u>(36,200)</u>
Net change in fund balances	<u>(937,049)</u>	<u>(741,276)</u>	<u>173,636</u>	<u>914,912</u>
Fund balances -- beginning	937,049	741,276	858,648	117,372
Budgetary prior period adjustment	-	-	(117,371)	(117,371)
Fund balances -- beginning, as adjusted	<u>937,049</u>	<u>741,276</u>	<u>741,277</u>	<u>1</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914,913</u>	<u>\$ 914,913</u>

City of Portland, Oregon
Communication Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Rents and reimbursements	\$ 85,521	\$ 85,521	\$ 87,958	\$ 2,437
Other service charges	2,366,469	2,910,997	3,552,556	641,559
Sales - other	2,000	170,000	149,241	(20,759)
Refunds	-	-	236,390	236,390
Investment earnings	300,000	300,000	125,218	(174,782)
Miscellaneous	2,000	2,000	42	(1,958)
Billings for interfund services:				
General	5,373,802	5,652,465	5,536,689	(115,776)
Transportation Operating	963,381	1,153,381	1,105,905	(47,476)
Emergency Communication	408,264	408,264	377,141	(31,123)
Planning and Development	392,882	392,882	385,922	(6,960)
Cable	5,165	5,165	3,311	(1,854)
Sewer System Operating	1,403,834	1,403,834	1,297,469	(106,365)
Hydroelectric Power Operating	6,263	6,263	5,369	(894)
Water	1,437,863	1,437,863	1,388,718	(49,145)
Golf	14,684	15,684	15,787	103
Portland International Raceway	15,905	15,905	12,147	(3,758)
Solid Waste Management	15,692	17,692	18,037	345
Parking Facilities	16,647	16,647	17,222	575
Spectator Facilities Operating	-	2,500	-	(2,500)
FRES Facilities Bond Construction	231,000	231,000	64,252	(166,748)
Parks Construction	13,009	63,009	31,578	(31,431)
Portland Parks Memorial Trust	387	9,687	10,688	1,001
Fire and Police Disability and Retirement	17,441	27,441	21,938	(5,503)
Health Insurance Operating	9,136	9,136	7,487	(1,649)
Facilities Services Operating	485,513	599,513	528,656	(70,857)
Fleet Services Operating	41,073	53,073	52,334	(739)
Printing and Distribution Services Operating	33,256	33,256	31,308	(1,948)
Insurance and Claims Operating	12,088	12,088	10,118	(1,970)
Workers' Compensation Self-Insurance Operating	11,838	11,838	11,566	(272)
Information Technology	113,898	210,153	211,011	858
	<u>13,779,011</u>	<u>15,257,257</u>	<u>15,296,058</u>	<u>38,801</u>
Total revenues				

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Personal services	3,417,245	3,417,245	2,900,176	517,069
Materials and services	8,412,674	10,591,586	7,839,820	2,751,766
Capital outlay	515,000	2,181,368	941,371	1,239,997
General operating contingencies	8,726,281	7,406,329	-	7,406,329
Overhead charges - General Fund	445,342	539,623	539,623	-
Debt service:				
Principal	275,133	275,133	220,000	55,133
Interest	472,427	521,536	468,517	53,019
	<u>22,264,102</u>	<u>24,932,820</u>	<u>12,909,507</u>	<u>12,023,313</u>
Revenues over (under) expenditures	<u>(8,485,091)</u>	<u>(9,675,563)</u>	<u>2,386,551</u>	<u>12,062,114</u>
OTHER FINANCIAL SOURCES (USES)				
Transfers from other funds:				
General	250,000	771,962	557,143	(214,819)
Transportation Operating	-	3,200	3,191	(9)
Cable	-	153,096	153,096	-
Water	7,600	7,600	-	(7,600)
Transfers to other funds:				
Pension Debt Redemption	(71,246)	-	-	-
Facilities Services Operating	-	(1,603)	-	1,603
Fleet Services Operating	-	(33,973)	(31,278)	2,695
Bonds and notes issued	-	-	624,000	624,000
Bond and note premium	-	-	61,708	61,708
Payments to refunding escrow agent	-	-	(755,585)	(755,585)
	<u>186,354</u>	<u>900,282</u>	<u>612,275</u>	<u>(288,007)</u>
Net change in fund balances	(8,298,737)	(8,775,281)	2,998,826	11,774,107
Fund balances -- beginning	<u>8,298,737</u>	<u>8,775,281</u>	<u>8,775,281</u>	<u>-</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,774,107</u>	<u>\$ 11,774,107</u>

City of Portland, Oregon
Insurance and Claims Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 181,450	\$ 181,450	\$ 194,905	\$ 13,455
Miscellaneous	5,000	5,000	113,881	108,881
Billings for interfund services:				
General	4,283,592	4,278,592	4,278,592	-
Transportation Operating	775,012	686,665	686,665	-
Emergency Communication	94,541	94,541	94,541	-
Planning and Development	307,077	307,077	307,077	-
Cable	10,268	10,268	10,268	-
Sewer System Operating	485,949	566,826	566,826	-
Water	703,591	682,770	682,770	-
Hydroelectric Power Operating	58,449	58,449	58,449	-
Golf	32,381	32,381	32,381	-
Portland International Raceway	30,348	30,348	30,348	-
Solid Waste Management	9,917	9,917	9,917	-
Parking Facilities	83,404	83,404	83,404	-
Spectator Facilities Operating	-	16,320	16,320	-
Health Insurance Operating	3,567	3,567	3,567	-
Facilities Services Operating	165,206	165,206	165,206	-
Fleet Services Operating	59,252	59,252	59,252	-
Printing and Distribution Services Operating	25,602	25,602	25,602	-
Communication Services Operating	43,646	43,646	43,646	-
Workers' Compensation Self-Insurance	5,068	5,068	5,068	-
Information Technology	27,111	27,111	27,111	-
Intra-fund billings	5,068	-	-	-
				-
Total revenues	<u>7,395,499</u>	<u>7,373,460</u>	<u>7,495,796</u>	<u>122,336</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Personal services	628,174	687,012	580,200	106,812
Materials and services	6,358,230	6,353,869	4,945,296	1,408,573
General operating contingencies	14,147,663	15,803,648	-	15,803,648
Overhead charges - General Fund	199,961	167,224	167,224	-
Debt service:				
Interest	-	21,768	8,722	13,046
	<u>21,334,028</u>	<u>23,033,521</u>	<u>5,701,442</u>	<u>17,332,079</u>
Total expenditures				
Revenues over (under) expenditures	(13,938,529)	(15,660,061)	1,794,354	17,454,415
OTHER FINANCIAL SOURCES (USES)				
Transfers to other funds:				
Pension Debt Redemption	(31,583)	-	-	-
Printing and Distribution Services Operating	-	(3,775)	(3,775)	-
	<u>(31,583)</u>	<u>(3,775)</u>	<u>(3,775)</u>	<u>-</u>
Net change in fund balances	(13,970,112)	(15,663,836)	1,790,579	17,454,415
Fund balances -- beginning	<u>13,970,112</u>	<u>15,663,836</u>	<u>15,850,107</u>	<u>186,271</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,640,686</u>	<u>\$ 17,640,686</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 146,636	\$ 146,636	\$ 158,189	\$ 11,553
Miscellaneous	164,048	164,048	193,900	29,852
Billings for interfund services:				
General	1,560,645	1,547,390	1,547,390	-
Transportation Operating	843,656	820,794	820,794	-
Emergency Communication	137,960	137,960	137,960	-
Planning and Development	183,231	183,231	183,231	-
Cable	4,356	4,356	4,356	-
Sewer System Operating	312,083	295,486	295,486	-
Hydroelectric Power Operating	3,223	3,223	3,223	-
Water	458,342	449,034	449,034	-
Golf	47,184	47,184	47,184	-
Portland International Raceway	5,786	5,786	5,786	-
Solid Waste Management	6,340	6,340	6,340	-
Health Insurance Operating	2,550	2,550	2,550	-
Facilities Services Operating	38,316	38,316	38,316	-
Fleet Services Operating	166,437	166,437	166,437	-
Printing and Distribution Services Operating	22,419	22,419	22,419	-
Communication Services Operating	39,762	39,762	39,762	-
Insurance and Claims Operating	3,624	3,624	3,624	-
Information Technology	19,387	19,387	19,387	-
Total revenues	<u>4,165,985</u>	<u>4,103,963</u>	<u>4,145,368</u>	<u>41,405</u>
EXPENDITURES				
Personal services	714,915	787,754	700,102	87,652
Materials and services	4,660,399	4,594,161	3,172,799	1,421,362
General operating contingencies	10,622,100	11,659,079	-	11,659,079
Overhead charges - General Fund	211,560	196,833	196,833	-
Debt service:				
Interest	-	20,362	8,159	12,203
Total expenditures	<u>16,208,974</u>	<u>17,258,189</u>	<u>4,077,893</u>	<u>13,180,296</u>
Revenues over (under) expenditures	(12,042,989)	(13,154,226)	67,475	13,221,701
OTHER FINANCIAL SOURCES (USES)				
Transfers to other funds:				
Pension Debt Redemption	(29,542)	-	-	-
Printing and Distribution Services Operating	-	(3,775)	(3,775)	-
Total other financing sources (uses)	<u>(29,542)</u>	<u>(3,775)</u>	<u>(3,775)</u>	<u>-</u>
Net change in fund balances	(12,072,531)	(13,158,001)	63,700	13,221,701
Fund balances -- beginning	<u>12,068,907</u>	<u>13,158,001</u>	<u>13,155,985</u>	<u>(2,016)</u>
Fund balances -- ending	<u>\$ (3,624)</u>	<u>\$ -</u>	<u>\$ 13,219,685</u>	<u>\$ 13,219,685</u>

City of Portland, Oregon
Information Technology Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local cost sharing	\$ 225,711	\$ 152,901	\$ 233,253	\$ 80,352
Investment earnings	120,000	55,000	57,997	2,997
Miscellaneous	1,000	1,000	20,651	19,651
Billings for interfund services:				
General	8,123,592	9,285,412	9,017,962	(267,450)
Transportation Operating	2,315,718	2,469,468	2,662,301	192,833
Emergency Communication	1,233,883	1,335,358	1,327,350	(8,008)
Planning and Development	831,442	974,942	955,003	(19,939)
Cable	8,831	12,214	12,063	(151)
Sewer System Operating	1,680,362	1,704,937	1,730,566	25,629
Hydroelectric Power Operating	2,520	2,520	2,519	(1)
Water	1,832,812	1,916,862	1,904,052	(12,810)
Golf	7,960	10,215	10,173	(42)
Portland International Raceway	5,730	5,730	5,729	(1)
Solid Waste Management	17,347	25,035	24,818	(217)
Parking Facilities	234	234	234	-
Parks Construction	972	972	972	-
Portland Parks Memorial Trust	-	-	174	174
Fire and Police Disability and Retirement	12,422	12,422	11,232	(1,190)
Health Insurance Operating	376,556	386,324	386,325	1
Facilities Services Operating	75,643	136,443	136,212	(231)
Fleet Services Operating	77,329	102,954	92,589	(10,365)
Printing and Distribution Services Operating	157,572	157,572	102,730	(54,842)
Communication Services Operating	219,504	219,504	215,183	(4,321)
Insurance and Claims Operating	24,238	24,238	14,959	(9,279)
Workers' Compensation Self-Insurance Operating	24,970	24,970	16,991	(7,979)
Total revenues	<u>17,376,348</u>	<u>19,017,227</u>	<u>18,942,038</u>	<u>(75,189)</u>

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City of Portland, Oregon
Information Technology Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Personal services	11,723,525	12,188,343	11,782,205	406,138
Materials and services	4,746,014	6,121,736	5,280,323	841,413
Capital outlay	30,000	1,276,920	466,609	810,311
General operating contingencies	4,255,970	3,295,605	-	3,295,605
Overhead charges - General Fund	420,200	503,097	503,097	-
Debt service:				
Principal	995,000	995,000	995,000	-
Interest	152,725	242,182	174,886	67,296
	<u>22,323,434</u>	<u>24,622,883</u>	<u>19,202,120</u>	<u>5,420,763</u>
Revenues over (under) expenditures	<u>(4,947,086)</u>	<u>(5,605,656)</u>	<u>(260,082)</u>	<u>5,345,574</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	818,419	618,616	618,616	-
Transportation Operating	-	500,000	500,000	-
Transfers to other funds				
Pension Debt Redemption	<u>(129,777)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>688,642</u>	<u>1,118,616</u>	<u>1,118,616</u>	<u>-</u>
Net change in fund balances	<u>(4,258,444)</u>	<u>(4,487,040)</u>	<u>858,534</u>	<u>5,345,574</u>
Fund balances -- beginning	<u>4,258,444</u>	<u>4,487,040</u>	<u>4,987,040</u>	<u>500,000</u>
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,845,574</u>	<u>\$ 5,845,574</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Current year's taxes	\$ 83,922,071	\$ 83,922,071	\$ 83,484,051	\$ (438,020)
Prior years' property taxes	1,400,000	1,400,000	1,769,084	369,084
Other service charges	-	-	29	29
Investment earnings	500,000	500,000	444,177	(55,823)
Miscellaneous	-	-	242,324	242,324
Billing for interfund services:				
General	41,448	41,448	39,712	(1,736)
Total revenues	<u>85,863,519</u>	<u>85,863,519</u>	<u>85,979,377</u>	<u>115,858</u>
EXPENDITURES				
Materials and services	83,500,824	83,519,865	77,264,906	6,254,959
Capital outlay	10,000	-	-	-
General operating contingencies	3,283,114	3,288,717	-	3,288,717
Overhead charges - General Fund	102,213	93,172	93,172	-
Debt service:				
Principal	25,000,000	25,000,000	22,165,000	2,835,000
Interest	518,032	512,429	444,586	67,843
Total expenditures	<u>112,414,183</u>	<u>112,414,183</u>	<u>99,967,664</u>	<u>12,446,519</u>
Revenues over (under) expenditures	<u>(26,550,664)</u>	<u>(26,550,664)</u>	<u>(13,988,287)</u>	<u>12,562,377</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Fire and Police Disability and Retirement Reserve	750,000	750,000	-	(750,000)
Bonds and notes issued	25,000,000	25,000,000	22,165,000	(2,835,000)
Bond and note premium	-	-	261,547	261,547
Total other financing sources and uses	<u>25,750,000</u>	<u>25,750,000</u>	<u>22,426,547</u>	<u>(3,323,453)</u>
Net change in fund balances	(800,664)	(800,664)	8,438,260	9,238,924
Fund balances -- beginning	800,664	800,664	1,563,709	763,045
Fund balances -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,001,969</u>	<u>\$ 10,001,969</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Fire and Police Disability and Retirement	\$ <u>(750,000)</u>	\$ <u>(750,000)</u>	\$ <u>-</u>	\$ <u>750,000</u>
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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ 1,053	\$ 53
EXPENDITURES				
Materials and services	7,200	7,200	7,110	90
Revenues over (under) expenditures	(6,200)	(6,200)	(6,057)	143
Fund balances -- beginning	95,018	95,018	89,916	(5,102)
Fund balances -- ending	<u>\$ 88,818</u>	<u>\$ 88,818</u>	<u>\$ 83,859</u>	<u>\$ (4,959)</u>

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City of Portland, Oregon
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedules by Source¹
 For the Years Ended June 30, 2004 and 2003

	2004	2003, as Restated
Governmental funds capital assets by type:		
Land	\$ 62,672,361	\$ 54,988,464
Buildings	96,168,935	52,081,951
Improvements to land	109,509,958	143,138,702
Infrastructure	4,006,996,221	3,983,352,144
Machinery and equipment	46,238,071	43,680,976
Capitalized leases	1,775,370	1,775,370
Work in progress	45,876,646	32,529,741
Total governmental funds capital assets	\$ 4,369,237,562	\$ 4,311,547,348
Governmental funds capital assets by source:		
General fund	\$ 211,445,498	\$ 118,411,021
Special revenue funds	4,075,004,372	4,025,860,953
Capital projects funds	47,786,540	122,952,075
Other governmental funds	35,001,152	44,323,299
Total governmental funds capital assets	\$ 4,369,237,562	\$ 4,311,547,348

¹This schedule presents only the capital asset balances related to governmental funds.

City of Portland, Oregon
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity¹
 For the Year Ended June 30, 2004

Function	Land	Buildings	Improvements to Land	Infrastructure	Machinery and Equipment	Capitalized Leases	Construction in Progress	Total
Legislative, admin, and support services	\$ 13,348,881	\$ 2,554,493	\$ 15,708,763	\$ -	\$ 296,099	\$ -	\$ -	\$ 31,908,236
Public safety	2,370,703	20,157,982	5,224,911	-	29,387,789	-	6,446,862	63,588,247
Community development	157,279	-	64,473	-	206,125	-	-	427,877
Parks, recreation, and culture	29,543,243	52,725,070	77,171,881	-	1,188,649	-	9,549,559	170,178,402
Transportation and parking	9,765,030	5,247,437	383,233	4,006,996,221	14,086,130	1,775,370	29,880,225	4,068,133,646
Other	7,487,225	15,483,953	10,956,697	-	1,073,279	-	-	35,001,154
Total governmental funds capital assets	<u>\$ 62,672,361</u>	<u>\$ 96,168,935</u>	<u>\$ 109,509,958</u>	<u>\$ 4,006,996,221</u>	<u>\$ 46,238,071</u>	<u>\$ 1,775,370</u>	<u>\$ 45,876,646</u>	<u>\$ 4,369,237,562</u>

¹ This schedule presents only the capital asset balances related to governmental funds.

City of Portland, Oregon
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity¹
 For the Year Ended June 30, 2004

Function	Governmental Funds Capital Assets as Restated July 1, 2003	Additions	Deductions	Reclasses	Governmental Funds Capital Assets June 30, 2004
Legislative, admin, and support services	\$ 56,896,818	\$ 6,995	\$ -	\$ (24,995,577)	\$ 31,908,236
Public safety	53,284,633	6,735,175	(66,138)	3,634,577	63,588,247
Community development	427,877	-	-	-	427,877
Parks, recreation, and culture	137,411,520	14,250,034	-	18,516,848	170,178,402
Transportation and parking	4,019,203,202	42,101,730	(13,100)	6,841,814	4,068,133,646
Other	44,323,298	385,032	(533,546)	(9,173,630)	35,001,154
Total governmental funds capital assets	<u>\$ 4,311,547,348</u>	<u>\$ 63,478,966</u>	<u>\$ (612,784)</u>	<u>\$ (5,175,968)</u>	<u>\$ 4,369,237,562</u>

¹ This schedule presents only the capital asset balances related to governmental funds.

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City of Portland, Oregon
Schedule of Bond Principal Transactions
For the Year Ended June 30, 2004

	Bond Series	Interest Rate(s)		Years of Maturity	Amount of Original Issue	Outstanding June 30, 2003	Bonds Issued/Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2004
		Outstanding Debt	Date of issue						
GENERAL OBLIGATION BONDS									
Water bonds	1993A	4.80-5.10	08/01/93	2001-11	\$ 20,070,000	\$ 7,530,000	\$ -	\$ 7,530,000	\$ -
	1993C	4.50	11/15/93	2001-04	15,560,000	3,880,000	-	1,900,000	1,980,000
	2004C	3.00-3.40	01/15/94	2004-10	7,640,000	-	7,640,000	-	7,640,000
Subtotal Water Bonds						<u>11,410,000</u>	<u>7,640,000</u>	<u>9,430,000</u>	<u>9,620,000</u>
Other water districts' bonds assumed by annexation						6,606	-	2,207	4,399
Total Water District Bonds						<u>11,416,606</u>	<u>7,640,000</u>	<u>9,432,207</u>	<u>9,624,399</u>
Parks bonds	1995A	5.30-5.50	03/01/95	2001-08	20,000,000	5,005,000	-	4,055,000	950,000
	1995B	5.20-5.40	03/01/95	2001-08	31,800,000	9,720,000	-	7,880,000	1,840,000
	2001A	3.20-5.00	07/01/01	2001-15	29,810,000	29,445,000	-	130,000	29,315,000
	2004B	4.00	04/27/04	2004-085	9,200,000	-	9,200,000	-	9,200,000
Total Parks Bonds						<u>44,170,000</u>	<u>9,200,000</u>	<u>12,065,000</u>	<u>41,305,000</u>
Emergency Facilities Bonds	1999A	4.50-5.125	06/01/99	2001-19	24,500,000	21,120,000	-	930,000	20,190,000
	2004A	2.00-4.25	01/28/04	2004-24	13,965,000	-	13,965,000	-	13,965,000
Total Emergency Facilities Bonds						<u>21,120,000</u>	<u>13,965,000</u>	<u>930,000</u>	<u>34,155,000</u>
TOTAL GENERAL OBLIGATION BONDS						<u>76,706,606</u>	<u>30,805,000</u>	<u>22,427,207</u>	<u>85,084,399</u>
LIMITED TAX IMPROVEMENT BONDS									
Limited Tax Improvement	1994A	5.75	05/01/94	2002-14	6,925,000	700,000	-	250,000	450,000
Limited Tax Improvement	1995A	5.25	05/01/95	2002-15	6,210,000	480,000	-	220,000	260,000
Limited Tax Improvement	1996A	5.55	06/01/96	2002-16	7,525,000	1,715,000	-	335,000	1,380,000
Limited Tax Improvement	1998A	4.875	06/01/98	2002-18	8,460,000	1,595,000	-	445,000	1,150,000
Limited Tax Improvement	1999A	4.875	04/01/99	2002-19	8,685,000	3,730,000	-	660,000	3,070,000
Limited Tax Improvement	2003A	3.00-4.35	05/22/03	2003-23	21,430,000	21,430,000	-	3,970,000	17,460,000
TOTAL LIMITED TAX IMPROVEMENT BONDS						<u>29,650,000</u>	<u>-</u>	<u>5,880,000</u>	<u>23,770,000</u>
URBAN RENEWAL AND REDEVELOPMENT BONDS									
South Park Blocks	2000A	5.00-5.75	10/15/00	2002-20	23,325,000	23,325,000	-	-	23,325,000
	2000B	6.74-7.34	10/15/00	2002-13	16,560,000	14,410,000	-	830,000	13,580,000
Waterfront Renewal	2000A	5.10-5.75	10/31/00	2001-20	33,060,000	33,060,000	-	-	33,060,000
	2000B	6.69-7.26	10/31/00	2001-13	24,970,000	23,175,000	-	1,460,000	21,715,000
	2002A	2.50-3.00	09/15/02	2003-07	3,765,000	3,105,000	-	655,000	2,450,000
	2002B	2.50-3.50	09/15/02	2003-08	13,050,000	11,120,000	-	1,855,000	9,265,000
Airport Way	2000A	5.00-6.00	06/01/00	2001-20	51,000,000	50,740,000	-	1,255,000	49,485,000
	2002A	2.50-5.00	10/01/02	2002-10	13,500,000	12,305,000	-	1,080,000	11,225,000
Oregon Convention Center	2000A	5.25-5.75	08/01/00	2001-20	32,900,000	32,900,000	-	-	32,900,000
	2000B	7.45-7.75	08/01/00	2001-14	16,840,000	16,480,000	-	-	16,480,000
River District	2003A	3.25-5.00	06/17/03	2004-23	33,180,000	33,180,000	-	-	33,180,000
	2003B	1.140-4.10	06/17/03	2004-15	28,760,000	28,760,000	-	2,350,000	26,410,000
Parks Line of Credit	*		2000	2002	2,250,000	1,500,000	2,250,000	3,750,000	-
Gateway Urban District Line of Credit	*		2003	2,004	1,275,000	1,000,000	-	-	1,000,000
Reclassified to non bonded debt					-	-	(1,000,000)	-	(1,000,000)
Du Jour Proceeds	*		2004	2004	34,733,268	-	34,733,268	34,733,268	-
TOTAL URBAN RENEWAL AND REDEVELOPMENT BONDS -						<u>285,060,000</u>	<u>35,983,268</u>	<u>47,968,268</u>	<u>273,075,000</u>

*variable rate, see Footnote 10

Continue next page

City of Portland, Oregon
 Schedule of Bond Principal Transactions, Continued
 For the Year Ended June 30, 2004

	Bond Series	Interest Rate(s) Outstanding Debt	Date of issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2003	Bonds Issued/ Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2004
LIMITED TAX AND LIMITED TAX REVENUE BONDS									
Governmental Activities									
Pension									
Allocation of Pension Bonds	1999C	7.27-7.701	11/01/99	2000-22	78,105,826	78,105,826	-	-	-
From Proprietary Funds					6,186,168	-	6,186,168	-	84,291,994
	199C	7.93	11/01/99	2000-29	27,881,984	27,881,984	-	-	-
From Proprietary Funds					2,208,319	-	2,208,319	-	30,090,303
	1999D & E	*	11/01/99	2000-19	105,391,744	105,391,744	-	-	-
From Proprietary Funds					8,347,286	-	8,347,286	-	113,739,030
Oregon Convention Center	2001A	5.00-5.50	02/13/01	2201-30	81,940,000	81,940,000	-	310,000	81,630,000
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	4.00-6.50	05/01/01	2001-21	2,100,000	1,970,000	-	70,000	1,900,000
Interstate MaxLight Rail	2002B	3.00	09/15/02	2003-05	32,750,000	32,750,000	-	-	32,750,000
Streetcar Project	2002A	3.50-4.00	04/01/02	2002-06	1,060,000	805,000	-	260,000	545,000
System Development	2002A	3.50-4.00	04/01/02	2002-11	2,245,000	2,015,000	-	220,000	1,795,000
Capital Financing - Facilities									
	1998A	4.30-5.00	04/15/98	1999-18	28,900,000 **	-	24,650,000	1,170,000	23,480,000
	2002A	4.00-4.625	04/01/02	2002-13	7,795,000 **	-	7,795,000	-	7,795,000
Capital Improvement and Renovation									
	1996A	4.90-5.60	06/01/96	1999-16	29,128,538 **	-	22,195,328	22,195,328	-
	1996A	4.90-5.60	06/01/96	1999-16	1,001,462 **	-	694,672	694,672	-
	1998B	4.10-4.90	06/15/98	1999-18	8,499,490	2,305,000	-	110,000	2,195,000
	1999B	5.00-5.875	11/01/99	2001-20	10,135,000	6,955,000	-	1,200,000	5,755,000
	1999B	5.00-5.875	11/01/99	2001-08	2,935,000 **	-	1,875,000	410,000	1,465,000
	1999B	5.00-5.875	11/01/99	2001-06	5,560,000 **	-	2,810,000	995,000	1,815,000
	2002A	3.50-4.50	04/01/02	2002-12	220,000 **	-	200,000	20,000	180,000
Walnut Park	2003A	2.00-3.25	01/15/03	2003-09	2,265,000 **	-	2,265,000	350,000	1,915,000
Radio Shop	2003A	2.00-4.00	01/15/03	2003-09	930,000 **	-	930,000	75,000	855,000
EOC	2003A	2.00-4.00	01/15/03	2003-09	160,000 **	-	160,000	15,000	145,000
Portland and Justice Bldg	2003A	2.00-2.75	01/15/03	2003-09	14,195,000 **	-	14,195,000	3,520,000	10,675,000
800MHZ	2003A	2.00-4.00	01/15/03	2003-13	2,635,000 **	-	2,635,000	220,000	2,415,000
	2004A	2.00-5.00	03/25/04	2004-11	3,420,000	-	3,420,000	-	3,420,000
	2004A	2.00-5.00	03/25/04	2004-16	21,096,000	-	21,096,000	-	21,096,000
	2004A	2.00-5.00	03/25/04	2004-13	624,000	-	624,000	-	624,000
School Grant	LOC	*	06/16/03	2004	19,626,982	19,626,982	-	19,626,982	-
Children's Receiving Center	LOC	*	06/26/03	2004	1,001,401	1,001,401	-	200,280	-
Reclassified to non bonded debt					-	-	-	801,121	-
Streetcar Extension	LOC	*	06/26/03	2004	632,632	632,632	3,496,635	-	-
Reclassified to non bonded debt					-	-	-	4,129,267	-
Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities						379,439,457	125,783,408	56,592,650	448,630,215
*variable rate, see Footnote 10									
**Reclassified from proprietary funds									
Business-type Activities									
Pension									
Allocation of Pension Bonds	1999C	7.27-7.701	11/01/99	2000-22	32,864,814	32,864,814	-	-	-
Included in governmental funds					(6,186,168)	-	(6,186,168)	-	26,678,646
	199C	*	11/01/99	2000-29	11,731,980	11,731,980	-	-	-
Included in governmental funds					(417,643)	-	(2,208,319)	-	9,523,661
	1999D & E	5.95	11/01/99	2009	44,345,996	44,345,996	-	-	-
Included in governmental funds					-	-	(8,347,286)	-	35,998,710
Central City Streetcar	1999A	4.00-5.00	04/15/99	2001-24	29,160,000	27,360,000	-	740,000	26,620,000
Arena	1996	7.00-7.75	08/01/96	1997-2016	10,295,000	8,030,000	-	395,000	7,635,000
	1996A	7.25-8.05	07/15/96	1997-2016	11,565,000	7,080,000	-	435,000	6,645,000
	1996B	4.95-5.70	07/15/96	1997-2016	2,920,000	2,190,000	-	120,000	2,070,000
Civic Stadium	2001D	6.00-7.00	05/15/01	2012	35,000,000	33,550,000	-	890,000	32,660,000
Capital Improvement and Renovation									
	1996A	4.80-5.60	06/01/96	1999-16	29,128,538 **	-	22,195,328	22,195,328	-
	1996A	4.80-5.375	06/01/96	1999-13	1,001,462 **	-	694,672	694,672	-
	1999B	5.00-5.25	11/01/99	1999-08	2,935,000 **	-	1,875,000	1,875,000	-
	1999B	5.00-5.25	11/01/99	2000-06	5,560,000 **	-	2,810,000	2,810,000	-
	2002A	3.00-4.50	04/01/02	2003-12	220,000 **	-	200,000	20,000	-
Walnut Park	2003A	2.00-3.25	01/15/03	2004-09	2,265,000 **	2,265,000	-	2,265,000	-
Radio Shop	2003A	2.00-4.00	01/15/03	2004-13	930,000 **	-	930,000	930,000	-
EOC	2003A	2.00-4.00	01/15/03	2004-13	160,000 **	-	160,000	160,000	-
Portland and Justice Bldg	2003A	2.00-2.75	01/15/03	2004-2008	14,195,000 **	14,195,000	-	14,195,000	-
800 MHZ	2003A	2.00-4.00	01/15/03	2004-13	2,635,000 **	2,635,000	-	2,635,000	-
Capital Financing - Facilities									
	1998A	4.25-5.00	04/15/98	1999-18	28,900,000 **	24,650,000	-	24,650,000	-
	2002A	4.00-4.625	04/01/02	2003-13	7,795,000 **	7,795,000	-	7,795,000	-
Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities						247,557,790	(16,741,773)	82,985,000	147,831,017
LIMITED TAX AND LIMITED TAX REVENUE BONDS						626,997,247	109,041,635	139,577,650	596,461,232
*variable rate, see Footnote 10									
**Reclassified to Governmental Activities									

Continued next page

City of Portland, Oregon
Schedule of Bond Principal Transactions, Continued
For the Year Ended June 30, 2004

	Bond Series	Interest Rate(s) Outstanding Debt	Date of issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2003	Bonds Issued/Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2004
REVENUE BONDS									
Governmental Activities									
Gas Tax	1996A	5.05-5.80	09/01/96	1997-16	6,580,000	4,985,000	-	275,000	4,710,000
	1998A	4.20-5.00	06/01/98	1999-18	3,070,000	2,530,000	-	120,000	2,410,000
Transportation Line of Credit		Variable	2002	2,003	4,545,512	4,545,512	-	-	-
Reclassified to non bonded debt						-	(4,545,512)	-	-
Total Gas Tax Bonds						<u>12,060,512</u>	<u>(4,545,512)</u>	<u>395,000</u>	<u>7,120,000</u>
Total Revenue Bonds: Governmental Activities						<u>12,060,512</u>	<u>(4,545,512)</u>	<u>395,000</u>	<u>7,120,000</u>
Business-type Activities									
Water	1993R	4.75-5.25	08/01/93	1994-14	25,000,000	17,090,000	-	17,090,000	-
	1,995	4.70-5.50	11/15/95	1996-15	20,000,000	16,490,000	-	15,775,000	715,000
	1997A	4.75-5.00	11/15/97	1998-17	30,000,000	26,230,000	-	860,000	25,370,000
	2000A	5.00-5.50	03/15/00	2001-21	35,000,000	34,000,000	-	540,000	33,460,000
	2004A	2.00 - 5.00	05/06/04	2004-15	29,900,000	-	29,900,000	-	29,900,000
	2004B	4.00-5.00	05/06/04	2004-23	61,900,000	-	61,900,000	-	61,900,000
Total Water Bonds						<u>93,810,000</u>	<u>91,800,000</u>	<u>34,265,000</u>	<u>151,345,000</u>
Golf Fund	LOC	2.49-5.26	01/10/03	2004-13	6,333,333	6,333,333	-	536,333	5,797,000
Total Golf Fund Bonds						<u>6,333,333</u>	<u>-</u>	<u>536,333</u>	<u>5,797,000</u>
Sewage Disposal Fund Revenue	1992B	5.50	09/15/92	1993-05	21,860,000	3,255,000	-	3,255,000	-
	1994A	5.50	08/15/97	1995-04	64,665,000	10,100,000	-	10,100,000	-
	1996A	5.125-5.50	11/01/96	1997-17	110,000,000	102,215,000	-	1,495,000	100,720,000
	1997A	5.00-6.00	08/15/97	1998-15	262,500,000	254,880,000	-	3,220,000	251,660,000
	1998A	4.00-5.25	09/15/98	1999-18	160,000,000	142,880,000	-	4,780,000	138,100,000
	2000A	5.30-5.75	09/01/00	2001-20	146,000,000	146,000,000	-	-	146,000,000
	2003A	3.00-5.25	04/03/03	2004-23	88,370,000	88,370,000	-	3,355,000	85,015,000
	2003B	5.00	06/11/03	2004-23	150,000,000	150,000,000	-	-	150,000,000
Total Sewage Disposal Revenue Bonds						<u>897,700,000</u>	<u>-</u>	<u>26,205,000</u>	<u>871,495,000</u>
REVENUE BONDS, Continued									
Hydroelectric Power	1979A	6.80-7.00	06/01/79	1979-12	38,000,000	24,675,000	-	1,150,000	23,525,000
	1993	6.320-6.50	08/01/93	1994-06	7,980,000	3,065,000	-	705,000	2,360,000
Total Hydroelectric Power Bonds						<u>27,740,000</u>	<u>-</u>	<u>1,855,000</u>	<u>25,885,000</u>
Parking Facilities	2001A	3.00-4.25	08/15/01	2002-12	10,200,000	8,435,000	-	1,415,000	7,020,000
Total Parking Facilities Bonds						<u>8,435,000</u>	<u>-</u>	<u>1,415,000</u>	<u>7,020,000</u>
Arena	1996A	5.05-5.55	09/01/96	1997-09	5,380,000	4,545,000	-	420,000	4,125,000
	1996A	6.00-6.30	09/01/96	1997-20	7,438,102	7,438,102	-	-	7,438,102
Total Arena Bonds						<u>11,983,102</u>	<u>-</u>	<u>420,000</u>	<u>11,563,102</u>
Total Revenue Bonds: Business-type Activities						<u>1,046,001,435</u>	<u>91,800,000</u>	<u>64,696,333</u>	<u>1,073,105,102</u>
TOTAL REVENUE BONDS						<u>1,058,061,947</u>	<u>87,254,488</u>	<u>65,091,333</u>	<u>1,080,225,102</u>
SUB-TOTAL BONDED DEBT						<u>2,076,475,800</u>	<u>263,084,391</u>	<u>280,944,458</u>	<u>2,058,615,733</u>
Fiduciary Fund									
Allocation of Limited Tax Pension Obligation Bonds	1999C	7.27-7.701	11/01/99	2000-22	194,360	194,360	-	-	194,360
	199C	7.93	11/01/99	2000-29	69,382	69,382	-	-	69,382
	1999D & E	*	11/01/99	2000-19	262,260	262,260	-	-	262,260
Total Fiduciary Fund						<u>526,002</u>	<u>-</u>	<u>-</u>	<u>526,002</u>
Total Bonded Debt						<u>\$ 2,077,001,802</u>	<u>\$ 263,084,391</u>	<u>\$ 280,944,458</u>	<u>\$ 2,059,141,735</u>
Summary									
						Governmental Activities	Business-type Activities	Total	
Bonded Debt						\$ 828,055,215	\$ 1,230,560,518	\$ 2,058,615,733	
Plus unamortized premiums						7,536,299	13,475,302	21,011,601	
Less unamortized discounts,						(110,785)	(3,336,769)	(3,447,554)	
Plus unamortized premiums						-	(8,969,820)	(8,969,820)	
Less deferred amount on refunding						-	-	-	
NET BONDED DEBT						<u>\$ 835,480,729</u>	<u>\$ 1,231,729,231</u>	<u>\$ 2,067,209,960</u>	

City of Portland, Oregon
Schedule of Bond Interest Transactions
For the Year Ended June 30, 2004

	Bond Series	Interest Rate(s) Outstanding Debt	Date of issue	Unmatured Interest Outstanding June 30, 2003	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2004
GENERAL OBLIGATION BONDS							
Water bonds	1993A	4.80-5.10	08/01/93	\$ 2,115,015	\$ (1,827,200)	\$ 287,815	\$ -
	1993C	4.50	11/15/93	176,400	-	131,850	44,550
	2004C	3.00 - 3.40	06/09/04	-	1,041,657	-	1,041,657
Subtotal Water Bonds				2,291,415	(785,543)	419,665	1,086,207
Other water districts' bonds assumed by annexation				461	-	256	205
Total Water District Bonds				2,291,876	(785,543)	419,921	1,086,412
Parks bonds	1995A	5.30-5.50	03/01/95	837,625	(230,829)	385,971	220,825
	1995B	5.20-5.40	03/01/95	1,602,730	(434,795)	745,265	422,670
	2001A	3.20-5.00	07/01/01	12,323,163	-	1,345,890	10,977,273
	2004B	4.00	04/24/04	-	1,148,156	-	1,148,156
Total Parks Bonds				14,763,518	482,532	2,477,126	12,768,924
Emergency Facilities bonds	1999A	4.50-5.125	06/01/99	10,125,087	-	1,052,487	9,072,600
	2004A	2.00-4.25	01/28/04	-	6,507,661	-	6,507,661
Total Emergency Facilities Bonds				10,125,087	6,507,661	1,052,487	15,580,261
TOTAL GENERAL OBLIGATION BONDS				27,180,481	6,204,650	3,949,534	29,435,597
LIMITED TAX IMPROVEMENT BONDS							
Limited Tax Improvement	1994A	5.75	05/01/94	442,750	(147,056)	36,944	258,750
Limited Tax Improvement	1995A	5.25	05/01/95	302,400	(129,937)	22,313	150,150
Limited Tax Improvement	1996A	5.55	06/01/96	1,237,372	(228,382)	89,910	919,080
Limited Tax Improvement	1998A	4.875	06/01/96	1,166,344	(310,050)	71,419	784,875
Limited Tax Improvement	1999A	4.875	04/01/99	2,582,025	(154,659)	182,428	2,244,938
Limited Tax Improvement	2003A	3.00-4.35	05/22/03	11,550,403	942,140	787,343	9,820,920
TOTAL LIMITED TAX IMPROVEMENT BONDS				17,281,294	(1,912,224)	1,190,357	14,178,713
URBAN RENEWAL AND REDEVELOPMENT BONDS							
South Park Blocks	2000A	5.00-5.75	10/15/00	18,427,410	-	1,329,973	17,097,437
	2000B	6.74-7.34	09/01/85	6,095,291	-	1,020,041	5,075,250
Waterfront Renewal	2000A	5.10-5.75	10/31/00	26,504,357	-	1,866,272	24,638,085
	2000B	6.69-7.26	10/31/00	10,695,335	-	1,643,768	9,051,567
	2002A	2.50-3.00	09/15/02	249,475	-	89,875	159,600
	2002B	2.50-3.50	09/15/02	1,171,550	-	341,250	830,300
Airport Way	2000A	5.00-6.00	06/01/00	34,088,488	-	2,896,543	31,191,945
	2002A	2.50-5.00	10/01/02	2,008,875	-	424,625	1,584,250
Oregon Convention Center	2000A	5.25-5.75	08/01/00	26,357,493	-	1,852,083	24,505,410
	2000B	7.45-7.75	08/01/00	10,293,310	-	1,251,317	9,041,993
River District	2003A	3.250-5.00	06/17/03	26,479,722	-	1,567,984	24,911,738
	2003B	1.14-4.10	06/17/06	6,230,953	-	812,231	5,418,722
Parks Line of Credit	*		2000	14,880	(8,986)	5,894	-
Gateway Urban District Line of Credit	*		2003	30,000	(14,151)	15,849	-
Du Jour Proceeds	*		2004	-	1,930	1,930	-
TOTAL URBAN RENEWAL AND REDEVELOPMENT BONDS				168,647,139	(21,207)	15,119,635	153,506,297

*variable rate, see Footnote 10

Continued next page

City of Portland, Oregon
Schedule of Bond Interest Transactions, Continued
For the Year Ended June 30, 2004

	Bond Series	Interest Rate(s) Outstanding Debt	Date of issue	Unmatured Interest Outstanding June 30, 2003	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2004
LIMITED TAX AND LIMITED TAX REVENUE BONDS							
Governmental Activities							
Pension	1999C	7.27-7.701	11/01/99	97,468,227	1,484,609	7,800,910	-
From Proprietary Funds					** 7,719,589	131,430	98,740,085
	1999C	7.93	11/01/99	192,096,304	-	-	-
From Proprietary Funds					** 15,214,255	-	207,310,559
	1999D&E	*	11/01/99	79,315,789	(5,133,164)	1,607,229	-
From Proprietary Funds					** 6,291,572	27,079	78,839,889
Oregon Convention Center	2001A	5.00-5.50	02/13/01	88,232,275	-	4,193,813	84,038,462
Deferred Interest	2001B	4.52-5.36	11/01/99	21,416,112	-	-	21,416,112
Portland Center for							
Performing Arts	2001C	4.00-6.50	12/15/00	1,056,450	-	96,080	960,370
InterstateMax Light Rail	2002B	3.00	09/15/02	1,473,750	-	982,500	491,250
Streetcar Project	2002A	3.50-4.00	04/01/02	63,900	-	30,900	33,000
System Development	2002A	3.50-4.00	04/01/02	413,887	-	84,925	328,962
Capital Financing - Facilities	1998A	4.30-5.00	04/15/98	-	** 10,807,940	1,180,700	9,627,240
	2002A	4.00-4.625	04/01/02	-	** 2,073,913	339,013	1,734,900
Capital Improvement and Renovation	1998B	4.10-4.90	06/15/98	966,315	-	106,242	860,073
	1999B	-0.88	11/01/99	3,071,475	-	383,340	2,688,135
	1999B	5.00-5.50	11/01/99	-	** 257,650	97,975	159,675
	1999B	5.00-5.50	11/01/99	-	** 268,975	152,725	116,250
	2002A	3.50-4.50	04/01/02	-	** 46,100	8,500	37,600
Walnut Park	2003A	2.00-3.25	01/15/03	-	** 226,351	66,838	159,513
Radio Shop	2003A	2.00-4.00	01/15/03	-	** 190,763	34,350	156,413
EOC	2003A	2.00-4.00	01/15/03	-	** 32,689	5,889	26,800
Portland and Justice Bldg	2003A	2.00-2.75	01/15/03	-	** 982,508	379,683	602,825
800MHZ	2003A	2.00-4.00	01/15/03	-	** 537,917	97,192	440,725
	2004A	2.00-500	03/25/04	-	702,965	-	702,965
	2004A	2.00-500	03/25/04	-	6,339,063	-	6,339,063
	2004A	2.00-500	03/25/04	-	156,701	-	156,701
School Grant	LOC	*	06/16/03	490,674	(363,269)	127,405	-
Children's Receiving Center	LOC	*	06/26/03	25,035	***	25,035	-
Streetcar Extension	LOC	*	06/26/03	8,795	*** 284	9,079	-
Total Ltd Tax and Ltd Tax Rev Bonds: Governmental Activities				486,098,988	47,837,411	17,968,832	515,967,567

*variable rate, see Footnote 10

**Reclassified from proprietary funds

***Reclassified to nonbonded debt

Continued next page

City of Portland, Oregon
Schedule of Bond Interest Transactions, Continued
For the Year Ended June 30, 2004

	Bond Series	Interest Rate(s) Outstanding Debt	Date of issue	Unmatured Interest Outstanding June 30, 2003	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2004
Business-type Activities							
Pension	1999C	7.27-7.701	11/01/99	41,011,175 **	(9,193,460)	566,813	31,250,902
	1999C	7.93	11/01/99	80,827,335 **	(15,214,255)	-	65,613,080
	1999D&E	*	11/01/99	33,545,464 **	(8,316,715)	116,781	25,111,968
Central City Streetcar	1999A	4.00-5.00	04/15/99	16,981,212	-	1,263,212	15,718,000
Arena	1996	7.00-7.75	08/01/96	5,094,312	-	597,932	4,496,380
	1996A	7.25-8.05	07/15/96	4,049,605	-	541,105	3,508,500
	1996B	4.95-5.70	07/15/96	939,877	-	119,160	820,717
Civic Stadium	2001D	6.00-7.00	05/15/01	28,457,525	-	2,247,505	26,210,020
Capital Improvement and Renovation	1996A	4.80-5.60	06/01/96	9,288,131	(6,636,298)	2,651,833	-
	1996A	4.80-5.375	06/01/96	216,856	(137,832)	79,024	-
	1999B	5.00-5.25	11/01/99	257,650	** (257,650)	-	-
	1999B	5.00-5.25	11/01/99	268,975	** (268,975)	-	-
	2002A	3.00-4.50	04/01/02	46,100	** (46,100)	-	-
Walnut Park	2003A	2.00-3.25	01/15/03	226,351	** (226,351)	-	-
Radio Shop	2003A	2.00-4.00	01/15/03	190,763	** (190,763)	-	-
EOC	2003A	2.00-4.00	01/15/03	32,689	** (32,689)	-	-
Portland and Justice Bldg	2003A	2.00-2.75	01/15/03	982,508	** (982,508)	-	-
800 MHZ	2003A	2.00-4.00	01/15/03	537,917	** (537,917)	-	-
Capital Financing - Facilities	1998A	4.25-5.00	04/15/98	10,807,940	** (10,807,940)	-	-
	2002A	4.00-4.625	04/01/02	2,073,913	** (2,073,913)	-	-
Ltd Tax and Ltd Tax Rev Bonds: Business-type Activities				235,836,298	(54,923,366)	8,183,365	172,729,567
TOTAL LTD TAX AND LTD TAX REVENUE BONDS				721,935,286	(7,085,955)	26,152,197	688,697,134
*variable rate, see Footnote 10							
**Reclassified to Governmental Activities							
REVENUE BONDS							
Governmental Activities							
Gas Tax	1996A	-0.75	09/01/96	2,360,652	-	278,840	2,081,812
	1998A	4.20-5.00	06/01/98	1,081,605	-	118,805	962,800
Transportation	LOC	Variable	06/27/02	450,990	-	-	-
Reclassified to non bonded debt				-	(450,990)	-	-
Total GasTax Bonds				3,893,247	(450,990)	397,645	3,044,612
Total Revenue Bonds: Governmental Activities				3,893,247	(450,990)	397,645	3,044,612

Continued next page

City of Portland, Oregon
Schedule of Bond Interest Transactions, Continued
For the Year Ended June 30, 2004

	Bond Series	Interest Rate(s) Outstanding Debt	Date of issue	Unmatured Interest Outstanding June 30, 2003	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2004
Business-type Activities							
Water	1993R	4.75-5.25	08/01/93	5,878,986	(5,113,596)	765,390	-
	1995	4.70-5.50	11/15/95	7,543,165	(6,778,476)	747,886	16,803
	1997A	4.75-5.00	11/15/97	12,845,575	-	1,281,775	11,563,800
	2000A	5.00-5.50	03/15/00	25,242,221	-	1,802,117	23,440,104
	2004A	2.00- 5.00	05/06/04	-	9,161,212	-	9,161,212
	2004B	4.00- 5.00	05/06/04	-	33,409,154	-	33,409,154
Total Water Bonds				<u>51,509,947</u>	<u>30,678,294</u>	<u>4,597,168</u>	<u>77,591,073</u>
Golf Fund bonds	LOC	2.49-5.26	01/10/03	<u>1,737,260</u>	<u>-</u>	<u>270,160</u>	<u>1,467,100</u>
Sewage Disposal Fund	1992B	5.50	09/15/92	205,150	(115,637)	89,513	-
Revenue	1994A	5.50	07/15/94	560,550	-	560,550	-
	1996A	5.125-5.50	1997-17	65,747,619	-	5,450,150	60,297,469
	1997A	5.00-6.00	08/15/97	101,728,000	-	13,117,400	88,610,600
	1998A	4.00-5.25	09/15/98	70,380,088	-	6,612,875	63,767,213
	2000A	5.30-5.75	09/01/00	138,416,797	-	8,370,145	130,046,652
	2003A	3.00-5.25	04/03/03	39,394,012	-	4,905,274	34,488,738
	2003B	5.00	06/11/03	143,966,972	(6,572,929)	1,338,030	136,056,013
Total Sewage Disposal Revenue Bonds				<u>560,399,188</u>	<u>(6,688,566)</u>	<u>40,443,937</u>	<u>513,266,685</u>
Hydroelectric Power	1979A	6.80-7.00	06/01/79	14,993,550	-	1,683,400	13,310,150
	1993	6.20-6.50	08/01/93	407,815	-	174,073	233,742
Total Hydroelectric Power bonds				<u>15,401,365</u>	<u>-</u>	<u>1,857,473</u>	<u>13,543,892</u>
Parking Facilities bonds	2001A	3.00-4.25	08/15/01	1,607,862	-	319,012	1,288,850
Total Parking Facilities Bonds				<u>1,607,862</u>	<u>-</u>	<u>319,012</u>	<u>1,288,850</u>
Arena bonds	1996A	5.05-5.55	09/01/96	996,532	-	243,362	753,170
	1996A	6.00-6.30	09/01/96	16,936,898	-	-	16,936,898
Total Arena Bonds				<u>17,933,430</u>	<u>-</u>	<u>243,362</u>	<u>17,690,068</u>
Total Revenue Bonds: Business-type activities				<u>648,589,052</u>	<u>23,989,728</u>	<u>47,731,112</u>	<u>624,847,668</u>
TOTAL REVENUE BONDS				<u>652,482,299</u>	<u>23,538,738</u>	<u>48,128,757</u>	<u>627,892,280</u>
SUB-TOTAL BONDED DEBT INTEREST				<u>1,587,526,499</u>	<u>20,724,002</u>	<u>\$ 94,540,480</u>	<u>1,513,720,021</u>
Fiduciary Fund							
Allocation of Limited Tax Pension Obligation Bonds	1999C	7.27-7.701	11/01/99	242,541	(10,738)	4,129	227,674
	199C	7.93	11/01/99	478,015	-	-	478,015
	1999D & E	*	11/01/99	197,672	(15,183)	421	182,068
Total Fiduciary Fund				<u>918,228</u>	<u>(25,921)</u>	<u>4,550</u>	<u>887,757</u>
TOTAL BONDED DEBT INTEREST				<u>\$ 1,588,444,727</u>	<u>\$ 20,698,081</u>	<u>\$ 94,545,030</u>	<u>\$ 1,514,597,778</u>

City of Portland, Oregon
 Schedule of Future Bond Principal Requirements
 June 30, 2004

Fiscal Year Ending	General Obligation Bonds				Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Revenue Bonds			Sub-Total Bonded Debt	Fiduciary Fund	Total Bonded Debt	
	Water	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total				
2005	\$ 2,080,000	\$ 2,925,000	\$ 1,315,000	\$ 6,320,000	\$ 1,045,000	\$ 9,740,000	\$ 44,645,000	\$ 2,820,000	\$ 47,465,000	\$ 420,000	\$ 37,580,000	\$ 38,000,000	\$ 102,570,000	\$ -	\$ 102,570,000	
2006	55,000	3,090,000	1,550,000	4,695,000	1,070,000	10,100,000	9,165,000	2,980,000	12,145,000	435,000	37,291,000	37,726,000	65,736,000	-	65,736,000	
2007	1,405,000	3,210,000	1,600,000	6,215,000	1,100,000	11,485,000	11,788,732	3,226,775	15,015,507	460,000	39,335,000	39,795,000	73,610,507	-	73,610,507	
2008	1,450,000	3,340,000	1,660,000	6,450,000	1,065,000	12,150,000	13,680,532	5,021,154	18,701,686	475,000	41,333,000	41,808,000	80,174,686	4,493	80,179,179	
2009	1,495,000	3,595,000	1,715,000	6,805,000	-	11,560,000	12,621,985	4,347,542	16,969,527	505,000	43,454,000	43,959,000	79,293,527	8,314	79,301,841	
2010	1,545,000	3,745,000	1,790,000	7,080,000	-	14,800,000	13,216,735	4,850,133	18,066,868	535,000	45,019,247	45,554,247	85,501,115	10,473	85,511,588	
2011	1,590,000	3,900,000	1,855,000	7,345,000	-	14,490,000	14,573,074	7,390,922	21,963,996	555,000	47,734,011	48,289,011	92,088,007	12,860	92,100,867	
2012	-	4,075,000	1,935,000	6,010,000	-	15,385,000	15,230,692	5,241,910	20,472,602	585,000	49,643,128	50,228,128	92,095,730	15,342	92,111,072	
2013	-	4,280,000	2,015,000	6,295,000	3,140,000	16,375,000	16,259,320	7,212,894	23,472,214	180,000	74,383,638	74,563,638	123,845,852	18,009	123,863,861	
2014	-	4,470,000	2,105,000	6,575,000	450,000	17,395,000	16,785,076	8,913,874	25,698,950	190,000	53,361,946	53,551,946	103,670,896	20,893	103,691,789	
2015	-	4,675,000	2,195,000	6,870,000	260,000	18,355,000	18,522,118	7,030,858	25,552,976	200,000	55,744,525	55,944,525	106,982,501	23,997	107,006,498	
2016	-	-	2,295,000	2,295,000	1,380,000	19,360,000	20,380,852	10,289,842	30,670,694	2,120,000	58,472,469	60,592,469	114,298,163	27,362	114,325,525	
2017	-	-	2,400,000	2,400,000	-	20,455,000	18,088,970	8,224,822	26,313,792	220,000	67,947,835	68,167,835	117,336,627	31,034	117,367,661	
2018	-	-	2,520,000	2,520,000	1,150,000	21,600,000	24,343,400	9,017,802	33,361,202	240,000	59,999,427	60,239,427	118,870,629	34,968	118,905,597	
2019	-	-	2,655,000	2,655,000	3,070,000	22,805,000	22,034,310	8,292,824	30,327,134	-	67,888,419	67,888,419	126,745,553	39,252	126,784,805	
2020	-	-	835,000	835,000	-	24,075,000	24,524,505	9,139,133	33,663,638	-	71,737,457	71,737,457	130,311,095	43,841	130,354,936	
2021	-	-	870,000	870,000	-	4,110,000	27,782,686	15,103,498	42,886,184	-	74,750,000	74,750,000	122,616,184	48,841	122,665,025	
2022	-	-	905,000	905,000	-	4,315,000	31,116,925	11,283,373	42,400,298	-	69,785,000	69,785,000	117,405,298	55,066	117,460,364	
2023	-	-	940,000	940,000	10,040,000	4,520,000	11,451,220	3,742,780	15,194,000	-	73,015,000	73,015,000	103,709,000	61,875	103,770,875	
2024	-	-	1,000,000	1,000,000	-	-	11,599,427	7,165,242	18,764,669	-	4,630,000	4,630,000	24,394,669	11,094	24,405,763	
2025	-	-	-	-	-	-	11,774,476	1,409,881	13,184,357	-	-	-	13,184,357	10,675	13,195,032	
2026	-	-	-	-	-	-	11,985,794	1,356,480	13,342,274	-	-	-	13,342,274	10,271	13,352,545	
2027	-	-	-	-	-	-	12,213,563	1,305,134	13,518,697	-	-	-	13,518,697	9,882	13,528,579	
2028	-	-	-	-	-	-	12,477,881	1,255,858	13,733,739	-	-	-	13,733,739	9,508	13,743,247	
2029	-	-	-	-	-	-	12,857,942	1,208,286	14,066,228	-	-	-	14,066,228	9,149	14,075,377	
2030	-	-	-	-	-	-	9,510,000	-	9,510,000	-	-	-	9,510,000	8,803	9,518,803	
Total Principal \$	9,620,000	41,305,000	34,155,000	85,080,000	23,770,000	273,075,000	448,630,215	147,831,017	596,461,232	7,120,000	1,073,105,102	1,080,225,102	2,058,611,334	526,002	2,059,137,336	
Plus other water districts' bonds assumed by annexation	4,399			4,399									4,399		4,399	
	<u>9,624,399</u>			<u>85,084,399</u>									<u>2,058,615,733</u>		<u>2,059,141,735</u>	
Fiscal Year Ending	2005	2,082,244	2,925,000	1,315,000	6,322,244	1,045,000	9,740,000	44,645,000	2,820,000	47,465,000	420,000	37,580,000	38,000,000	102,570,000	-	102,570,000
2006	57,155	3,090,000	1,550,000	4,697,155	1,070,000	10,100,000	9,165,000	2,980,000	12,145,000	435,000	37,291,000	37,726,000	65,738,244	-	65,738,244	
2007	1,405,000	3,210,000	1,600,000	6,215,000	1,100,000	11,485,000	11,788,732	3,226,775	15,015,507	460,000	39,335,000	39,795,000	73,612,662	-	73,612,662	
2008	1,450,000	3,340,000	1,660,000	6,450,000	1,065,000	12,150,000	13,680,532	5,021,154	18,701,686	475,000	41,333,000	41,808,000	80,174,686	4,493	80,179,179	
2009-2013	4,630,000	19,595,000	9,310,000	33,535,000	3,140,000	72,610,000	71,901,806	29,043,401	100,945,207	2,360,000	260,234,024	262,594,024	472,824,231	64,998	472,889,229	
2014-2018	-	9,145,000	11,515,000	20,660,000	3,240,000	97,165,000	98,120,416	43,477,198	141,597,614	2,970,000	295,526,202	298,496,202	561,158,816	138,254	561,297,070	
2019-2023	-	-	6,205,000	6,205,000	13,110,000	59,825,000	116,909,646	47,561,608	164,471,254	-	357,175,876	357,175,876	600,787,130	248,875	601,036,005	
2024-2028	-	-	1,000,000	1,000,000	-	-	60,051,141	12,492,595	72,543,736	-	4,630,000	4,630,000	78,173,736	51,430	78,225,166	
2029-2033	-	-	-	-	-	-	22,367,942	1,208,286	23,576,228	-	-	-	23,576,228	17,952	23,594,180	
	<u>9,624,399</u>	<u>41,305,000</u>	<u>34,155,000</u>	<u>85,084,399</u>	<u>23,770,000</u>	<u>273,075,000</u>	<u>448,630,215</u>	<u>147,831,017</u>	<u>596,461,232</u>	<u>7,120,000</u>	<u>1,073,105,102</u>	<u>1,080,225,102</u>	<u>2,058,615,733</u>	<u>526,002</u>	<u>2,059,141,735</u>	

City of Portland, Oregon
 Schedule of Future Bond Interest Requirements
 June 30, 2004

Fiscal Year Ending 06/30	General Obligation Bonds				Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Revenue Bonds			Sub-total Bonded Debt Interest	Fiduciary Fund	Total Bonded Debt Interest			
	Water	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total						
2005	\$ 236,622	\$ 2,387,721	\$ 1,686,815	\$ 4,311,158	\$ 996,401	\$ 14,838,078	\$ 21,761,741	\$ 8,803,178	\$ 30,564,919	\$ 378,717	\$ 53,768,479	\$ 54,147,196	\$ 104,857,752	\$ 30,471	\$ 104,888,223			
2006	234,825	1,704,610	1,449,873	3,389,308	965,054	14,468,254	20,652,448	8,641,609	29,294,057	358,193	52,446,117	52,804,310	100,920,983	30,472	100,951,455			
2007	212,925	1,581,430	1,393,624	3,187,979	932,951	14,043,944	20,340,007	8,469,738	28,809,745	336,590	51,211,181	51,547,771	98,522,390	30,471	98,552,861			
2008	170,100	1,453,175	1,329,436	2,952,711	899,954	13,566,403	19,793,376	8,282,498	28,075,874	313,310	48,443,019	48,756,329	94,251,271	30,144	94,281,415			
2009	125,925	1,319,575	1,261,837	2,707,337	865,339	13,017,051	19,105,511	7,956,497	27,062,008	288,892	47,161,299	47,450,191	91,101,926	29,537	91,131,463			
2010	78,780	1,170,383	1,190,460	2,439,623	865,341	12,373,583	19,064,062	7,681,722	26,745,784	262,440	44,980,134	45,242,574	87,666,905	28,764	87,695,669			
2011	27,030	1,011,220	1,115,437	2,153,687	865,339	11,536,225	18,469,902	7,384,985	25,854,887	233,892	43,575,454	43,809,346	84,219,484	27,922	84,247,406			
2012	-	835,720	1,034,786	1,870,506	865,341	10,636,020	17,894,327	6,928,367	24,822,694	203,858	40,596,496	40,800,354	78,994,915	27,009	79,021,924			
2013	-	631,970	949,755	1,581,725	865,339	9,646,484	17,341,965	6,625,890	23,967,855	171,920	37,501,301	37,673,221	73,734,624	25,937	73,760,561			
2014	-	439,370	860,292	1,299,662	758,581	8,626,112	16,788,137	6,178,313	22,966,450	163,280	34,975,447	35,138,727	68,789,532	24,694	68,814,226			
2015	-	233,750	764,049	997,799	732,704	7,673,249	16,143,644	5,606,207	21,749,851	154,160	31,320,975	31,475,135	62,628,738	23,266	62,652,004			
2016	-	-	659,261	659,261	719,056	6,663,342	15,567,626	5,191,003	20,758,629	144,360	29,466,559	29,610,919	58,411,207	21,638	58,432,845			
2017	-	-	549,687	549,687	642,464	5,569,492	14,912,628	4,533,692	19,446,320	23,000	27,488,279	27,511,279	53,719,242	19,792	53,739,034			
2018	-	-	435,011	435,011	642,466	4,424,900	14,052,085	4,044,518	18,096,603	12,000	25,148,377	25,160,377	48,759,357	17,711	48,777,068			
2019	-	-	314,523	314,523	586,403	3,217,022	12,847,888	3,508,713	16,356,601	-	20,466,410	20,466,410	40,940,959	15,376	40,956,335			
2020	-	-	187,512	187,512	436,740	1,951,138	11,747,485	2,975,563	14,723,048	-	15,453,942	15,453,942	32,752,380	12,767	32,765,147			
2021	-	-	154,111	154,111	436,740	624,200	9,444,037	2,288,833	11,732,870	-	9,439,500	9,439,500	22,387,421	9,006	22,396,427			
2022	-	-	119,312	119,312	436,740	418,700	7,165,102	1,289,761	8,454,863	-	7,250,439	7,250,439	16,680,054	4,765	16,684,819			
2023	-	-	81,980	81,980	436,740	212,100	28,497,969	8,430,755	36,928,724	-	4,038,510	4,038,510	41,698,054	58,213	41,756,267			
2024	-	-	42,500	42,500	-	-	29,549,615	8,713,272	38,262,887	-	115,750	115,750	38,421,137	61,403	38,482,540			
2025	-	-	-	-	-	-	30,627,173	8,879,616	39,506,789	-	-	-	39,506,789	64,691	39,571,480			
2026	-	-	-	-	-	-	31,721,162	9,344,593	41,065,755	-	-	-	41,065,755	68,079	41,133,834			
2027	-	-	-	-	-	-	32,838,481	9,823,118	42,661,599	-	-	-	42,661,599	71,565	42,733,164			
2028	-	-	-	-	-	-	33,989,925	10,318,769	44,308,694	-	-	-	44,308,694	75,176	44,383,870			
2029	-	-	-	-	-	-	35,163,883	10,828,357	45,992,240	-	-	-	45,992,240	78,888	46,071,128			
2030	-	-	-	-	-	-	487,388	-	487,388	-	-	-	487,388	-	487,388			
Total Interest	\$ 1,086,207	\$ 12,768,924	\$ 15,580,261	\$ 29,435,392	\$ 13,949,693	\$ 153,506,297	\$ 515,967,567	\$ 172,729,567	\$ 688,697,134	\$ 3,044,612	\$ 624,847,668	\$ 627,892,280	\$ 1,513,480,796	\$ 887,757	\$ 1,514,368,553			
Plus other water districts' bonds assumed by annexation	205			205									205		205			
	\$ 1,086,412			\$ 29,435,597									\$ 1,513,481,001		\$ 1,514,368,758			
Fiscal Year Ending 06/30	2005	2006	2007	2008	2009-2013	2014-2018	2019-2023	2024-2028	2029-2033	2005	2006	2007	2008	2009-2013	2014-2018	2019-2023	2024-2028	2029-2033
	\$ 236,776	\$ 238,721	\$ 1,686,815	\$ 4,311,312	\$ 996,401	\$ 14,838,078	\$ 21,761,741	\$ 8,803,178	\$ 30,564,919	\$ 378,717	\$ 53,768,479	\$ 54,147,196	\$ 104,857,906	\$ 30,471	\$ 104,888,377			
	234,876	1,704,610	1,449,873	3,389,359	965,054	14,468,254	20,652,448	8,641,609	29,294,057	358,193	52,446,117	52,804,310	100,921,034	30,472	100,951,506			
	212,925	1,581,430	1,393,624	3,187,979	932,951	14,043,944	20,340,007	8,469,738	28,809,745	336,590	51,211,181	51,547,771	98,522,390	30,471	98,552,861			
	170,100	1,453,175	1,329,436	2,952,711	899,954	13,566,403	19,793,376	8,282,498	28,075,874	313,310	48,443,019	48,756,329	94,251,271	30,144	94,281,415			
	231,735	4,968,868	5,552,275	10,752,878	4,326,699	57,209,363	91,875,767	36,577,461	128,453,228	1,161,002	213,814,684	214,975,686	415,717,854	139,169	415,857,023			
	-	673,120	3,268,300	3,941,420	3,495,271	32,957,095	77,464,120	25,553,733	103,017,853	496,800	148,399,637	148,896,437	292,308,076	107,101	292,415,177			
	-	-	857,438	857,438	2,333,363	6,423,160	69,702,481	18,493,625	88,196,106	-	56,648,801	56,648,801	154,458,868	100,127	154,558,995			
	-	-	42,500	42,500	-	-	158,726,356	47,079,368	205,805,724	-	115,750	115,750	205,963,974	340,914	206,304,888			
	-	-	-	-	-	-	35,651,271	10,828,357	46,479,628	-	-	-	46,479,628	78,888	46,558,516			
	\$ 1,086,412	\$ 12,768,924	\$ 15,580,261	\$ 29,435,597	\$ 13,949,693	\$ 153,506,297	\$ 515,967,567	\$ 172,729,567	\$ 688,697,134	\$ 3,044,612	\$ 624,847,668	\$ 627,892,280	\$ 1,513,481,001	\$ 887,757	\$ 1,514,368,758			

City of Portland, Oregon
 Schedule of Property Tax Transactions and Outstanding Balances
 For the Year Ended June 30, 2004

Tax Year	Balance Receivable, July 1, 2003	Add Levy as Extended by Assessor	Deduct Discounts	Add Interest	(Deduct) Collections	Add (Deduct) Corrections and Adjustments	Balance Receivable, June 30, 2004
2000-04		\$ 324,373,722	\$ 7,776,324	\$ 122,714	\$ (303,118,079)	\$ (1,429,040)	\$ 12,172,993
2002-03	\$ 11,393,905	-	-	261,027	(6,868,625)	(845,959)	3,940,348
2001-02	3,899,099	-	-	146,389	(1,640,137)	(463,824)	1,941,527
2000-01	2,126,186	-	-	182,812	(1,190,293)	(237,372)	881,333
1999-00	800,667	-	-	79,847	(697,018)	(40,038)	143,458
1998-99	131,173	-	-	(92,371)	(31,597)	64,597	71,802
1997-98	75,116	-	-	(45,751)	(6,422)	28,302	51,245
1996-97	26,077	-	-	(16,761)	(5,141)	16,821	20,996
1995-96	15,049	-	-	839	(2,350)	(1,743)	11,795
1994-95 & Prior	118,081	-	-	9,632	(20,149)	(3,046)	104,518
Total	\$ 18,585,353	\$ 324,373,722	\$ 7,776,324	\$ 648,377	\$ (313,579,811)	\$ (2,911,302)	\$ 19,340,015

Summary by Fund and Fund Type:

General Fund	\$ 234,447,834	\$ 14,699,490
Special Revenue Funds:		
Transportation Operating	193	1,697
Public Safety	156	(446)
Parks Local Option Levy	8,371,204	345,645
Children's Investment	8,647,070	357,003
Subtotal	17,018,623	703,899
Debt Service Funds:		
River District Urban Renewal Area Debt Redemption	8,995,536	506,418
Bonded Debt Interest and Sinking	6,546,339	484,284
Waterfront Renewal Bond Sinking	13,674,036	906,028
Interstate Corridor Debt Service	2,794,449	146,562
South Park Block Redemption	6,627,005	421,928
Airport Way Debt	6,576,824	440,693
Lents Town Center Urban Renewal Area Debt Redemption	4,052,894	234,959
Central Eastside Industrial District	3,955,291	253,301
Convention Center Area Debt	6,514,043	419,703
North Macadam Urban Renewal Area Debt Redemption	1,373,323	73,529
Gateway Urban Renewal Area Debt Redemption	1,003,614	49,221
Subtotal	62,113,354	3,936,626
Total	\$ 313,579,811	\$ 19,340,015

	Collections	Changes in Property Taxes Subject to Accrual at June 30, 2004	Lodging Tax and Other	GAAP Basis Financial Statements
Reconciliation to tax revenues per GAAP basis financial statements:				
General Fund	\$ 234,447,834	\$ (16,987)	\$ 11,764,963	\$ 246,195,810
Special Revenue Funds:				
Transportation Operating	193	(137)	-	56
Public Safety	156	(111)	-	45
Parks Local Option Levy	8,371,204	100,965	-	8,472,169
Children's Investment	8,647,070	104,292	-	8,751,362
Convention and Tourism	-	-	2,220,804	2,220,804
Subtotal	17,018,623	205,009	2,220,804	19,444,436
Debt Service Funds:				
River District Urban Renewal	8,995,536	33,579	-	9,029,115
Bonded Debt Interest and Sinking	6,546,339	(15,025)	-	6,531,314
Waterfront Renewal Bond Sinking	13,674,036	(15,823)	-	13,658,213
North Interstate Corridor Urban Renewal	2,794,449	13,289	-	2,807,738
South Park Block Redemption	6,627,005	(5,720)	-	6,621,285
Airport Way	6,576,824	(15,114)	-	6,561,710
Lents Town Center Urban Renewal	4,052,894	9,697	-	4,062,591
Central Eastside Industrial District	3,955,291	(5,377)	-	3,949,914
Convention Center Area Debt	6,514,043	(7,103)	-	6,506,940
North Macadam Urban Renewal	1,373,323	4,798	-	1,378,121
Gateway Urban Renewal	1,003,614	5,714	-	1,009,328
Subtotal	62,113,354	2,915	-	62,116,269
Total	\$ 313,579,811	\$ 190,937	\$ 13,985,767	\$ 327,756,515

City of Portland, Oregon
 Schedule of Property Taxes Receivable by Levy Year by Fund
 For the Year Ended June 30, 2004

Tax Year	Special Revenue Funds						Debt Service Funds										
	Total	General	Transportation Operating	Public Safety	Parks Local Option Levy	Children's Investment	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Renewal Bond Sinking	Interstate Corridor Urban Renewal	South Park Block Redemption	Airport Way	Town Center Urban Renewal	Central Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal
2003-04	\$ 12,172,994	\$ 9,029,493	\$ -	\$ -	\$ 345,645	\$ 357,003	\$ 352,203	\$ 285,088	\$ 528,231	\$ 109,944	\$ 256,114	\$ 253,229	\$ 158,126	\$ 152,713	\$ 251,713	\$ 53,851	\$ 39,641
2002-03	3,940,348	3,099,570	-	-	-	-	98,523	96,417	196,108	28,556	94,433	101,446	48,713	57,022	92,816	17,164	9,580
2001-02	1,941,526	1,535,775	-	-	-	-	43,171	60,727	97,555	8,062	46,877	52,587	19,911	29,421	45,298	2,142	-
2000-01	881,333	708,991	-	-	-	-	12,166	28,371	45,681	-	21,341	23,896	7,483	11,746	21,286	372	-
1999-00	143,456	116,834	-	-	-	-	355	4,638	7,569	-	3,301	4,170	726	2,237	3,626	-	-
1998-99	71,803	59,614	-	-	-	-	-	892	3,526	-	2,397	1,262	-	1,679	2,433	-	-
1997-98	51,245	41,502	-	-	-	-	-	1,245	2,511	-	1,306	1,835	-	783	2,063	-	-
1996-97	20,996	17,825	-	-	-	-	-	866	871	-	297	195	-	290	652	-	-
1995-96	11,795	11,053	-	-	-	-	-	581	121	-	40	-	-	-	-	-	-
1994-95 & Prior	104,519	78,833	1,697	(446)	-	-	-	5,459	23,855	-	(4,178)	2,073	-	(2,590)	(184)	-	-
Total	\$ 19,340,015	\$ 14,699,490	\$ 1,697	\$ (446)	\$ 345,645	\$ 357,003	\$ 506,418	\$ 484,284	\$ 906,028	\$ 146,562	\$ 421,928	\$ 440,693	\$ 234,959	\$ 253,301	\$ 419,703	\$ 73,529	\$ 49,221

City of Portland, Oregon
 Schedule of Property Taxes Collected by Levy Year by Fund
 For the Year Ended June 30, 2004

Tax Year	Special Revenue Funds					Debt Service Funds											
	Total	General	Transportation Operating	Public Safety	Parks Local Option Levy	Children's Investment	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Renewal Bond Sinking	Interstate Corridor Urban Renewal	South Park Block Redemption	Airport Way	Lents Town Center Urban Renewal	Central Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal
2003-04	\$ 303,118,079	\$ 226,167,893	\$ -	\$ -	\$ 8,371,204	\$ 8,647,070	\$ 8,768,710	\$ 6,264,831	\$ 13,147,591	\$ 2,737,805	\$ 6,376,515	\$ 6,301,891	\$ 3,937,226	\$ 3,802,954	\$ 6,266,409	\$ 1,341,065	\$ 986,915
2002-03	6,868,625	5,403,357	-	-	-	-	171,735	167,976	341,739	49,776	164,585	176,762	84,912	99,395	161,770	29,919	16,699
2001-02	1,640,137	1,295,842	-	-	-	-	36,782	51,217	82,698	6,868	39,861	44,477	16,964	25,067	38,535	1,826	-
2000-01	1,190,293	957,558	-	-	-	-	16,478	38,262	61,643	-	28,795	32,286	10,136	15,928	28,694	513	-
1999-00	697,018	567,497	-	-	-	-	1,831	22,547	36,794	-	15,959	20,280	3,656	10,973	17,481	-	-
1998-99	31,597	25,827	-	-	-	-	-	803	1,725	-	869	810	-	795	768	-	-
1997-98	6,422	5,205	-	-	-	-	-	156	314	-	165	231	-	97	254	-	-
1996-97	5,141	4,479	-	-	-	-	-	217	168	-	57	38	-	56	126	-	-
1995-96	2,350	2,203	-	-	-	-	-	115	24	-	8	-	-	-	-	-	-
1994-95 & Prior	20,149	17,973	193	156	-	-	-	215	1,340	-	191	49	-	26	6	-	-
Total	\$ 313,579,811	\$ 234,447,834	\$ 193	\$ 156	\$ 8,371,204	\$ 8,647,070	\$ 8,995,536	\$ 6,546,339	\$ 13,674,036	\$ 2,794,449	\$ 6,627,005	\$ 6,576,824	\$ 4,052,894	\$ 3,955,291	\$ 6,514,043	\$ 1,373,323	\$ 1,003,614

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

Fiscal Year	Public Safety	Parks, Recreation and Culture	Community Development ¹	Transportation and Parking	Legislative, Administrative, and Support Services ²	Capital Outlay	Debt Service	Total
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
2003	262,993,986	46,699,998	98,077,740	89,673,943	131,298,588	41,656,553	116,295,001	786,695,809
2004	286,455,438	55,784,784	97,229,024	80,890,199	93,920,882	46,874,625	128,717,871	789,872,823

¹Planning and Community Development and Citizen and Community Service functions were combined in FY 2001-02 to Community Development. The Office of Cable Communications, General Fund, was reclassified from Legislative, Administrative, and Support Services to Community Development in the FY 2001-02 budget.

²The Special Finance and Resource Fund was reclassified from Planning and Community Development to Legislative, Administrative, and Support Services in the FY 2001-02 budget.

Sources: FY 1994-2003 data from the City's Comprehensive Annual Financial Reports, *Combined Statements of Revenues, Expenditures and Changes in Fund Balances – All*
 FY 2004 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
1995	\$ 128,147,002	\$ 73,395,481	\$ 78,806,752	\$ 76,479,728	\$ 23,945,598	\$ 20,407,389	\$ 5,317,249	\$ -	\$ 406,499,199
1996	143,957,132	77,285,798	86,227,741	85,257,808	24,607,669	22,052,861	6,907,734	-	446,296,743
1997	167,767,037	81,987,818	93,310,451	86,534,319	27,916,552	19,131,623	7,680,132	-	484,327,932
1998	171,866,024	84,047,428	99,684,456	89,905,640	40,264,203	17,973,182	6,199,247	-	509,940,180
1999	178,494,821	86,658,501	102,942,590	104,242,563	12,434,378	16,832,628	4,252,470	16,221,207	522,079,158
2000	244,396,068	95,774,098	103,833,633	107,435,945	13,967,752	18,140,776	5,043,316	19,534,249	608,125,837
2001	262,622,004	97,811,640	111,630,087	104,363,373	16,089,702	13,101,515	7,687,282	25,132,351	638,437,954
2002	272,960,152	105,696,768	110,601,433	105,780,685	9,582,997	15,157,386	7,983,230	19,513,770	647,276,421
2003	288,081,693	114,479,729	123,526,404	95,712,179	6,666,051	12,776,748	6,478,903	12,556,519	660,278,226
2004	327,756,515	96,087,358	161,618,386	124,107,397	3,841,779	10,014,016	3,238,821	14,524,582	741,188,854

Component units were excluded to comply with GASB reporting requirements.

Assessments were added to current and previous years.

Interest and Miscellaneous became Investments, as the bulk of FY 1993-98 was interest.

Sources: FY 1995-2003 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 2004 data from the City's Comprehensive Annual Financial Reports, *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*

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

Fiscal Year	Property Taxes	Lodging Taxes	Other Taxes	Total Taxes
1995	\$ 118,737,646	\$ 9,050,246	\$ 359,110	\$ 128,147,002
1996	133,515,326	9,945,482	496,324	143,957,132
1997	164,409,842	11,132,209	600,565	176,142,616
1998	184,517,161	11,762,701	500,394	196,780,256
1999	169,557,214	12,228,534	403,237	182,188,985
2000	300,432,168	12,858,528	666,031	313,956,727
2001	399,709,222	13,382,959	860,267	413,952,448
2002	259,468,436	12,490,238	1,001,478	272,960,152
2003	274,419,237	12,828,007	834,449	288,081,693
2004	313,770,748	13,324,822	660,945	327,756,515

Sources: FY 1995-2001 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 and subsequent years' data from the City's Comprehensive Annual Financial Reports, *Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds*

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

Fiscal Year	Total Tax Levy ¹	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1995	\$ 162,260,925	\$ 151,915,703	93.62 %	\$ 9,741,485	\$ 161,657,188	\$ 99.63	\$ 12,382,619	7.63 %
1996	182,497,185	171,380,766	93.91	6,628,868	178,009,634	97.54	12,260,633	6.72
1997	208,823,279	196,542,897	94.12	7,124,618	203,667,515	97.53	13,126,178	6.29
1998	213,328,413	203,465,984	95.38	8,133,508	211,599,492	99.19	13,271,754	6.22
1999	228,449,144	214,635,187	93.95	7,702,987	222,338,174	97.33	13,965,932	6.11
2000	237,784,750	222,808,516	93.70	7,777,448	230,585,964	96.97	15,292,305	6.43
2001	257,864,993	240,735,484	93.36	6,337,756	247,073,240	95.82	17,555,883	6.81
2002	267,740,485	249,631,465	93.24	9,563,916	259,195,381	96.81	18,143,926	6.78
2003	283,977,674	264,478,216	93.13	9,003,537	273,481,753	96.30	18,585,353	6.54
2004	324,373,722	303,118,080	93.45	10,461,731	313,579,811	96.67	19,340,015	5.96

¹Total Tax Levy includes special levies for urban renewal projects.

Taxes are levied as of July 1 each year and are payable in three installments without interest on November 15, February 15 and May 15. Interest is charged at the rate of 1% per month on delinquent taxes. Tax liens are foreclosed by the various counties after three years' delinquencies. Taxpayers receive a discount of 3% for payment in full by November 15 and 2% for payment of 2/3 of the total taxes due.

Sources: FY 1995-2003 data from the City's Comprehensive Annual Financial Reports, Statistical Section: Property Tax Levies and Collections
FY 2004 and subsequent years' data from the City's Schedule of Taxes Receivable - All counties, All Funds

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

Fiscal Year	Real Property		Personal Property		Public Utility Property		Total		Ratio of Total Assessed to Total Est. Actual Value/ Real Market Value
	AV*	RMV*	AV	RMV	AV	RMV	AV	RMV	
	Assessed Value	Est. Actual Value/ Real Market Value	Assessed Value	Est. Actual Value/ Real Market Value	Assessed Value	Est. Actual Value/ Real Market Value	Assessed Value	Est. Actual Value/ Real Market Value	
1995	\$ 22,739,662,722	\$ 22,739,662,722	\$ 1,009,185,117	\$ 1,009,185,117	\$ 1,289,953,679	\$ 1,289,953,679	\$ 25,038,801,518	\$ 25,038,801,518	100.00%
1996	25,721,864,589	25,721,864,589	1,132,013,937	1,132,013,937	1,457,355,891	1,457,355,891	28,311,234,417	28,311,234,417	100.00
1997	28,594,818,687	28,594,818,687	1,226,843,248	1,226,843,248	1,617,298,692	1,617,298,692	31,438,960,627	31,438,960,627	100.00
1998	23,546,577,704	31,222,341,910	1,335,435,989	1,418,929,471	1,642,448,602	1,880,702,469	26,524,462,295	34,521,973,850	76.83
1999	25,243,872,403	33,102,322,359	1,635,084,171	1,658,810,258	1,864,817,433	2,002,764,714	28,743,774,007	36,763,897,331	78.18
2000	25,945,879,552	38,332,132,887	1,993,764,648	2,133,157,467	2,256,304,385	2,480,439,868	30,195,948,585	42,945,730,222	70.31
2001	27,157,156,799	41,287,377,348	2,177,764,956	2,221,073,788	2,551,073,757	2,815,313,262	31,885,995,512	46,323,764,398	68.83
2002	28,379,516,573	45,268,333,247	2,286,625,438	2,333,658,032	2,664,949,976	2,753,913,533	33,331,091,987	50,355,904,812	66.19
2003	29,482,653,044	47,884,905,980	2,267,808,782	2,324,536,604	2,387,871,826	2,453,258,405	34,138,333,652	52,662,700,989	64.82
2004	30,826,976,948	51,026,709,277	2,054,301,986	2,197,244,107	2,121,291,127	2,268,429,550	35,002,570,061	55,492,382,935	63.08

Tax rolls are prepared and taxes are collected by Multnomah, Clackamas and Washington counties for all units of local government within their boundaries. Taxes collected by the counties are remitted to taxing districts proportionately according to the ratio of each district levy to the total of all levies in the County. Amounts established through tax increment financing have been proportionately allocated by property type.

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

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

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

Fiscal Year	City of Portland	Urban Renewal PDC ¹	Portland School District #1	Multnomah County Educational Service District	Portland Community College	Multnomah County	Portland	Metropolitan Service District	Tri-Met	Total
1995	\$ 6.19	\$ -	\$ 6.59	\$ 0.57	\$ 0.43	\$ 3.82	\$ 0.07	\$ 0.19	\$ 0.17	\$ 18.03
1996	6.05	0.09	4.39	0.38	0.32	3.69	0.12	0.35	0.14	15.53
1997	5.75	0.58	5.05	0.38	0.30	4.00	0.08	0.28	0.12	16.54
1998	6.78	0.01	6.67	0.46	0.37	4.89	0.07	0.39	0.16	19.80
1999	6.83	0.40	6.32	0.46	0.35	5.39	0.08	0.36	0.15	20.34
2000	6.79	0.30	6.35	0.46	0.36	5.25	0.08	0.33	0.14	20.06
2001	6.90	0.38	7.00	0.46	0.37	5.30	0.07	0.34	0.13	20.95
2002	6.72	0.38	6.97	0.46	0.55	5.21	0.07	0.32	0.14	20.82
2003	6.97	0.42	7.22	0.46	0.49	5.17	0.07	0.28	0.12	21.20
2004	8.19	0.40	7.12	0.46	0.51	5.27	0.07	0.29	0.11	22.42

¹Portland 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.

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.

Source: FY 1995-2004 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 ¹	Portland School District #1	Multnomah County Educational Service District	Portland Community College	Multnomah County	Port of Portland	Metropolitan Service District	Tri-Met	Total
1995	\$ 162,260,925	\$ -	\$ 147,543,882	\$ 18,781,396	\$ 9,896,952	\$ 123,488,913	\$ 2,314,653	\$ 5,893,067	\$ 5,517,431	\$ 475,697,219
1996	180,000,678	2,496,507	111,297,824	14,118,999	8,367,325	134,895,021	4,522,549	12,672,621	4,928,320	473,299,844
1997	190,815,166	18,022,474	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	178,019,922	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	35,919,727	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	36,468,574	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	215,759,107	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	47,859,910	141,579,954	18,512,544	15,493,301	212,115,882	2,910,100	13,325,058	5,675,356	677,352,680
2003	230,346,781	53,630,893	199,113,768	18,949,684	14,337,436	210,276,629	2,905,659	11,801,870	5,204,727	746,567,447
2004	267,350,173	57,430,852	201,961,631	19,464,912	15,254,588	214,889,942	2,972,941	12,360,364	4,650,852	796,336,255

¹Portland Development Commission. FY 1997-98 through FY 2003-04 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 1995-2004 data from the Multnomah County Tax Supervising and Conservation Commission and Divisions of Assessment and Taxation for Multnomah, Clackamas, and Washington Counties.

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

Fiscal Year	Assessments Outstanding Beginning of Year	Assessments Made During Year	Assessments Adjusted or Collected During Year	Assessments Outstanding End of Year	Ratio of Collections to Assessments Outstanding During Year
1995	\$ 92,696,660	\$ 10,038,709	\$ 18,223,944	\$ 84,511,425	17.74%
1996	84,511,425	6,587,893	20,815,797	70,283,521	22.85
1997	70,283,521	6,512,892	18,187,361	58,609,052	23.68
1998	58,609,052	15,211,868	16,616,210	57,204,710	22.51
1999	57,204,710	7,411,829	14,692,620	49,923,919	22.74
2000	49,923,919	10,656,837	15,263,006	45,317,750	25.19
2001	45,317,750	4,924,870	9,990,027	40,252,593	19.88
2002	40,252,593	14,840,515	15,161,270	39,931,838	27.52
2003	39,931,838	20,782,537	12,672,191	48,042,184	20.87
2004	48,042,184	3,955,640	8,767,381	43,230,443	16.86

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

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

City 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 ¹	Assessed Value	Bonded Debt ²	Debt Payable from Proprietary Bond Funds	Debt Service Monies Available	Net General Obligation Debt ³	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1995	495,090	\$ 25,038,801,518	\$ 234,336,898	\$ 165,466,898	\$ 598,576	\$ 68,271,424	0.27%	\$ 137.90
1996	497,600	28,311,234,417	132,465,217	64,520,217	1,149,464	66,795,536	0.24	134.24
1997	503,000	31,438,960,627	119,033,493	57,903,493	1,416,177	59,713,823	0.19	118.72
1998	508,500	26,524,462,295	109,651,704	51,981,704	799,262	56,870,738	0.21	111.84
1999	509,610	28,743,774,007	126,354,852	46,899,852	619,342	78,835,658	0.27	154.70
2000	512,395	30,195,948,585	117,357,868	41,577,868	325,878	75,454,122	0.25	147.26
2001	531,600	31,885,995,512	107,860,867	35,975,867	506,497	71,378,503	0.22	134.27
2002	536,240	33,331,091,987	98,943,780	30,095,000	974,885	67,873,895	0.20	126.57
2003	538,180	34,138,333,652	76,706,606	11,416,606	892,567	64,397,433	0.19	119.66
2004	545,140	35,002,570,061	85,084,399	9,624,399	556,931	74,903,069	0.21	137.40

¹City of Portland, estimated by Portland State University's Population Research Center.

²Represents all General Obligation Debt which includes Water bonds and General Obligation bonds (does not include Urban Renewal and Redevelopment

³Net direct debt less debt service monies available.

Sources: FY 1995-2004 data from the City's Comprehensive Annual Financial Reports, Assessed and Estimated Value of Taxable Property and Schedule of Bond Principal Transactions. Assessed value data from Multnomah County Tax Supervising and Conservation Commission

City of Portland, Oregon
 Computation of Legal Debt Margin
 June 30, 2004
 (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		\$ 55,492,392,935
Debt limit rate		x .03
Debt limit		<u>1,664,771,788</u>
Total bonded debt principal	\$ 2,059,141,735	
 Less legal deductions from debt limit:		
Water bonds	\$ 160,965,000	
Other Water Districts' bonds assumed by annexation	4,399	
Limited tax improvement bonds	23,770,000	
Urban Renewal and Redevelopment bonds	273,075,000	
Limited Tax Revenue bonds	596,987,234	
Golf Facilities bonds	5,797,000	
Sewage Facilities Revenue bonds	871,495,000	
Arena and Gas Tax bonds	18,683,102	
Parking Facilities bonds	7,020,000	
Hydroelectric Power bonds	<u>25,885,000</u>	
Subtotal	<u>1,983,681,735</u>	
Net direct debt subject to 3% limitation		<u>75,460,000</u>
Legal debt margin - amount available for future indebtedness		<u><u>\$ 1,589,311,788</u></u>

Source: Schedule of Bond Principal Transactions for fiscal year ended June 30, 2004

City of Portland, Oregon
 Computation of Overlapping Debt
 June 30, 2004
 (unaudited)

Jurisdiction	General Obligation Bonds Outstanding	Percentage within City of Portland	Amount Applicable to City of Portland
Clackamas Community College	\$ 49,955,000	0.2272 %	\$ 113,498
Clackamas County	185,000	0.2565	475
Clackamas County School District No. 7J	92,780,000	0.0276	25,607
Clackamas County School District No. 12	96,885,000	0.6088	589,836
Columbia County School District 1J	2,360,000	7.2001	169,922
Metro	153,820,393	40.0594	61,619,527
Mt. Hood Community College	115,000	40.2703	46,311
Multnomah County	77,490,000	83.0899	64,386,364
Multnomah County School District No. 1J	34,675,000	97.2589	33,724,524
Multnomah County School District No. 3	22,175,000	98.1719	21,769,619
Multnomah County School District No. 7	64,330,000	22.2811	14,333,432
Multnomah County School District No. 28J	34,212,634	54.2382	18,556,317
Multnomah County School District No. 40	51,455,000	99.8284	51,366,703
Multnomah County School District No. 51J	8,575,000	3.8024	326,056
Port of Portland	54,626,003	36.6686	20,030,591
Portland Community College	180,003,170	42.4920	76,486,947
Tri-Met	93,300,000	40.2329	37,537,296
Tualatin Hills Park & Recreation District	17,830,000	0.0160	2,853
Tualatin Valley Water District (Metzger)	790,000	0.4194	3,313
Tualatin Valley Water District (Wolf Creek)	1,890,000	0.4299	8,125
Washington County	66,000,000	0.2749	181,434
Washington County School District No. 23J	128,250,000	0.1074	137,741
Washington County School District No. 48J	308,215,000	0.3248	1,001,082
		Total	<u>\$ 402,417,573</u>

Source: The Oregon State Treasury, Debt Management Division

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				First Lien Coverage	Combined Coverage	
					First Lien Principal	First Lien Interest	Second Lien Principal	Second Lien Interest			Total
1995	\$ 85,846,202	\$ 45,433,029	\$ (5,500,000)	\$ 34,913,173	\$ 34,913,173	\$ 5,280,000	\$ -	\$ -	\$ 13,849,390	2.52	-
1996	92,137,676	50,072,145	(4,325,000)	37,740,531	37,740,531	5,595,000	-	-	22,950,681	1.64	-
1997	102,223,475	57,875,170	11,950,000	56,298,305	56,298,305	11,025,000	-	-	37,590,632	1.50	-
1998	118,106,572	59,294,439	4,216,275	63,028,408	63,028,408	17,675,000	-	-	42,024,023	1.50	-
1999	130,025,005	64,249,881	2,175,000	67,950,124	67,950,124	15,515,000	-	-	46,877,913	1.45	-
2000	138,696,982	65,661,659	3,575,000	76,610,323	76,610,323	20,430,000	-	-	53,015,298	1.45	-
2001	146,245,844	68,562,264	3,975,000	81,658,580	81,658,580	21,565,000	-	-	56,493,667	1.45	-
2002	166,061,738	79,276,359	5,275,000	92,060,379	92,060,379	22,675,000	-	-	61,379,111	1.50	-
2003	168,857,709	67,339,793	(5,175,000)	96,342,916	96,342,916	23,805,000	-	-	61,385,434	1.55	-
2004	180,266,170	69,747,474	(8,825,000)	101,693,696	22,375,000	34,200,633	3,355,000	6,243,303	66,173,935	1.80	1.54

* 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	
1995	\$ 61,039	\$ 30,905	\$ 30,134	\$ -	\$ 1,193	\$ 1,193	25.26
1996	62,334	33,688	28,646	860	1,318	2,178	13.15
1997	67,912	39,238	28,674	890	2,168	3,058	9.38
1998	70,505	39,078	31,427	1,450	2,395	3,845	8.17
1999	74,776	43,257	31,519	2,190	3,530	5,720	5.51
2000	76,500	45,758	30,742	2,290	3,434	5,724	5.37
2001	72,061	46,417	25,644	2,390	4,802	7,192	3.57
2002	83,720	47,352	36,368	2,990	5,074	8,064	4.51
2003	89,542	44,986	44,556	3,130	4,932	8,062	5.53
2004	93,815	51,245	42,570	3,275	4,781	8,056	5.28

* 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	
1995	\$ 4,328,695	\$ 3,847,801	\$ 480,894	\$ 195,000	\$ 112,163	\$ 307,163	1.57
1996	4,769,553	3,869,609	899,944	205,000	100,758	305,758	2.94
1997	5,387,312	4,134,622	1,252,690	220,000	88,268	308,268	4.06
1998	5,539,480	4,160,428	1,379,052	230,000	74,765	304,765	4.52
1999	5,416,920	4,403,242	1,013,678	245,000	60,274	305,274	3.32
2000	5,361,961	4,496,441	865,520	260,000	59,505	319,505	2.71
2001	6,390,691	4,870,621	1,520,070	341,000	265,226	606,226	2.51
2002	6,074,698	4,857,765	1,216,933	-	141,770	141,770	8.58
2003	6,059,802	5,258,173	801,629	-	71,295	71,295	11.24
2004	6,129,052	5,080,627	1,048,426	536,333	270,160	806,493	1.30

* 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	
1992	\$ 8,757,494	\$ 2,257,152	\$ 6,500,342	\$ 530,000	\$ 780,443	\$ 1,310,443	4.96
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
2003	22,094,020	10,686,887	11,407,133	1,380,000	360,413	1,740,413	6.55
2004	22,242,880	9,696,341	12,546,539	1,415,000	319,013	1,734,013	7.24

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

Source: Annual financial reports

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1995	\$ 29,409,576	\$ 9,447,292	\$ 38,856,868	\$ 412,938,920	9.41%
1996	24,814,598	12,214,192	37,028,790	445,351,800	8.31
1997	116,279,942	14,926,791	131,206,733	584,359,611	22.45
1998	63,106,661	12,042,706	75,149,367	530,272,490	14.17
1999	50,736,928	10,374,985	61,111,913	554,984,399	11.01
2000	117,629,236	13,388,966	131,018,202	1,047,079,337	12.51
2001	68,192,816	22,986,168	91,178,984	980,489,822	9.30
2002	41,174,970	27,519,866	68,694,836	697,029,158	9.86
2003	69,036,388	29,108,817	98,145,205	786,695,809	12.48
2004	65,322,153	25,926,346	91,248,499	789,872,823	11.55

Sources: FY 1994-2003 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 2004 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)

Fiscal Year	Population ¹	Per Capita Income ²	Median Age ³	School Enrollment ⁴	Unemployment Rate ⁵
1995	495,090	23,488	34	56,899	4.3%
1996	497,600	24,924	35	57,266	3.7
1997	503,000	26,301	35	58,022	4.5
1998	508,500	27,672	35	56,583	4.3
1999	509,610	28,851	35	55,831	4.2
2000	512,395	29,858	35	54,746	4.5
2001	531,600	32,127	35	54,361	4.0
2002	536,240	32,326	36	54,150	5.9
2003	538,180	32,167	36	52,969	7.8
2004	545,140	N/A*	36	48,883	8.5

* Information not yet available

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

²U.S. Department of Commerce, Bureau of Economic Analysis Portland-Vancouver-Beaverton, OR-WA (MSA) includes Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon, as well as Clark and Skamania Counties in Washington

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

³Sales & Marketing Management 2004 Survey of Buying Power, September, 2004 Portland--OR media market includes Baker, Clackamas, Clatsop, Columbia, Crook, Gilliam, Harney, Hood River, Jefferson, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Union, Wasco, Washington, Wheeler and Yamhill Counties in Oregon, as well as Clark, Cowlitz, Klickitat, Skamania and Wahkiakum Counties in Washington

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

⁴Portland Public Schools, District #1 annual October count

⁵U.S. Department of Labor, Bureau of Labor Statistics Portland-Vancouver, OR-WA PMSA includes Clackamas, Columbia, Multnomah, Washington, and Yamhill counties and Clark County in Washington

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

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)
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
2003	3,738	647,952,470	6,008	314,138,287	9,746	962,090,757	18,455,222
2004	3,485	819,507,836	6,105	329,706,927	9,590	1,149,214,763	11,223,521

Sources: City of Portland Bureau of Development Services 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, 2004
(unaudited)

Taxpayer	Type of Business	FY 2004 Assessed Valuation	Percentage of Total Assessed Valuation ¹
Qwest Communications, Inc.	Communications	\$ 430,999,830	1.23 %
PacifiCorp	Energy	266,340,000	0.76
Portland General Electric (Enron Corp.)	Energy	242,138,880	0.69
Wacker Siltronic Corporation	Manufacturing	211,842,450	0.61
Oregon Steel Mills, Inc.	Manufacturing	135,060,590	0.38
Freightliner LLC (DaimlerChrysler)	Manufacturing	131,602,990	0.38
LC Portland LLC (Glimcher Realty Tr.)	Real Estate	130,196,970	0.37
Northwest Natural Gas Company	Energy	125,079,220	0.36
Alaska Airlines, Inc.	Transportation	108,000,000	0.31
Oregon Arena Corporation	Arena Management	107,316,150	0.31
		<u>\$ 1,888,577,080</u>	<u>5.40 %</u>

¹The 2004 total assessed valuation for the City of Portland is \$35,002,570,061.

Sources: Multnomah County Division of Assessment and Taxation, and the FY 2004 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, 2004
(unaudited)

Operating income per operating statement \$ 79,383,627

Add/(Subtract):

Adjustments per master bond ordinance:

System development charges - liens receivable	\$ (578,814)
Interest revenue	2,584,998
Downspout Disconnect Program	711,738
Operating portion of Pension Bond transfer	(245,593)
Bond issuance cost (excluded from operating expenses)	47,386
Depreciation and amortization	17,077,087
Utility license fees	11,538,268
Net Rate Stabilization Fund transfer	<u>(8,825,000)</u>

Total adjustments to operating income 22,310,070

Net revenue per bond ordinance \$101,693,697

First lien debt service payments \$ 56,575,633

Second lien debt service payments 9,598,303

Combined debt service payments \$ 66,173,936

Actual first lien coverage 1.80

Actual combined coverage 1.54

Minimum first lien required coverage 1.20

Minimum combined required coverage 1.30

Sources: FY 2004 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, 2004

City of Portland, Oregon
Miscellaneous Statistical Data
June 30, 2004
(unaudited)

General:

Date of incorporation	February 8, 1851
Date first charter adopted	1851
Date present charter adopted	1903
Form of government	Commission
Number of employees:	
Merit system	5,172
Exempt (including seasonal and part-time)	<u>2,860</u>
Total	<u><u>8,032</u></u>

Area - square miles for selected years:

Year	Number of Square Miles
1956	71
1966	85
1976-1978	100
1980	110
1985	118
1990-1992	137
1993	141
1994-2004	145

City residents:

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

Age distribution:

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

City of Portland, Oregon
Miscellaneous Statistical Data, Continued
June 30, 2004
(unaudited)

General continued:
Median Income:

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

Retail Sales:

Year	Retail Sales*
1994	\$ 16,601,340,000
1995	17,434,431,000
1996	18,826,688,000
1997	20,049,925,000
1998	21,782,839,000
1999	27,503,867,000
2000	29,021,017,000
2001	28,378,247,000
2002	27,113,736,000
2003	27,792,043,000

*FY94-FY02 included Clackamas, Multnomah, Washington, and Yamhill Counties in the State of Oregon and Clark County in the State of Washington

*FY03 Portland-Vancouver-Beaverton, OR-WA Metro Core Based Statistical Area includes Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in the State of Oregon, and Clark and Skamania Counties in the State of Washington

City of Portland's facilities and services:

Fire Protection:

Employees (667 sworn and 62 civilian)	729
Stations	29
Vehicles	113

Parks and Recreation:

Acres	10,511
Botanical gardens	6
Community centers	13
Community gardens	28
Developed Parks	171
Golf courses	4
Swimming pools	14

Police Protection:

Arrests	36,533
Employees (1,047 sworn and 251 civilian)	1,298
Jails (the City utilizes Multnomah County facilities)	N/A
Precincts	5
Vehicles	641

Sewage and Stormwater Disposal:

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

Street Lighting:

Number of street lights	53,139
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City of Portland, Oregon
Miscellaneous Statistical Data, Continued
June 30, 2004
(unaudited)

City of Portland's facilities and services, continued:

Water:

Total number of services	167,008
Annual consumption in millions of gallons (estimate)	366.7
Plant capacity:	
Watershed storage in millions of gallons	16,700
Local storage in millions of gallons	298
Miles of water mains	1,957
Fire hydrants	13,213

Facilities and services not provided by the City of Portland:

Education:

Schools:

Elementary	59
Middle	17
High	10
Alternative/Focus Option	6
Public Charter	3

Administrative personnel:

Principals and vice principals	135
Central office and area administrators	26
Other administrative personnel	29
Teachers	3,259
Students (as of October 2003)	48,883
Average daily attendance rate	92.90%

Elections:

Registered voters on June 30, 2004 (Multnomah County)	356,779
Last election (primary): May 18, 2004	
Registered voters	363,589
Votes cast	164,635
Percentage of registered voters	45.28%

Sources:

<u>Topic</u>	<u>Source</u>
General	Office of Transportation
Population	US Census Bureau; and Portland State University Population Research Center
City Employees	Office of Management and Finance
Education	Portland Public Schools
Elections	Multnomah County Registrar of Elections
Fire Protection	Bureau of Fire, Rescue and Emergency Services
Police Protection	Bureau of Police
Recreation	Bureau of Parks and Recreation
Retail Sales	<u>Sales & Marketing Management: 2004 Survey of Buying Power, September, 2004</u>
Sewage Disposal	Bureau of Environmental Services
Street Lighting	Office of Transportation
Water	Bureau of Water Works

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

The City Council
City of Portland, Oregon
Portland, Oregon

We have audited the financial statements of the City of Portland, Oregon as of and for the year ended June 30, 2004, and have issued our report thereon dated November 3, 2004. 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 specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2004 and 2005.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information of the City Council, management, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

November 3, 2004



Mary Case, Partner

For Moss Adams LLP
Certified Public Accountants
Eugene, Oregon