

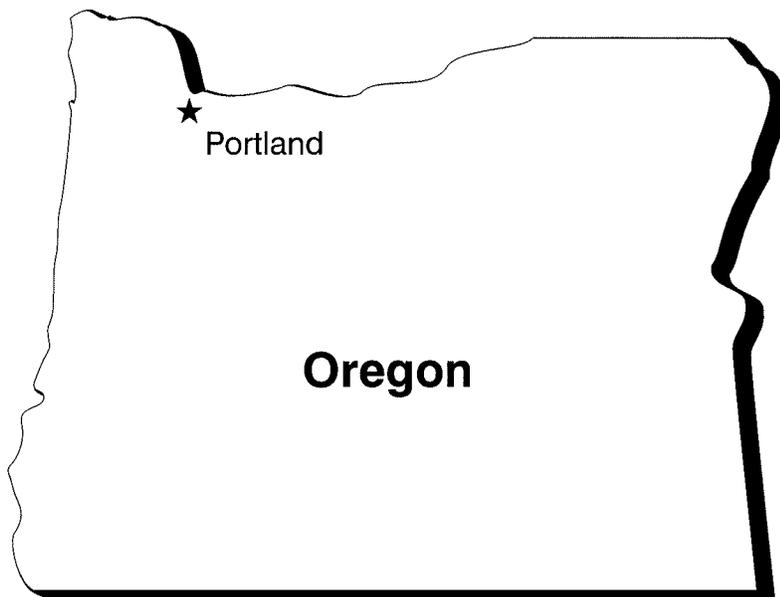
*The City of*  
***Portland, Oregon***



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

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**FISCAL YEAR ENDED JUNE 30, 2010**



*Portland Pioneer Square*  
Cover Photographer: Lois Summers

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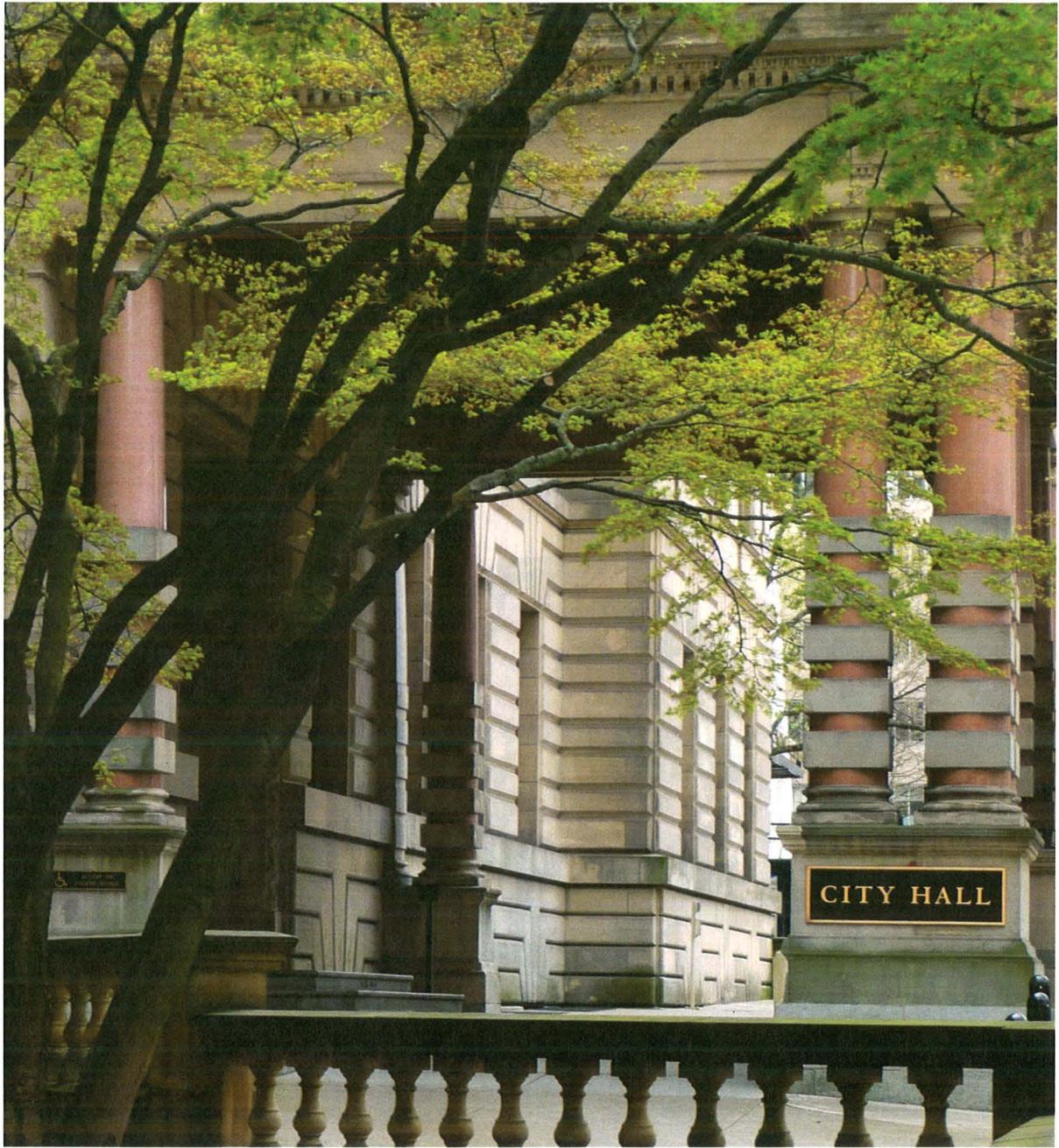
# CITY OF PORTLAND, OREGON

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## Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2010



Office of Management and Finance  
Ken Rust, Chief Administrative Officer



**CITY HALL**

**City of Portland, Oregon  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2010  
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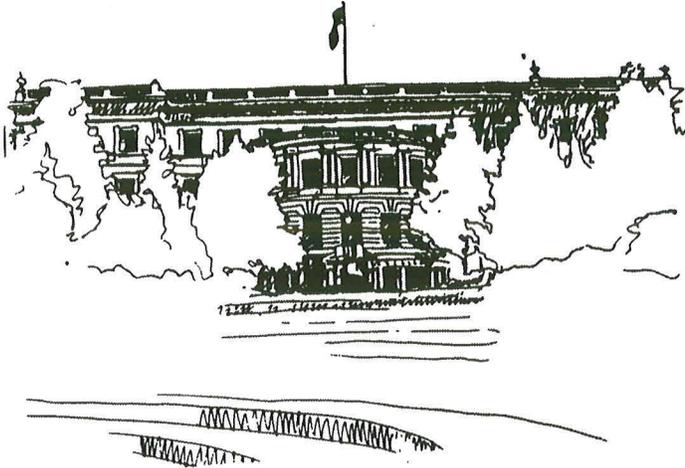
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CITY HALL, LIBERTY BELL AND PORTLAND BUILDING.

# INTRODUCTORY SECTION

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Portland City Hall, 1895



**CITY OF PORTLAND**  
OFFICE OF MANAGEMENT AND FINANCE  
Sam Adams, Mayor  
Kenneth L. Rust, Chief Administrative Officer

**Richard F. Goward Jr.**  
Chief Financial Officer  
Director, Bureau of Financial Services  
1120 S.W. Fifth Avenue, Rm. 1250  
Portland, Oregon 97204-1912  
(503) 823-5288  
FAX (503) 823-5384  
TTY (503) 823-6868

January 31, 2011

Mayor Sam Adams, 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, 2010.

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

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

### THE REPORT

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

The financial section is prepared in accordance with accounting principles generally accepted in the United States of America. This section of the CAFR includes the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditor, 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 582,000, comprises an area of approximately 145 square miles in northwestern Oregon. Located astride the Willamette River at its confluence with the Columbia River, the City is the center of commerce, industry, transportation, finance, and services for a metropolitan area of over 2 million people. The City is also the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.

*An Equal Opportunity Employer*

*To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.*

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

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

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

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

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

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

## **REPORTING ENTITY**

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

## **ECONOMIC CONDITIONS AND OUTLOOK**

### **A. Recent economic performance**

The Portland metropolitan area is continuing a slow climb out of what is being called "The Great Recession". After suffering steep job losses into the beginning of FY2009-10, area employment growth was essentially flat from September 2009 through June 2010. Similarly, the unemployment rate remained stubbornly high, ending the fiscal year at 10.2 percent. Though the economic environment remains weak, most indicators, such as building permits and commercial vacancy rates, have leveled off or even seen slight improvements relative to the depths of the recession.

Local area inflation was minimal during the first half of calendar 2010. The Portland Salem Consumer Price Index – All Urban Wage Earners (CPI-W) was up an annualized one percent for the first six months of calendar year 2010 over the last six months of calendar year 2009. Though still at historically low levels, this represents an increase over last year's figures, which teetered close to deflationary levels.

The City has two primary revenue sources that are acutely sensitive to economic conditions – business license revenues and transient lodging taxes. General Fund business license revenues totaled \$59.8 million for FY2009-10, 21.8 percent below the peak of collections in FY2007-08. Meanwhile, General Fund transient lodging taxes declined for the second year in a row, falling to \$14.2 million, nearly 15 percent off its peak in FY2007-08. Continued low interest rates coupled with low fund balances helped to push interest earnings lower, while property taxes, driven by formulas largely detached from economic activity, grew by over four percent. Overall General Fund revenue from external sources fell by 1.7 percent in FY2009-10 over FY2008-09 figures.

## **B. Outlook**

While economic conditions are expected to remain persistently weak compared with typical economic recoveries, they are expected to be an improvement over the recent past. As a result, the City should see an uptick in most General Fund revenue sources in FY2010-11. This should be particularly apparent in business license revenues, where near-record corporate profits are expected to fuel growth in the near future.

In the face of sharp revenue declines, Council has taken many actions that have reduced both ongoing and one-time expenses over the last two fiscal years, including the latest round of ongoing cuts resulting from the April 2010 forecast, which showed the need for \$5.3 million in ongoing cuts for the FY2010-11 adopted budget. Furthermore, there is little inflationary or wage pressure to drive sharp increases in existing expenses. Though currently it appears that the General Fund will be able to balance on current appropriation levels, the tenuous economic recovery requires that the City plan for the possibility that more near term cuts will be necessary.

## **C. Long-term financial planning**

The City maintains a five-year financial planning horizon and balances requirements to resources over the life of the five-year forecast. The budget distinguishes between ongoing and one-time revenues, and City financial policies discourage the use of one-time revenue to fund ongoing obligations. The City continues to maintain General Fund reserves equal to 10 percent of General Fund discretionary revenues in order to guard against a significant economic downturn, disaster, or major unanticipated expense. Although the economic triggers have been met that would allow the City to use reserve funds, the City Council has opted to deal with revenue shortfalls through budget reductions and efficiencies.

Several non-General Fund bureaus also face resource challenges related to the funding of major capital projects and infrastructure maintenance. The Bureau of Environmental Services anticipates annual increases in the typical household's sewer/stormwater bill to average approximately 5.2 percent over the next five years to fund the state-mandated combined sewer overflow project and continue to operate and maintain the City's sewer and stormwater infrastructure. The Water Bureau expects retail rate increases of approximately 13 percent annually over the next five years due to escalating construction costs, declining demand, and significant capital costs related to compliance with the Long Term 2 Enhanced Surface Water Treatment Rule. The Bureau of Transportation continues to face a funding gap and growing maintenance backlog. Finally, the Bureau of Development Services saw a dramatic fall-off in permit applications and fees, resulting in the layoff of more than 150 employees. This situation is likely to be remedied only when the economy, and construction activity, begins growing again.

## **D. Major initiatives**

The City's FY2009-10 budget invested in several initiatives of citywide importance, both new and continuing. The last two projects discussed below are new, and the rest are continuations of initiatives already underway.

- **The Portland Plan:** The City's Comprehensive Plan and Central City Plan comprise the Portland Plan, which is intended to guide planning policies for the next 20-30 years. In 2009-10, the City continued progress on the Portland Plan, with just over \$1 million budgeted, and the Central City plan is now a separate project budgeted at \$1.4 million.
- **Public Safety Systems Revitalization Program:** The City is currently engaged in a multi-year project to replace the 800 MHz radio system, the 9-1-1 computer-aided dispatch system, the Portland Police Data System, and the Fire Information System. The FY 2009-10 budget included bond proceeds of \$8.9 million to complete implementation of the 9-1-1 dispatch system as well as \$829,000 of additional General Fund resources to fund additional staffing for the various projects as they move onto the next stages of completion.
- **Combined Sewer Overflow (CSO) Program:** The Bureau of Environmental Services continued construction of a large combined sewer and stormwater collection pipe to reduce sewer overflows into the Willamette River. The bureau has completed the west side of the pipe and has begun construction on the east side, with project completion scheduled for December 2011. The FY 2009-10 Adopted Budget included \$134.5 million for CSO control projects.
- **Emergency Coordination Center:** Portland hosted a major disaster training exercise in fiscal year 2008 under the auspices of the Department of Homeland Security. A principal finding of that exercise was the lack of a central facility to coordinate activities among City bureaus and partner agencies. There was \$6 million budgeted in FY2008-09 for development of an Emergency Coordination Center, including \$2 million from the Water Bureau and \$4 million in General Fund-backed bonds. The \$6 million was carried over to FY 2009-10.

## OTHER FINANCIAL INFORMATION

### A. Financial policies

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

### B. Accounting system and budgetary control

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

The preparation of the City's budget is governed by Oregon Budget Law, ORS 294.305 to 294.565. The Mayor proposes a budget and the City Council serves as the Budget Committee in approving and adopting the budget. Public notice is given for all Budget Committee meetings. Citizens are involved in the budget process through surveys, forums, public hearings and representation from five community budget advisors who participate in budget deliberations with the Council.

The City Council is required to adopt a budget no later than June 30, the close of the fiscal year. This annual budget serves as the foundation for the City's financial planning and control. The budget is prepared and presented by bureau and by fund.

Council has set the level of appropriations under Oregon Budget Law at the organizational unit level, generally by bureau. Additionally transfers between major object categories are allowed with approval of the Commissioner-in-Charge. The Council conducts three major budget monitoring and amendment actions during the fiscal year to address changing financial needs and conditions.

## OTHER INFORMATION

### A. Independent audit

The City's Charter requires an annual audit of the City's financial records. These records, represented in the CAFR, have been audited by the City's independent Certified Public Accountants, Moss Adams LLP. This audit included the City's Single Audit for FY2009-10 pursuant to OMB Circular A-133. A report on the City's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Circular A-133, is issued under separate cover and is available by request from the Office of Management and Finance.

### B. Certificate of Achievement

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

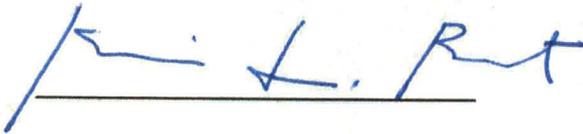
In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

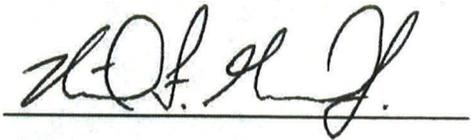
**C. Acknowledgments**

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

Respectfully submitted,

A handwritten signature in blue ink that reads "K. L. Rust". The signature is written above a solid horizontal line.

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

A handwritten signature in blue ink that reads "R. F. Goward, Jr.". The signature is written above a solid horizontal line.

Richard F. Goward, Jr.  
Chief Financial Officer  
**Bureau of Financial Services**

*ELECTED OFFICIALS OF THE CITY OF PORTLAND*

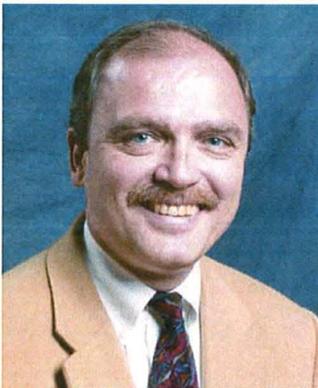
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**Sam Adams  
Mayor**



**Dan Saltzman  
Commissioner of Public Affairs**



**Randy Leonard  
Commissioner of Public Safety**



**Nick Fish  
Commissioner of Public Works**



**Amanda Fritz  
Commissioner of Public Utilities**



**LaVonne Griffin-Valade  
City Auditor**

Citizens  
of the  
City of Portland

**City Council**

Commissioner of  
Public Utilities  
Amanda Fritz

Commissioner of  
Public Works  
Nick Fish

Finance and  
Administration  
Mayor Sam Adams

Commissioner of  
Public Affairs  
Dan Saltzman

Commissioner of  
Public Safety  
Randy Leonard

City Auditor  
LaVonne Griffin-Valade

- Bureau of  
Emergency  
Communications
- Cable  
Communications &  
Franchise Mgmt
- Office of Healthy  
Working Rivers
- Office of Human  
Relations
- Office of  
Neighborhood  
Involvement

- Portland Housing  
Bureau
- Portland Parks  
and Recreation

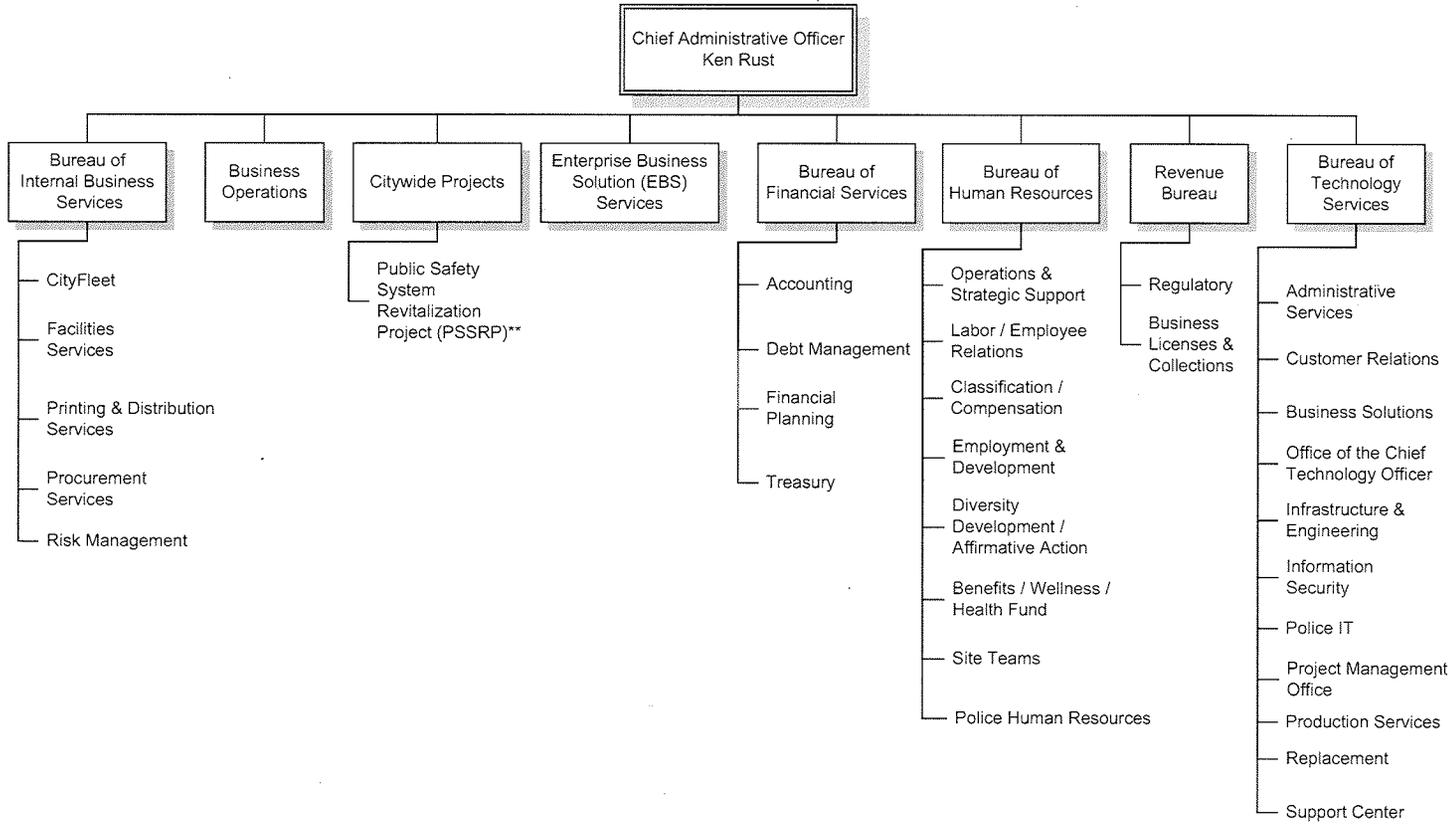
- Bureau of Planning  
& Sustainability
- Office of the  
City Attorney
- Office of  
Emergency  
Management
- Office of Government  
Relations
- Office of Management  
& Finance
- Portland  
Development  
Commission
- Portland Bureau of  
Transportation
- Portland Police  
Bureau

- Bureau of  
Environmental  
Services
- Bureau of Fire &  
Police Disability &  
Retirement
- Children's  
Investment  
Fund

- Bureau of  
Development  
Services
- Bureau of  
Hydroelectric  
Power
- Portland Fire  
and Rescue
- Portland Water  
Bureau

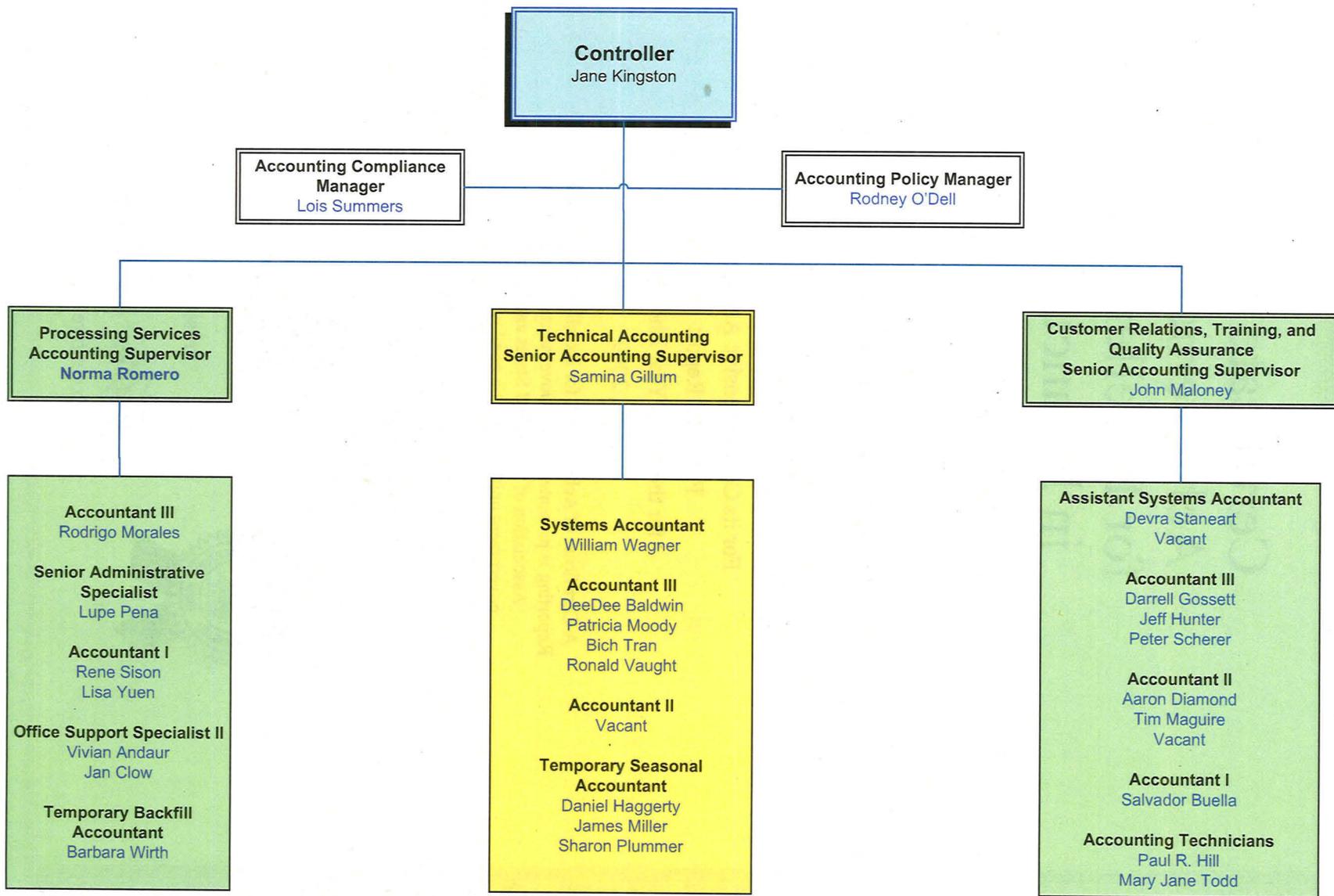
- Assessments  
and Liens
- Audit Services
- City Recorder
- Hearings Office
- Independent  
Police Review  
Management  
Services
- Ombudsman
- Progress Board

# Office of Management & Finance



\*\* The PSSRP reports to an Executive Steering Committee, Chaired by Carmen Merlo, the Director of POEM.

City of Portland  
 Office of Management and Finance  
 Bureau of Financial Services  
 Accounting Division  
 FY 2010



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, 2009

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

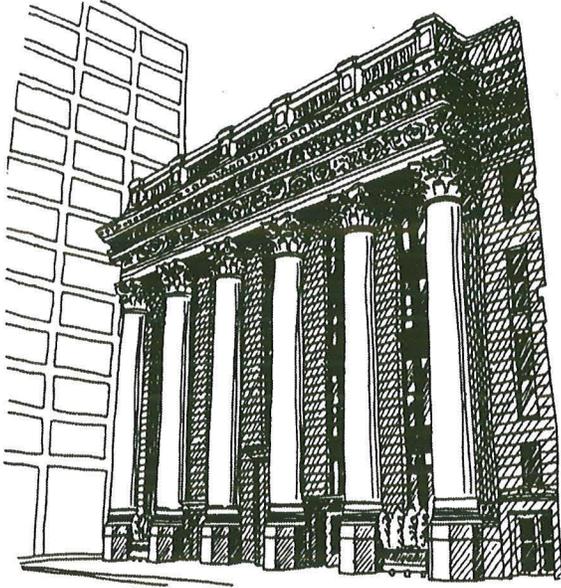


President

Executive Director

# FINANCIAL SECTION

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U.S. National Bank, c 1917

**MOSS ADAMS** LLP

Certified Public Accountants | Business Consultants

## 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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Portland's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Portland, Oregon, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note I.D.14 to the financial statements, the City restated its net assets to correct for premature capitalization of certain project costs.

**MOSS ADAMS** LLP

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison schedules, and employee benefit funding progress information on pages 13 through 32, and 119 through 125, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis and employee benefit funding progress information on pages 13 through 32 and 125, which consisted principally of inquiries of management regarding the methods of measurement and presentation, of the required supplementary information. However, we did not audit the information and express no opinion on it. The schedules of revenues and expenditures – budget and actual, on pages 119 through 123 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Portland's basic financial statements. The introductory section, combining and individual fund statements and schedules, schedules of revenues and expenditures – budget and actual, other financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules, schedules of revenues and expenditures – budget and actual, and other financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information 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.



For Moss Adams LLP  
Eugene, Oregon  
January 31, 2011

## 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, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found starting on page 1 of this report.

### FINANCIAL HIGHLIGHTS

Following are the City's financial highlights for fiscal year ending June 30, 2010:

- The assets of the City exceeded its liabilities at the close of FY2009-10 by \$2,323,747,963 (*net assets*), while the *unrestricted net assets* deficit totaled \$1,656,609,922 as shown on table 1-C on page 17. This negative balance is caused by governmental activities and is further discussed in the government-wide financial analysis section of this Management's Discussion and Analysis (MD&A) found on page 16.
- The City's total net assets decreased by \$97,335,085 from FY2008-09 as shown on table 2-C on page 20. This decrease results primarily from the increase in the pension trust obligation liability of \$77,346,993, and impact of depreciation totaling \$234,782,850 which was offset by increases in business-type activities.
- The City's governmental funds reported combined ending fund balances of \$173,482,640, a decrease of \$54,681,907 in comparison to FY2008-09, as shown on page 39. Of the combined ending governmental fund balances, \$157,662,900 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 \$91,872,408 or 17.4 percent of total General Fund expenditures.
- The City's total bonded debt increased by \$17,643,186 or 1.0 percent over FY2008-09 as shown on page 30. Contributing to this increase were increases of \$18,960,000 in urban renewal bonds and \$18,845,000 in limited tax improvement bonds. Limited tax revenue bonds decreased by \$8,371,738 and general obligation bonds decreased \$9,475,000.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### A. Government-wide financial statements

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

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

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

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

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

The government-wide financial statements can be found on pages 34-36 of this report.

## B. Fund financial statements

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 37-40 of this report.

- **Proprietary funds.** The City maintains eighteen proprietary funds, which are further classified as either enterprise funds or internal service funds.

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

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

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

The basic proprietary fund financial statements can be found on pages 42-47 of this report.

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

The basic fiduciary fund financial statements can be found on pages 48-49 of this report.

### C. Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 51-118 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 119-125 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 127-167 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 \$2,323,747,963 at the close of FY2009-10.

**A. Analysis of net assets**

The largest portion of the City's net assets reflects an investment of \$3,686,455,287 or 158.6 percent, in capital assets (i.e. land, buildings, and equipment) less any related outstanding debt used to acquire those assets as shown on table 1-C on page 17. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.

An additional portion of the City's net assets, \$293,902,298 or approximately 12.7 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance is an *unrestricted net assets* deficit totaling \$1,656,609,922.

At the end of FY2009-10, 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. In the tables that follow, FY2008-09 amounts have been restated as described in the note I.D.14 Restatement and prior period adjustment on pages 59-60.

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

	<b>Governmental Activities</b>		
	<b>FY 2009-10</b>	<b>FY 2008-09 (As Restated)</b>	<b>Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 676,436,845	\$ 693,502,592	\$ (17,065,747)
Capital assets	<u>2,285,433,559</u>	<u>2,339,553,238</u>	<u>(54,119,679)</u>
Total assets	<u>2,961,870,404</u>	<u>3,033,055,830</u>	<u>(71,185,426)</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	2,145,553,326	1,910,583,082	234,970,244
Other liabilities	<u>196,497,770</u>	<u>338,242,751</u>	<u>(141,744,981)</u>
Total liabilities	<u>2,342,051,096</u>	<u>2,248,825,833</u>	<u>93,225,263</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,123,435,196	2,175,464,133	(52,028,937)
Restricted	183,204,776	159,973,612	23,231,164
Unrestricted	<u>(1,686,820,664)</u>	<u>(1,551,207,748)</u>	<u>(135,612,916)</u>
Total net assets	<u>\$ 619,819,308</u>	<u>\$ 784,229,997</u>	<u>\$ (164,410,689)</u>

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

**Business-type Activities**

	<u>FY 2009-10</u>	<u>FY 2008-09 (As Restated)</u>	<u>Change</u>
<b>ASSETS</b>			
Current and other assets	\$ 372,899,484	\$ 384,250,650	\$ (11,351,166)
Capital assets	<u>3,426,772,082</u>	<u>3,188,694,153</u>	<u>238,077,929</u>
Total assets	<u>3,799,671,566</u>	<u>3,572,944,803</u>	<u>226,726,763</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	1,941,571,455	1,800,062,359	141,509,096
Other liabilities	<u>154,171,456</u>	<u>136,029,393</u>	<u>18,142,063</u>
Total liabilities	<u>2,095,742,911</u>	<u>1,936,091,752</u>	<u>159,651,159</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,563,020,091	1,456,673,267	106,346,824
Restricted	110,697,822	19,033,446	91,664,376
Unrestricted	<u>30,210,742</u>	<u>161,146,338</u>	<u>(130,935,596)</u>
Total net assets	<u>\$ 1,703,928,655</u>	<u>\$ 1,636,853,051</u>	<u>\$ 67,075,604</u>

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

**Total Net Assets**

	<u>FY 2009-10</u>	<u>FY 2008-09 (As Restated)</u>	<u>Change</u>
<b>ASSETS</b>			
Current and other assets	\$ 1,049,336,329	\$ 1,077,753,242	\$ (28,416,913)
Capital assets	<u>5,712,205,641</u>	<u>5,528,247,391</u>	<u>183,958,250</u>
Total assets	<u>6,761,541,970</u>	<u>6,606,000,633</u>	<u>155,541,337</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	4,087,124,781	3,710,645,441	376,479,340
Other liabilities	<u>350,669,226</u>	<u>474,272,144</u>	<u>(123,602,918)</u>
Total liabilities	<u>4,437,794,007</u>	<u>4,184,917,585</u>	<u>252,876,422</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt:	3,686,455,287	3,632,137,400	54,317,887
Restricted	293,902,598	179,007,058	114,895,540
Unrestricted	<u>(1,656,609,922)</u>	<u>(1,390,061,410)</u>	<u>(266,548,512)</u>
Total net assets	<u>\$ 2,323,747,963</u>	<u>\$ 2,421,083,048</u>	<u>\$ (97,335,085)</u>

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

As noted previously, the City's overall net assets decreased by \$97,335,085 during FY2009-10. This decrease is explained in the governmental and business-type activities discussion beginning on page 21.

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

	<b>Governmental Activities</b>		
	<b>FY 2009-10</b>	<b>FY 2008-09 (As Restated)</b>	<b>Change</b>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 304,927,786	\$ 399,857,886	\$ (94,930,100)
Operating grants and contributions	136,693,542	30,899,130	105,794,412
Capital grants and contributions	77,921,901	30,912,805	47,009,096
<i>General revenues:</i>			
Property taxes	421,211,270	388,147,722	33,063,548
Lodging taxes	16,511,907	23,571,670	(7,059,763)
Investment earnings	6,104,945	18,518,024	(12,413,079)
<b>Total revenues</b>	<b>963,371,351</b>	<b>891,907,237</b>	<b>71,464,114</b>
<b>Expenses</b>			
Public safety	444,705,167	452,749,712	(8,044,545)
Parks, recreation and culture	70,745,599	79,614,221	(8,868,622)
Community development	204,410,103	131,695,378	72,714,725
Transportation and metered parking	276,185,628	229,390,644	46,794,984
Legislative/Admin/Support services	92,190,425	181,388,975	(89,198,550)
Environmental services	326,089	-	326,089
Water	157,563	-	157,563
Interest on long-term debt	44,629,763	50,010,337	(5,380,574)
<b>Total expenses</b>	<b>1,133,350,337</b>	<b>1,124,849,267</b>	<b>8,501,070</b>
Revenues over (under) expenses	(169,978,986)	(232,942,030)	62,963,044
Transfers	5,568,297	3,425,005	2,143,292
Change in net assets	(164,410,689)	(229,517,025)	65,106,336
<b>Net assets -- beginning</b>	<b>784,229,997</b>	<b>1,013,747,022</b>	<b>(229,517,025)</b>
<b>Net assets -- ending</b>	<b>\$ 619,819,308</b>	<b>\$ 784,229,997</b>	<b>\$ (164,410,689)</b>

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

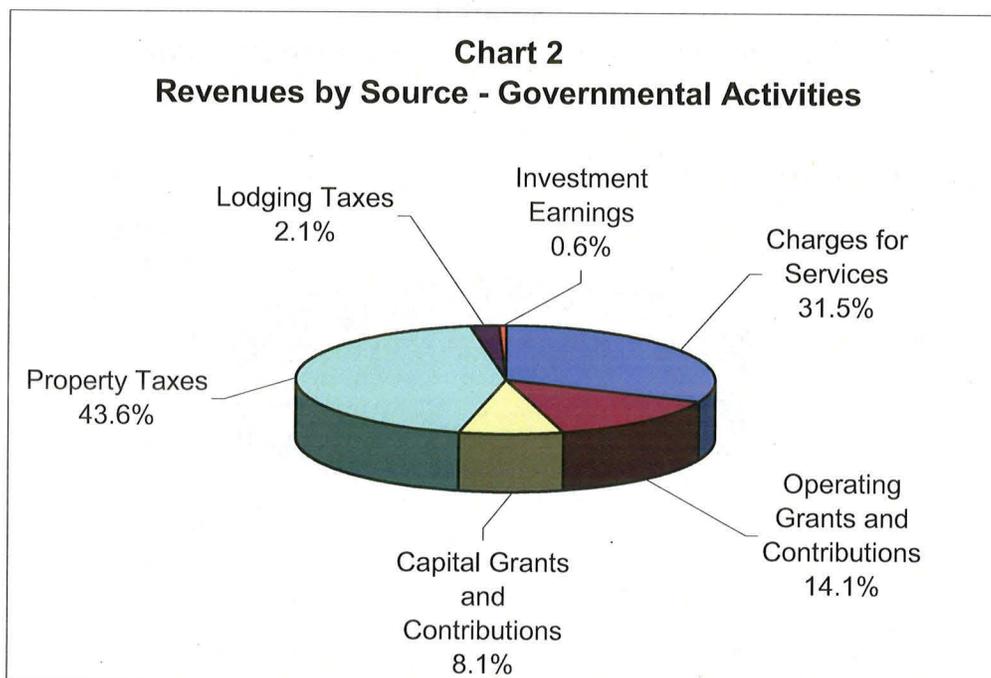
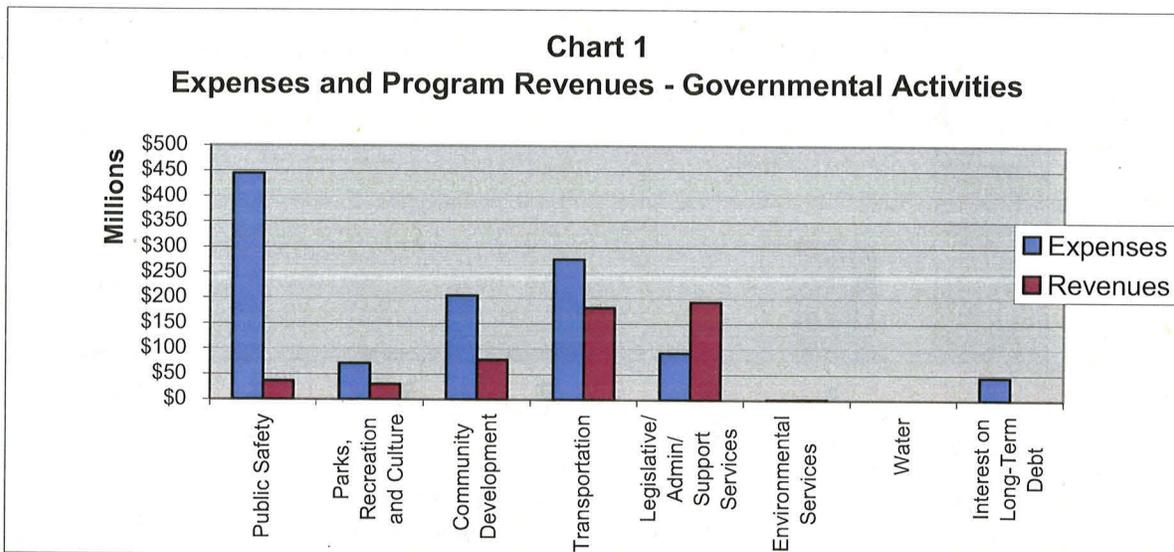
	<b>Business-type Activities</b>		
	<u>FY 2009-10</u>	<u>FY 2008-09 (As Restated)</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 386,073,362	\$ 372,248,127	\$ 13,825,235
Capital grants and contributions	954,259	1,998,768	(1,044,509)
<i>General revenues:</i>			
Investment earnings	<u>1,132,332</u>	<u>12,328,970</u>	<u>(11,196,638)</u>
<b>Total revenues</b>	<u>388,159,953</u>	<u>386,575,865</u>	<u>1,584,088</u>
<b>Expenses</b>			
Environmental services	184,036,412	189,757,632	(5,721,220)
Water	101,965,612	98,707,471	3,258,141
Hydroelectric power	2,112,254	2,458,249	(345,995)
Parking facilities	9,372,080	9,764,605	(392,525)
Golf	8,023,884	8,603,692	(579,808)
Motor sports	1,830,052	1,811,021	19,031
Spectator facilities	<u>8,175,758</u>	<u>8,698,111</u>	<u>(522,353)</u>
<b>Total expenses</b>	<u>315,516,052</u>	<u>319,800,781</u>	<u>(4,284,729)</u>
Revenues over (under) expenses	72,643,901	66,775,084	5,868,817
Transfers	<u>(5,568,297)</u>	<u>(3,425,005)</u>	<u>(2,143,292)</u>
Change in net assets	67,075,604	63,350,079	3,725,525
<b>Net assets -- beginning</b>	<u>1,636,853,051</u>	<u>1,573,502,972</u>	<u>63,350,079</u>
<b>Net assets -- ending</b>	<u>\$ 1,703,928,655</u>	<u>\$ 1,636,853,051</u>	<u>\$ 67,075,604</u>

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

	<b>Total Net Assets</b>		
	<b>FY 2009-10</b>	<b>FY 2008-09 (As Restated)</b>	<b>Change</b>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 691,001,148	\$ 772,106,013	\$ (81,104,865)
Operating grants and contributions	136,693,542	30,899,130	105,794,412
Capital grants and contributions	78,876,160	32,911,573	45,964,587
<i>General revenues:</i>			
Property taxes	421,211,270	388,147,722	33,063,548
Lodging taxes	16,511,907	23,571,670	(7,059,763)
Investment earnings	7,237,277	30,846,994	(23,609,717)
<b>Total revenues</b>	<b>1,351,531,304</b>	<b>1,278,483,102</b>	<b>73,048,202</b>
<b>Expenses</b>			
Public safety	444,705,167	452,749,712	(8,044,545)
Parks, recreation and culture	70,745,599	79,614,221	(8,868,622)
Community development	204,410,103	131,695,378	72,714,725
Transportation and metered parking	276,185,628	229,390,644	46,794,984
Legislative/Admin/Support services	92,190,425	181,388,975	(89,198,550)
Interest on long-term debt	44,629,763	50,010,337	(5,380,574)
Environmental services	184,362,501	189,757,632	(5,395,131)
Water	102,123,175	98,707,471	3,415,704
Hydroelectric power	2,112,254	2,458,249	(345,995)
Parking facilities	9,372,080	9,764,605	(392,525)
Golf	8,023,884	8,603,692	(579,808)
Motor sports	1,830,052	1,811,021	19,031
Spectator facilities	8,175,758	8,698,111	(522,353)
<b>Total expenses</b>	<b>1,448,866,389</b>	<b>1,444,650,048</b>	<b>4,216,341</b>
Revenues over (under) expenses	(97,335,085)	(166,166,946)	68,831,861
Transfers	-	-	-
Change in net assets	(97,335,085)	(166,166,946)	68,831,861
<b>Net assets -- beginning</b>	<b>2,421,083,048</b>	<b>2,587,249,994</b>	<b>(166,166,946)</b>
<b>Net assets -- ending</b>	<b>\$ 2,323,747,963</b>	<b>\$ 2,421,083,048</b>	<b>\$ (97,335,085)</b>

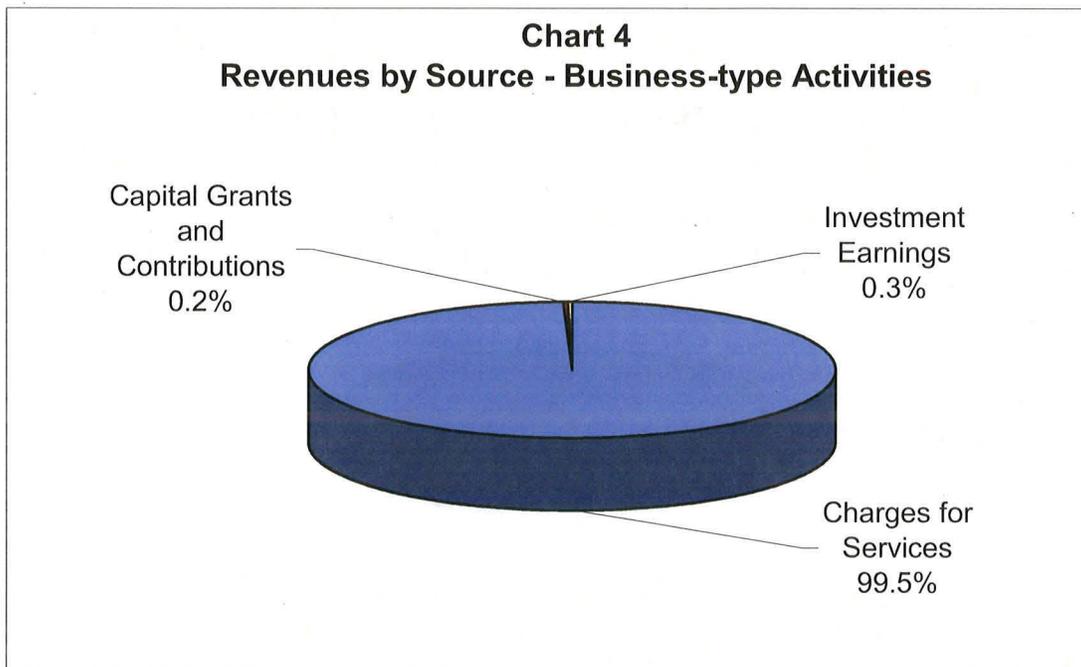
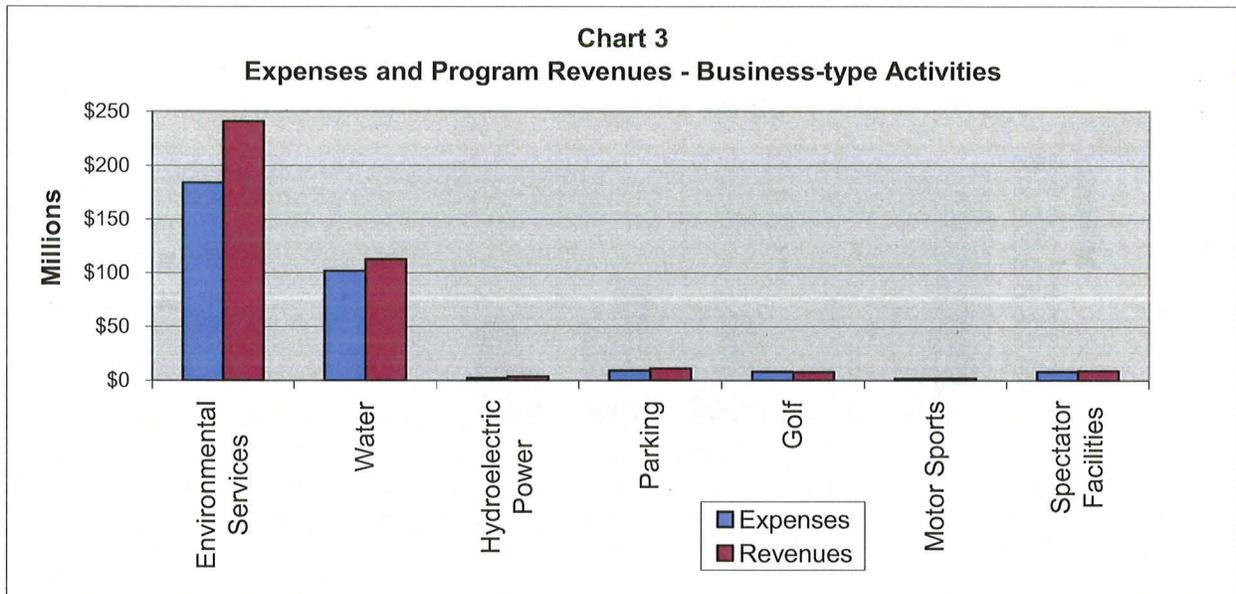
**Governmental activities.** Governmental activities reduced the City's net assets by \$164,410,689. The key factors giving rise to this decrease were the increase in the pension trust obligation liability of \$77,346,993, and depreciation expense, which totaled \$178,861,796, but is not funded as incurred by the City. Transportation system infrastructure and equipment accounted for \$148,196,774 of the governmental depreciation expense.

The following charts provide a visual representation of the expenses and revenues for governmental activities for FY2009-10. Chart 1 shows program revenues generated by each program activity while Chart 2 shows all governmental revenues. For the most part, increases in expenses closely paralleled inflation and growth in demand for services.



**Business-type activities.** Business-type activities increased the City's net assets by \$67,075,604. Sewer operations contributed \$56,878,713 of the increase, which was primarily due to charges for services that exceeded the costs of operations. Water operations contributed \$10,736,490 of the increase, also due to charges for services that exceeded the costs of operations.

The following graphs provide a visual representation of the expenses and revenues for business-type activities for the current fiscal year.



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### A. Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$173,482,640, a decrease of \$54,681,907 as shown on page 39. Of the combined ending fund balances, \$157,662,900 or 90.9 percent constitutes *unreserved fund balance*, which is available for spending at the government's discretion, subject to Council-approved policies, in the appropriate fund type as shown on page 37. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *total fund balance* was \$91,872,408, all of which is unreserved as shown on page 37. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 17.4 percent of total General Fund expenditures.

The fund balance of the City's General Fund decreased by \$41,883,018 during FY2009-10. Key factors in the decrease from current year activity was a \$10,481,604 reduction in revenues combined with a \$20,748,652 increase in expenditures and increased use of other financing sources of \$12,272,185. Property taxes emerged as the only source of revenue increase, \$13,434,571, which was offset by decreases in lodging taxes, \$5,419,422, licenses and fees, \$6,220,747, charges for services, \$6,876,911, and investment earnings, \$4,373,273. The fact that property taxes increased while other revenue sources declined is likely a combination of two factors. The property tax limitation measures passed years ago limited growth in assessed values to the point that the City has not experienced negative impacts from recent reductions in real market values allowing for yet increasing property tax revenues. In addition, assessment values do not immediately mirror declines in the real estate market, and taxes are billed in arrears and typically collected on an extended schedule. Expenditure increases included: public safety, \$13,185,310; parks, recreation, and culture, \$6,418,009; community development, \$5,792,651; and debt service \$4,914,048. There was a significant decrease in legislative and administrative support services of \$12,793,476. Additional information on General Fund changes is provided on page 24.

The Transportation Operating Fund had a total ending fund balance of \$12,627,454, of which \$10,449,910 was unreserved as shown on page 37. Fund balance represents 8.5 percent of total Transportation Operating Fund expenditures.

The fund balance of the Transportation Operating Fund decreased by \$195,871 during FY2009-10. Key factors in this decrease were a reduction in the City's allocation of state gas taxes and reduced availability of external funding for capital projects.

See pages 127-146 for greater detail on Combining Statements for governmental funds.

### B. Proprietary funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail as shown on pages 148-167.

Unrestricted net assets of the Sewage Disposal Fund and the Water Fund at the end of the fiscal year amounted to \$19,157,776 and a deficit of \$11,322,990, respectively. The total growth in net assets for the Sewage Disposal Fund and the Water Fund was \$60,010,355 and \$11,341,946, respectively.

The unrestricted net assets for other enterprise funds totaled \$19,805,120, while the change in net assets for other enterprise funds equaled a reduction of \$2,308,718. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budgeted expenditures and the final amended budget totaled approximately \$11,731,242 and can be briefly summarized as follows:

- \$12,459,657 increase in personal services. This budgetary increase resulted primarily from the City's Budget Monitoring Process (BMP) which included \$8 million for the Police Bureau for cost of living and health care increases, \$1.4 million for the Parks and Recreation Bureau for operations and maintenance costs, and \$0.8 million for the Office of Management and Finance for American Recovery and Reinvestment Act staffing, transfer of external materials and services funding for a program coordinator, and other staffing increases funded through interagency agreements. Additionally, a \$0.7 million increase was provided to the City Attorney's office for cost of living increases and for temporary legal and support staff needed to settle a tort matter.
- \$4,116,381 decrease in materials and services. This budgetary decrease was the result of \$5.5 million for the Office of Management and Finance, which was re-budgeted for Public Safety System Revitalization Project costs (expenses were moved from General Fund to Technology Services Fund). During the Spring BMP, budgetary funds were also moved to personal services to cover cost of living adjustments. Also during the Spring BMP, there was a reduction of \$7 million in compensation set-aside to bureaus.

These decreases were offset by increases of \$2.2 million for the Portland Housing Bureau (PHB) and \$2.1 million for Bureau of Planning and Sustainability (BPS) for encumbrance and program carryovers from FY2008-09. For BPS, the majority of the \$2.1 million increase includes a combination or prior year program carryovers related to the East Portland Action Plan program, Sustainable Economic Development, and Sustainable Sponsorship. The Fall BMP included funding for prior year contract encumbrances related to the River Plan, the Portland Plan, and environmental planning. Additionally, a \$1.8 million increase in Public Affairs is attributed to the Gateway Center for Domestic Violence, and an increase of \$0.8 million for the Portland Center for Performing Arts transferred budget dollars to Special Appropriations from Spectator Facilities.

- \$3,873,077 increase in capital outlay. This budgetary increase resulted primarily from carryover for Fire Bureau apparatus and emergency equipment replacement.
- \$667,089 increase in general operating contingencies. This budgetary increase resulted due to multiple increases in the General Fund resources throughout the year; offset proportionally by new appropriations.

Actual revenues were \$486,912 above the final amended budget, primarily due to increased licenses and fees, as well as property taxes resulting from increases in housing assessed values. Actual expenditures were \$21,701,703 less than the final amended budget, primarily due to underexpenditures in personal services of \$4.6 million, materials and services of \$10.2 million, capital outlay of \$2.3 million and general operating contingencies of \$2.9 million. These underexpenditures were primarily due to:

- \$4,565,130 in underexpenditures in personal services was spread across multiple bureaus.
- \$10,214,944 in underexpenditures in materials and services: \$1.8 million in the Portland Police Bureau due to the multi-year contract for the Gateway Center for Domestic Violence program; the unspent balance will be carried over into the next fiscal year. \$1.2 million was underexpended by

Portland Parks and Recreation by deferring projects and planned purchases from the Portland Bureau of Transportation. Portland Police Bureau halted spending by an additional \$1.8 million because revenues were lower than expected. The remaining \$5.4 million is from the following: \$0.8 million from the PHB due to carry over of several significant contracts into FY2009-10 for rental housing; \$0.6 million in the Bureau of Planning and Sustainability from encumbered contracts; \$0.9 million in Portland Fire and Rescue, mostly encumbrances; \$1.4 million for encumbered contracts for the Office of Management and Finance; and \$1 million for all other bureaus, including a reduction in revenues for lien search activity with the Auditor's Office.

- \$2,279,405 in underexpenditures in capital outlay: \$2.2 million is due to a delay in the receipt of apparatus and equipment by Portland Fire and Rescue prior to fiscal year end. The encumbrance budget will be carried over and actual expenditures will be paid for in FY2010-11.

Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. During FY2009-10, General Fund expenditures exceeded budgetary estimates and revenues by \$5,253,174, which required the City to draw upon existing fund balance. Major factors attributing to this net change are as follows:

- Total actual revenues of \$417,961,912 were \$0.5 million over budgeted revenues: \$3.7 million in increased collections of property taxes were offset by \$1.4 million decrease in lodging tax revenues. Licenses and permits revenue exceeded budget by \$5.2 million, primarily in business and public utility licenses, \$3.6 and \$1.4 million respectively. These amounts were offset by many other shortfalls in budgeted revenues, including an intergovernmental revenue shortage of \$2.3 million, \$1.1 million from local revenue sharing, and \$0.9 million in local cost sharing. Other material shortfalls included \$2 million from billings to other funds for services and \$1.7 million from other interest income.
- Total expenditures of \$423,215,086 were \$21.7 million below budget as discussed above.
- Other financing uses of \$47,166,752 were \$0.4 million below budget primarily due to transfers to the General Fund that were lower than anticipated: \$0.3 million in fund transfers from the Transportation Operating Fund and \$0.1 million from the Governmental Bond Redemption Fund.

## 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, 2010, amounts to \$5,712,205,641 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, water rights, buildings, improvements to land, equipment, software, infrastructure, and capitalized leases. The total increase in the City's investment in capital assets for the current fiscal year was \$183,958,250 or 3.3 percent (a 2.3 percent decrease for governmental activities and a 7.5 percent increase for business-type activities).

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

- Governmental capital assets decreased by \$54,119,679 or 2.3 percent. Key factors in this change were a decrease in infrastructure of \$126,794,701 or 7.2 percent; a decrease in land of \$10,191,736 or 8.4 percent; a decrease in software of \$6,716,206 or 16.3 percent; and a decrease in buildings of \$5,081,576, or 2.7%. These decreases were partially offset by an increase in construction in progress of \$82,961,643 or 83.7%, and by an increase in land use rights of \$12,893,249, which accounts for the decrease in land assets, mostly easements, that were reclassified as intangible assets. The decrease in infrastructure was primarily due to Transportation depreciation in excess of new construction. The decrease in software was likewise due Transportation depreciation in excess of new software. The almost doubling of construction in progress can in large part be attributed to

Management's Discussion and Analysis, continued

state, federal, and other grant construction projects of \$58,367,502 and \$10,019,571 in transportation projects.

- Business-type capital assets increased \$238,077,929 or 7.5 percent. Key factors in this change were increases in construction in progress of \$161,514,461 or 27.3 percent and in infrastructure of \$70,407,483 or 3 percent. Sewer projects accounted for most of the increase in construction in progress and infrastructure, primarily due to the Combined Sewer Overflow project, with new water main and service installations and ground water improvements by the Water Bureau also contributing to the increase.

The following table provides comparative information on the City's capital assets for FY2009-10 and FY2008-09:

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

Asset Category	<b>Governmental Activities</b>		
	<u>FY 2009-10</u>	<u>FY 2008-09 As Restated</u>	<u>Change</u>
Land	\$ 111,584,622	\$ 121,776,358	\$ (10,191,736)
Land use rights	12,893,249	-	12,893,249
Owning rights	12,155	-	12,155
Construction in progress	182,113,159	99,151,516	82,961,643
Buildings	182,428,750	187,510,326	(5,081,576)
Improvements to land	61,672,968	58,831,423	2,841,545
Equipment	63,928,217	67,972,269	(4,044,052)
Software	34,383,257	41,099,463	(6,716,206)
Infrastructure	1,636,417,182	1,763,211,883	(126,794,701)
<b>Total</b>	<b><u>\$ 2,285,433,559</u></b>	<b><u>\$ 2,339,553,238</u></b>	<b><u>\$ (54,119,679)</u></b>
	<b>Business-type Activities</b>		
Land	\$ 77,147,830	\$ 81,155,777	\$ (4,007,947)
Land use rights	12,504,777	-	12,504,777
Owning rights	104,043	72,306	31,737
Construction in progress	752,831,704	591,317,243	161,514,461
Buildings	114,344,939	113,095,341	1,249,598
Improvements to land	19,751,711	20,293,352	(541,641)
Equipment	27,852,730	32,300,334	(4,447,604)
Software	2,106,110	668,499	1,437,611
Infrastructure	2,420,128,238	2,349,720,754	70,407,484
Capital leases	-	70,547	(70,547)
<b>Total</b>	<b><u>\$ 3,426,772,082</u></b>	<b><u>\$ 3,188,694,153</u></b>	<b><u>\$ 238,077,929</u></b>
	<b>Total Net Capital Assets</b>		
Land	\$ 188,732,452	\$ 202,932,135	\$ (14,199,683)
Land use rights	25,398,026	-	25,398,026
Owning rights	116,198	72,306	43,892
Construction in progress	934,944,863	690,468,759	244,476,104
Buildings	296,773,689	300,605,667	(3,831,978)
Improvements to land	81,424,679	79,124,775	2,299,904
Equipment	91,780,947	100,272,603	(8,491,656)
Software	36,489,367	41,767,962	(5,278,595)
Infrastructure	4,056,545,420	4,112,932,637	(56,387,217)
Capital leases	-	70,547	(70,547)
<b>Total</b>	<b><u>\$ 5,712,205,641</u></b>	<b><u>\$ 5,528,247,391</u></b>	<b><u>\$ 183,958,250</u></b>

Additional information on the City's capital assets can be found in note III.E on pages 74-78 of this report. See additional capital lease details in note III.G on page 81.

**B. Debt administration**

The City holds debt in the form of lines of credit, loans, notes, and bonds. An overall line of credit increase of \$147,625,274 accounts for the largest component of the \$168,949,970 change in debt. Most of the line of credit increase is due to the new \$160,000,000 sewer system construction line of credit, which was partially offset by decreases in the lines of credit for Enterprise Business Systems, \$10,313,364, and for local improvement districts, \$6,719,395. New governmental loans increased overall debt by \$3,421,000 from the prior year.

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

<b>Governmental Activities</b>			
	<b>FY 2009-10</b>	<b>FY 2008-09</b>	<b>Change</b>
Bonds	\$ 912,404,600	\$ 882,644,316	\$ 29,760,284
Lines of Credit	179,695,127	194,129,707	(14,434,580)
Loans	3,421,000	-	3,421,000
<b>Total</b>	<b>1,095,520,727</b>	<b>1,076,774,023</b>	<b>18,746,704</b>
<b>Business-type Activities</b>			
Bonds	1,836,189,670	1,848,306,770	(12,117,100)
Lines of Credit	162,059,854	-	162,059,854
Loans	19,933,946	19,637,300	296,646
Notes	361,527	397,663	(36,136)
<b>Total</b>	<b>2,018,544,997</b>	<b>1,868,341,733</b>	<b>150,203,264</b>
<b>Total Outstanding Debt</b>			
Bonds	2,748,594,270	2,730,951,086	17,643,184
Lines of Credit	341,754,981	194,129,707	147,625,274
Loans	23,354,946	19,637,300	3,717,646
Notes	361,527	397,663	(36,136)
<b>Total</b>	<b>\$ 3,114,065,724</b>	<b>\$ 2,945,115,756</b>	<b>\$ 168,949,968</b>

As of June 30, 2010, the City had total bonded debt outstanding of \$2,748,594,272. Unamortized premiums and discounts for governmental activities net to \$12,543,879, while premiums, discounts and deferred loss on refunding for business-type activities net to \$59,228,269. Of the total bonded debt outstanding, \$60,480,000 is general obligation debt, secured by the full faith and credit and unlimited taxing power of the City, a decrease of \$9,475,000 from FY2008-09. This decrease was due to scheduled principal payments of \$7,675,000 and the issuance of \$34,520,000 of refunding bonds to retire \$36,320,000 of outstanding general obligation debt originally issued for Parks and Fire capital improvements. All of the general obligation debt for business-type activities is funded by water revenues. General obligation (GO) debt for governmental activities is funded by property taxes.

The City has \$554,581,124 of limited tax revenue bonds outstanding, a decrease of \$8,371,738 from FY2008-09. These bonds are secured by the full faith and credit of the City and have been issued for a variety of purposes including funding pension liabilities and the expansion of the Oregon Convention Center. This reduction was primarily due to scheduled principal payments of \$25,871,738 and refunding of outstanding bonds of \$7,855,000 which was offset by new bond issues totaling \$25,355,000. Proceeds from new bonds issued during FY2009-10 included new funding of

\$8,210,000 for a Computer-Aided Dispatch system and \$50,000 for the Emergency Operations Center expansion. Additionally, bonds were issued to pay off a \$9,400,000 line-of-credit for the Enterprise Business Solutions project; to refund existing bonds for Homeless Shelters for \$5,130,000, and to refund bonds issued for the Integrated Regional Network Enterprise communication system for \$2,565,000. All of these bonds are secured by the full faith and credit of the City, and will be repaid from specific revenue sources and the General Fund.

An additional \$353,405,000 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 increase of \$18,960,000 was due to new bond issuance of \$36,890,000 which was partially offset by scheduled principal payments of \$17,930,000. Proceeds from new bonds issued during FY2009-10 were used primarily to pay off the balance of a line-of-credit obtained to fund improvements in the Lents Town Center Urban Renewal Area, and also to fund bond reserves.

The City had \$63,105,000 of outstanding limited tax improvement bonds as of June 30, 2010, an increase of \$18,845,000 from FY2008-09. This increase was primarily due to new bond issuance of \$22,305,000 that paid off a line-of-credit used to finance Local Improvement District's assessments partially offset by scheduled principal payments of \$3,460,000.

The remainder of the City's debt is revenue bonds, totaling approximately \$1,645,251,000, an increase of \$272,000 over FY2008-09. This increase was primarily due to new bond issuance of \$73,440,000 that was partially offset by scheduled principal payments of \$66,588,000. Proceeds from new bonds issued during FY2009-10 were used to refund a portion of the outstanding debt, \$6,580,000, and to fund the cost of capital improvements for the City's water system. Revenue bonds are secured solely by specified revenue sources such as water, sewer, parking, golf and gas tax revenues.

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

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

<b>Governmental Activities</b>			
	<u>FY 2009-10</u>	<u>FY 2008-09</u>	<u>Change</u>
General Obligation Bonds	\$ 58,890,000	\$ 66,820,000	\$ (7,930,000)
Limited Tax Improvement Bonds	63,105,000	44,260,000	18,845,000
Urban Renewal Bonds	353,405,000	334,445,000	18,960,000
Limited Tax Revenue Bonds	420,165,722	422,137,316	(1,971,594)
Revenue Bonds	4,295,000	4,865,000	(570,000)
Unamortized premiums & discounts	<u>12,543,878</u>	<u>10,117,000</u>	<u>2,426,878</u>
<b>Total Governmental Activities</b>	<u>912,404,600</u>	<u>882,644,316</u>	<u>29,760,284</u>
<b>Business-type Activities</b>			
General Obligation Bonds	1,590,000	3,135,000	(1,545,000)
Limited Tax Revenue Bonds	134,415,402	140,815,546	(6,400,144)
Revenue Bonds	1,640,956,000	1,640,114,000	842,000
Unamortized premiums & discounts	<u>59,228,268</u>	<u>64,242,224</u>	<u>(5,013,956)</u>
<b>Total Business-type Activities</b>	<u>1,836,189,670</u>	<u>1,848,306,770</u>	<u>(12,117,100)</u>
<b>Total Outstanding Debt</b>			
General Obligation Bonds	60,480,000	69,955,000	(9,475,000)
Limited Tax Improvement Bonds	63,105,000	44,260,000	18,845,000
Urban Renewal Bonds	353,405,000	334,445,000	18,960,000
Limited Tax Revenue Bonds	554,581,124	562,952,862	(8,371,738)
Revenue Bonds	1,645,251,000	1,644,979,000	272,000
Unamortized premiums & discounts	<u>71,772,146</u>	<u>74,359,224</u>	<u>(2,587,078)</u>
<b>Total Outstanding Debt</b>	<u>\$ 2,748,594,270</u>	<u>\$ 2,730,951,086</u>	<u>\$ 17,643,184</u>

The City's total bonded debt increased by \$17,643,186, or 1 percent, during the FY2009-10. Debt for governmental activities increased by \$29,760,285, while debt for business-type activities decreased by \$12,117,099. As detailed previously, the primary reason for the increase in bonded debt relating to governmental activities was the replacement of an existing line-of-credit with urban renewal bond funding, while the primary reason for the decrease in debt relating to business-type activities was scheduled principal payments and a refunding of limited tax revenue bonds.

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

- **Debt limitation.** Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of 3 percent of the real market value of all taxable property within the City's boundaries. Based on the City's FY2009-10 real market value, this debt limitation is \$2,670,663,311. The amount of outstanding City debt subject to this limitation is \$58,890,000.

On November 2, 2010, Portland voters approved Measure 26-117 which authorizes the City to issue up to \$72.4 million in general obligation bonds for fire fighting vehicles, emergency radio system, and fire and emergency response facilities. These bonds, when issued, will be subject to the debt limitation described above.

- **Debt ratings.** The City's unlimited tax general obligation debt remains rated "Aaa" by Moody's Investors Service and was last confirmed in April, 2010. On May 3, 2010, some of the City's Moody's debt ratings changed as a result of a rating scale recalibration by Moody's Investors Service. According to Moody's:

"this recalibration does not reflect an improvement in credit quality or a change in our credit opinion for rated municipal debt issuers. Instead, the recalibration will align municipal ratings with their global scale equivalent. A key driver for the recalibration is the market's increasing desire for rating comparability between municipal and non-municipal sectors given the growing number of "cross-over" investors active in both tax-exempt and taxable markets."

The list following provides a comparison of the Moody's rating before and after recalibration. In addition to the rating changes resulting from the Moody's recalibration, the City issued bonds for the Lents Town Center urban renewal area in June 2010 which added a new Moody's rating of A1 to these bonds. Beyond those changes, all other ratings remain unchanged in FY2009-10.

Credit	Moody's Previous Rating	Moody's Recalibrated Rating
Unlimited Tax General Obligation Bonds	Aaa	Aaa
First Lien Water Revenue Bonds	Aa1	Aaa
Second Lien Water Revenue Bonds	Aa2	Aa1
Limited Tax Revenue Bonds	Aa1	Aa1
Arena Limited Tax Revenue Bonds	Aa1	Aa1
Limited Tax Improvement Bonds	Aa1	Aa1
Limited Tax Pension Obligation Revenue Bonds	Aa1	Aa1
Limited Tax Housing Revenue Bonds	Aa1	Aa1
Gas Tax Revenue Bonds	Aa3	Aa2
First Lien Sewer Revenue Bonds (1)	Aa3	Aa2
Second Lien Sewer Revenue Bonds (1)	A1	Aa3
Parking Revenue Bonds	A1	Aa3
Airport Way Urban Renewal Bonds	Aa3	Aa3
Convention Center Urban Renewal Bonds	Aa3	Aa3
Downtown Waterfront Urban Renewal Bonds	Aa3	Aa3
South Park Blocks Urban Renewal Bonds	Aa3	Aa3
River District Urban Renewal Bonds	A3	A2
Lents Town Center Urban Renewal Bonds	NA	A1
Interstate Corridor Urban Renewal Bonds	A3	A2
Hydroelectric Revenue Bonds (PGE) (2)	Baa1	Baa1

Notes:

- (1) These bonds are additionally rated AA by Standard and Poor's.
- (2) These bonds are additionally rated BBB by Standard and Poor's.

**Debt ratios.** The City's debt ratios, as of June 30, 2010, are shown below:

	Amount	Per Capita	Percent of Real Market Valuation	Percent of Assessed Valuation
Population July 1, 2009	582,130			
2009-10 Real Market Value	\$89,022,110,363	\$152,925	-	-
2009-10 Assessed Value (1)	\$48,377,014,971	\$83,103	54.34%	-
Gross Bonded debt (2)	\$859,532,453	\$1,477	0.97%	1.78%
Net Direct Debt (3)	\$58,890,000	\$101	0.07%	0.12%
Net Overlapping Debt	\$885,046,064	\$1,520	0.99%	1.83%
Net Direct and Overlapping Debt	\$943,936,064	\$1,622	1.06%	1.95%

(1) Includes urban renewal excess values.

(2) Includes City's outstanding general obligation bonds, limited tax revenue bonds, limited tax improvement bonds, and general fund backed lines of credit and state loans.

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

(4) In FY 2009-10, the State of Oregon reclassified certain school district debt from self-supporting to non-self supporting based on the source of payment of the bonds.

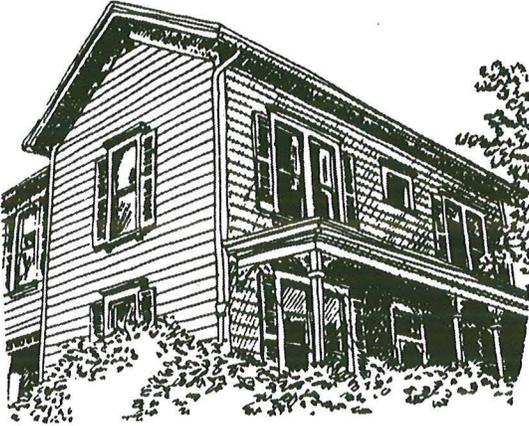
Additional information on the City's long-term debt can be found in Note to the Financial Statements III.H on pages 82-96 of this report.

## REQUESTS FOR INFORMATION

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

# Basic Financial Statements

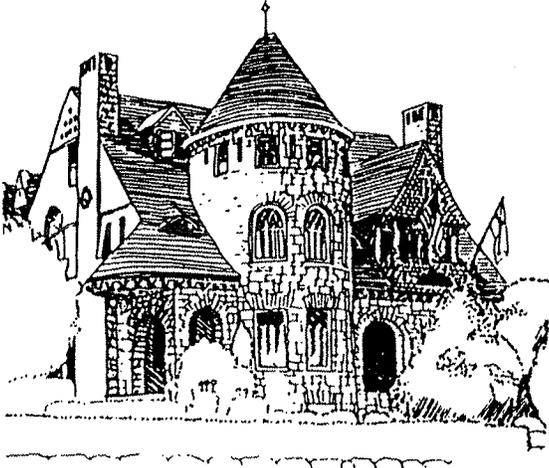
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E.K. Haseltine Residence, 1880

# Government-wide Financial Statements

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K.A.J. Mackenzie Residence, 1892



PORTLANDIA

**City of Portland, Oregon**  
**Statement of Net Assets**  
**June 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Portland Development Commission
<b>ASSETS</b>				
Current assets (unrestricted):				
Cash and investments	\$ 248,114,306	\$ 118,004,597	\$ 366,118,903	\$ 106,206,131
Receivables:				
Taxes	18,871,533	-	18,871,533	-
Accounts, net	35,249,374	52,807,032	88,056,406	1,643,674
Assessments	10,226,815	3,099,483	13,326,298	-
Loans, net	978,598	-	978,598	5,960,684
Advances	2,657,360	60,000	2,717,360	-
Accrued interest	833,104	999,996	1,833,100	303,811
Due from primary government	-	-	-	4,106,074
Due from component unit	6,301,920	-	6,301,920	-
Internal balances	(4,281,696)	4,281,696	-	-
Inventories	3,740,000	3,305,392	7,045,392	-
Property held for resale	-	-	-	122,909,691
Prepaid expense	4,347,543	2,016,407	6,363,950	274,798
Current assets (restricted):				
Cash and investments	35,697,885	21,002,911	56,700,796	-
Receivables:				
Taxes	7,716,125	-	7,716,125	-
Accounts, net	347,833	-	347,833	-
Assessments	5,401,422	-	5,401,422	-
Loans, net	120,053	-	120,053	-
Advances	577,929	-	577,929	-
Grants	21,709,158	-	21,709,158	-
Accrued interest	422,701	53,681	476,382	-
Due from component unit	21,499,187	-	21,499,187	-
Total current assets	<u>420,531,150</u>	<u>205,631,195</u>	<u>626,162,345</u>	<u>241,404,863</u>
Noncurrent assets (unrestricted):				
Capital assets not being depreciated:				
Land	111,584,622	77,147,831	188,732,453	6,284,260
Construction in progress	182,113,159	752,831,704	934,944,863	-
Land use rights	12,893,249	12,504,777	25,398,026	-
Owning rights	12,155	104,043	116,198	-
Capital assets net of accumulated depreciation:				
Buildings	182,428,750	114,344,940	296,773,690	1,516,172
Improvements to land	61,672,968	19,751,710	81,424,678	-
Leasehold improvements	-	-	-	704,936
Equipment	63,928,217	27,852,729	91,780,946	462,537
Software	34,383,257	2,106,110	36,489,367	1,027,185
Infrastructure	1,636,417,182	2,420,128,238	4,056,545,420	-
Net capital assets	<u>2,285,433,559</u>	<u>3,426,772,082</u>	<u>5,712,205,641</u>	<u>9,995,090</u>
Loans receivable, net	-	-	-	82,874,120
Internal balances	(21,700,000)	21,700,000	-	-
Prepaid expense	119,859,403	46,730,098	166,589,501	-
Assessments receivable	1,060,305	-	1,060,305	-
Noncurrent assets (restricted):				
Cash and investments	50,564,749	98,838,191	149,402,940	200,000
Receivables:				
Assessments	65,598,571	-	65,598,571	-
Grants	40,522,667	-	40,522,667	-
Total noncurrent assets	<u>2,541,339,254</u>	<u>3,594,040,371</u>	<u>6,135,379,625</u>	<u>93,069,210</u>
Total assets	<u>2,961,870,404</u>	<u>3,799,671,566</u>	<u>6,761,541,970</u>	<u>334,474,073</u>

Continued next page

**City of Portland, Oregon**  
**Statement of Net Assets, Continued**  
**June 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Portland Development Commission
<b>LIABILITIES</b>				
Current liabilities (payable from unrestricted assets):				
Accounts payable	\$ 23,034,950	\$ 32,169,817	\$ 55,204,767	\$ 2,415,578
Self insurance claims	10,663,693	-	10,663,693	-
Compensated absences	33,092,569	5,844,242	38,936,811	-
Bonds payable	9,573,996	83,851,281	93,425,277	-
Notes and loans payable	3,382,315	7,910,345	11,292,660	-
Accrued interest payable	2,775,822	12,128,008	14,903,830	-
Unearned revenue	2,277,466	738,316	3,015,782	-
Due to primary government	-	-	-	27,801,107
Due to component unit	2,651,110	-	2,651,110	-
Other liabilities	12,832,258	505,041	13,337,299	2,421,759
Pollution remediation	-	1,827,500	1,827,500	-
Current liabilities (payable from restricted assets):				
Accounts payable	15,003,017	6,406,380	21,409,397	-
Bonds payable	43,910,051	2,582,407	46,492,458	-
Due to component unit	1,454,964	-	1,454,964	-
Accrued interest payable	-	208,119	208,119	-
Unearned revenue	35,845,559	-	35,845,559	-
Total current liabilities	196,497,770	154,171,456	350,669,226	32,638,444
Noncurrent liabilities:				
Self insurance claims	14,132,077	-	14,132,077	-
Compensated absences	14,705,382	1,967,998	16,673,380	-
Bonds payable	858,920,553	1,749,755,982	2,608,676,535	-
Notes and loans payable	179,733,812	174,444,982	354,178,794	-
Accrued Interest payable	48,277,848	10,096,746	58,374,594	-
Net pension obligation	1,011,043,120	-	1,011,043,120	-
Other liabilities	-	21,774	21,774	-
Other postemployment benefits	18,740,534	2,158,973	20,899,507	507,267
Pollution remediation	-	3,125,000	3,125,000	9,139,186
Total noncurrent liabilities	2,145,553,326	1,941,571,455	4,087,124,781	9,646,453
Total liabilities	2,342,051,096	2,095,742,911	4,437,794,007	42,284,897
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,123,435,196	1,563,020,091	3,686,455,287	9,995,090
Restricted for:				
Parks, recreation and culture	6,154,428	-	6,154,428	-
Community development	4,806,639	-	4,806,639	-
Public safety	1,006,168	-	1,006,168	-
Transportation and metered parking	23,791,387	-	23,791,387	-
Debt service	139,719,290	22,284,655	162,003,945	-
Capital projects	7,544,322	88,413,167	95,957,489	267,883,500
Parks endowment fund:				
Nonexpendable	182,542	-	182,542	-
Unrestricted surplus (deficit)	(1,686,820,664)	30,210,742	(1,656,609,922)	14,310,586
Total net assets	\$ 619,819,308	\$ 1,703,928,655	\$ 2,323,747,963	\$ 292,189,176

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, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit Portland Development Commission
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Primary Government	Total	
					Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
Public safety	\$ 444,705,167	\$ 11,350,111	\$ 25,222,017	\$ 7,500	\$ (408,125,539)	\$ -	\$ (408,125,539)	\$ -
Parks, recreation and culture	70,745,599	18,109,058	5,877,815	6,066,044	(40,692,682)	-	(40,692,682)	-
Community development	204,410,103	46,285,869	31,430,014	-	(126,694,220)	-	(126,694,220)	-
Transportation and metered parking	276,185,628	60,397,143	50,070,796	70,572,281	(95,145,408)	-	(95,145,408)	-
Legislative/ Admin/ Support services	92,190,425	168,785,605	23,682,559	332,213	100,609,952	-	100,609,952	-
Environmental services	326,089	-	383,713	855,706	913,330	-	913,330	-
Water	157,563	-	26,628	88,157	(42,778)	-	(42,778)	-
Interest on long-term debt	44,629,763	-	-	-	(44,629,763)	-	(44,629,763)	-
Total governmental activities	<u>1,133,350,337</u>	<u>304,927,786</u>	<u>136,693,542</u>	<u>77,921,901</u>	<u>(613,807,108)</u>	<u>-</u>	<u>(613,807,108)</u>	<u>-</u>
Business-type activities:								
Environmental services	184,036,412	239,960,866	-	954,259	-	56,878,713	56,878,713	-
Water	101,965,612	112,702,102	-	-	-	10,736,490	10,736,490	-
Hydroelectric power	2,112,254	3,617,879	-	-	-	1,505,625	1,505,625	-
Parking facilities	9,372,080	11,316,355	-	-	-	1,944,275	1,944,275	-
Golf	8,023,884	7,754,612	-	-	-	(269,272)	(269,272)	-
Motor sports	1,830,052	1,875,497	-	-	-	45,445	45,445	-
Spectator facilities	8,175,758	8,846,051	-	-	-	670,293	670,293	-
Total business-type activities:	<u>315,516,052</u>	<u>386,073,362</u>	<u>-</u>	<u>954,259</u>	<u>-</u>	<u>71,511,569</u>	<u>71,511,569</u>	<u>-</u>
Total primary government	<u>\$ 1,448,866,389</u>	<u>\$ 691,001,148</u>	<u>\$ 136,693,542</u>	<u>\$ 78,876,160</u>	<u>(613,807,108)</u>	<u>71,511,569</u>	<u>(542,295,539)</u>	<u>-</u>
<b>Component unit:</b>								
Portland Development Commission	<u>\$ 142,002,855</u>	<u>\$ 7,723,720</u>	<u>\$ 24,285,802</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,993,333)</u>
General revenues:								
Property taxes					421,211,270	-	421,211,270	-
Lodging taxes					16,511,907	-	16,511,907	-
Payments from the City					-	-	-	89,778,162
Investment earnings					6,104,945	1,132,332	7,237,277	1,240,365
Miscellaneous revenues (primarily sale of property held for sale)					-	-	-	14,769,846
Transfers					5,568,297	(5,568,297)	-	-
Total general revenues, special items and transfers					<u>449,396,419</u>	<u>(4,435,965)</u>	<u>444,960,454</u>	<u>105,788,373</u>
Change in net assets					<u>(164,410,689)</u>	<u>67,075,604</u>	<u>(97,335,085)</u>	<u>(4,204,960)</u>
Net assets -- beginning, as previously reported					<u>809,412,997</u>	<u>1,636,184,552</u>	<u>2,445,597,549</u>	<u>296,394,136</u>
Restatement and prior period adjustment (see Note I.D.14.)					<u>(25,183,000)</u>	<u>668,499</u>	<u>(24,514,501)</u>	<u>-</u>
Net assets -- beginning, as restated					<u>784,229,997</u>	<u>1,636,853,051</u>	<u>2,421,083,048</u>	<u>296,394,136</u>
Net assets -- ending					<u>\$ 619,819,308</u>	<u>\$ 1,703,928,655</u>	<u>\$ 2,323,747,963</u>	<u>\$ 292,189,176</u>

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

# Fund Financial Statements

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Union Station, 1890

**City of Portland, Oregon  
Balance Sheet  
Governmental Funds  
June 30, 2010**

	General Fund	Transportation Operating	Other Governmental Funds	Total
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ 71,254,278	\$ -	\$ 31,262,862	\$ 102,517,140
Receivables:				
Taxes	18,871,533	-	-	18,871,533
Accounts, net	22,519,904	6,029,146	4,561,149	33,110,199
Assessments	53,804	429,578	10,803,738	11,287,120
Loans, net	-	-	978,598	978,598
Advances	1,403,812	-	1,253,548	2,657,360
Accrued interest	259,344	20,607	153,364	433,315
Due from other funds	49,758	351,789	56,817	458,364
Due from component unit	794,924	3,978,460	796,611	5,569,995
Internal loans	8,506,660	4,589,433	26,207	13,122,300
Inventories	-	2,177,544	-	2,177,544
Prepaid items	2,369,171	1,027,536	203,148	3,599,855
Restricted:				
Cash and Investments	-	1,509,334	82,335,126	83,844,460
Receivables:				
Taxes	-	-	7,716,125	7,716,125
Accounts, net	-	-	347,833	347,833
Assessments	-	-	70,999,993	70,999,993
Loans, net	-	-	120,053	120,053
Advances	-	-	577,929	577,929
Grants	-	-	62,231,825	62,231,825
Accrued interest	-	-	422,701	422,701
Due from component unit	-	-	21,499,187	21,499,187
Internal loans receivable	-	-	1,597,715	1,597,715
<b>Total assets</b>	<b>\$ 126,083,188</b>	<b>\$ 20,113,427</b>	<b>\$ 297,944,529</b>	<b>\$ 444,141,144</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 9,362,421	\$ 3,475,202	\$ 2,307,441	\$ 15,145,064
Due to component unit	2,641,780	9,330	-	2,651,110
Due to fiduciary fund	6,782,859	-	-	6,782,859
Internal loans payable	-	-	1,500,000	1,500,000
Deferred revenue	9,407,576	633,352	10,806,022	20,846,950
Unearned revenue	30,918	2,246,548	-	2,277,466
Other accrued liabilities	5,985,226	24,453	39,320	6,048,999
Liabilities payable from restricted assets:				
Accounts payable	-	1,097,088	13,905,929	15,003,017
Due to other funds	-	-	1,766,000	1,766,000
Due to component unit	-	-	1,454,964	1,454,964
Internal loans payable	-	-	35,500,724	35,500,724
Deferred revenue	-	-	125,835,792	125,835,792
Unearned revenue	-	-	35,845,559	35,845,559
<b>Total liabilities</b>	<b>34,210,780</b>	<b>7,485,973</b>	<b>228,961,751</b>	<b>270,658,504</b>
Fund balances:				
Reserved for :				
Transportation inventories	-	2,177,544	-	2,177,544
Capital projects	-	-	13,459,654	13,459,654
Parks endowment fund:				
Nonexpendable	-	-	182,542	182,542
Unreserved, reported in:				
Major funds	91,872,408	10,449,910	-	102,322,318
Special revenue funds	-	-	(12,163,792)	(12,163,792)
Debt service funds	-	-	62,208,494	62,208,494
Capital projects funds	-	-	5,295,880	5,295,880
<b>Total fund balances</b>	<b>91,872,408</b>	<b>12,627,454</b>	<b>68,982,778</b>	<b>173,482,640</b>
<b>Total liabilities and fund balances</b>	<b>\$ 126,083,188</b>	<b>\$ 20,113,427</b>	<b>\$ 297,944,529</b>	<b>\$ 444,141,144</b>

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, 2010**

**Fund balances - total governmental funds** \$ 173,482,640

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are reported only in the government-wide statements. 2,091,964,649

Other long-term assets are prepaid or are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:

Prepaid item - unamortized PERS balance	109,023,765
Deferred items eliminated for government-wide (See Note III.C., Unearned revenue)	146,682,742

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. 233,759,588

Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds. (826,916,969)

Unfunded net pension obligation for the City's Fire and Police Disability and Retirement Plan is not reported in the governmental fund financial statements because such amounts are not due and payable in the current period. (See Note IV.D., Employee retirement systems and pension plans section of the Notes to the Financial Statements.) (1,011,043,120)

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	(45,063,571)
Other postemployment benefits	(18,051,930)
Notes and loans payable	(183,116,127)
Internal service fund lookback adjustment to business-type activities	(2,570,836)
Accrued interest	(48,331,523)

**Net assets of governmental activities** \$ 619,819,308

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, 2010**

	<u>General Fund</u>	<u>Transportation Operating</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 296,689,063	\$ -	\$ 126,606,219	\$ 423,295,282
Lodging	14,224,430	-	2,287,477	16,511,907
Licenses and fees	135,753,548	2,494,039	25,276,781	163,524,368
Intergovernmental	29,098,438	49,634,754	100,404,603	179,137,795
Charges for services	53,859,288	30,471,398	4,146,389	88,477,075
Parking fees	263,610	21,420,844	-	21,684,454
Parking fines	-	4,355,712	-	4,355,712
Concessions	603	-	150	753
Rents and reimbursements	3,809,186	276,414	123,884	4,209,484
Miscellaneous service charges	2,833,318	920,059	5,979,636	9,733,013
Loan collections	1,121	-	5,503,820	5,504,941
Assessments	-	224,478	17,635,211	17,859,689
Investment earnings	846,571	83,602	5,010,246	5,940,419
Payments in lieu of taxes	700,819	-	-	700,819
Miscellaneous	2,692,670	1,924,095	2,549,228	7,165,993
	<u>540,772,665</u>	<u>111,805,395</u>	<u>295,523,644</u>	<u>948,101,704</u>
<b>Total revenues</b>				
<b>EXPENDITURES</b>				
Current:				
Public safety	353,868,421	-	27,563,046	381,431,467
Parks, recreation and culture	61,469,945	-	3,951,777	65,421,722
Community development	41,784,300	-	174,472,517	216,256,817
Transportation and metered parking	-	131,813,483	1,411,899	133,225,382
Legislative/admin/support services	62,110,207	-	9,103,816	71,214,023
Environmental services	-	-	326,089	326,089
Water	-	-	157,563	157,563
Debt service and related costs:				
Principal	2,372,977	2,655,151	66,698,506	71,726,634
Interest	2,543,136	1,832,255	32,905,047	37,280,438
Debt issuance costs	-	-	1,355,153	1,355,153
Capital outlay	3,590,728	13,135,041	85,288,522	102,014,291
	<u>527,739,714</u>	<u>149,435,930</u>	<u>403,233,935</u>	<u>1,080,409,579</u>
<b>Total expenditures</b>				
Excess(deficiency) of revenues over(under) expenditures	<u>13,032,951</u>	<u>(37,630,535)</u>	<u>(107,710,291)</u>	<u>(132,307,875)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,760,257	39,641,173	76,595,397	119,996,827
Transfers out	(58,683,013)	(2,558,788)	(81,426,020)	(142,667,821)
Proceeds from sale of capital assets	6,787	-	26,206	32,993
Bonds and notes issued	-	352,279	156,688,813	157,041,092
Bonds and notes premium	-	-	3,118,769	3,118,769
Bonds and notes discount	-	-	(73,870)	(73,870)
Loans issued	-	-	3,421,000	3,421,000
Payments to refunded loan and bond escrow agent	-	-	(63,243,022)	(63,243,022)
	<u>(54,915,969)</u>	<u>37,434,664</u>	<u>95,107,273</u>	<u>77,625,968</u>
<b>Total other financing and uses</b>				
Net change in fund balances	(41,883,018)	(195,871)	(12,603,018)	(54,681,907)
Fund balances - beginning	133,755,426	12,823,325	81,585,796	228,164,547
Fund balances - ending	<u>\$ 91,872,408</u>	<u>\$ 12,627,454</u>	<u>\$ 68,982,778</u>	<u>\$ 173,482,640</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, 2010**

**Net change in fund balances - total governmental funds** \$ (54,681,907)

Amounts reported for governmental activities in the statement of activities are different because:

The effect of capital outlays made by the governmental funds 102,014,291

Disposals of capital assets and capital contributions 12,540,861

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost is depreciated over their useful lives. Depreciation expense for governmental funds is reported in the government-wide statements. (See Note III.E., the capital assets section of the Notes to the Financial Statements, for a breakdown of depreciation expense by function.) (159,609,098)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 27,849,749

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. 16,111,687

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. (32,567,223)

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 3,862,634

Accrual of net pension liability which is not reported as an expenditure in governmental funds (73,018,727)

Amortization of prepaid pension costs (5,614,958)

Internal service fund lookback adjustment to business-type activities 1,967,979

Accrual of other postemployment benefits which are not reported as an expenditure in governmental funds (3,265,977)

**Net change in net assets - governmental activities** \$ (164,410,689)

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



CITY HALL REFLECTION

**City of Portland, Oregon**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewage Disposal</b>	<b>Water</b>	<b>Other Funds</b>	<b>Total</b>	
<b>ASSETS</b>					
Current assets (unrestricted):					
Cash and investments	\$ 52,151,004	\$ 39,584,067	\$ 26,269,526	\$ 118,004,597	\$ 145,597,166
Receivables:					
Accounts, net	36,961,411	14,201,799	1,643,822	52,807,032	2,139,175
Assessments	2,997,035	102,448	-	3,099,483	-
Advances	-	-	60,000	60,000	-
Accrued interest	560,514	335,572	103,910	999,996	399,789
Due from other funds	21,013	1,286,623	-	1,307,636	-
Due from component unit	-	-	-	-	731,925
Internal loans	500,940	-	-	500,940	177,485
Inventories	1,140,815	2,164,577	-	3,305,392	1,562,456
Prepaid expense	1,571,500	415,664	29,243	2,016,407	747,688
	<u>95,904,232</u>	<u>58,090,750</u>	<u>28,106,501</u>	<u>182,101,483</u>	<u>151,355,684</u>
Total current assets (unrestricted)					
Current assets (restricted):					
Cash and investments	2,217,812	4,188,568	14,596,531	21,002,911	8,410
Accrued interest	-	-	53,681	53,681	-
	<u>2,217,812</u>	<u>4,188,568</u>	<u>14,650,212</u>	<u>21,056,592</u>	<u>8,410</u>
Total current assets (restricted)					
Total current assets	<u>98,122,044</u>	<u>62,279,318</u>	<u>42,756,713</u>	<u>203,158,075</u>	<u>151,364,094</u>
Noncurrent assets (unrestricted):					
Capital assets:					
Land	44,587,339	15,075,102	17,485,390	77,147,831	7,726,182
Construction in progress	660,198,402	90,420,139	2,213,163	752,831,704	18,377,225
Land use rights	10,301,713	2,198,564	4,500	12,504,777	-
Owning rights	-	104,043	-	104,043	-
Buildings	19,482,747	34,008,654	142,811,595	196,302,996	141,508,769
Improvements to land	1,328,328	3,949,729	23,464,393	28,742,450	873,162
Equipment	21,204,803	27,847,600	4,613,015	53,665,418	89,151,754
Software	8,594,081	2,714,181	381,241	11,689,503	43,024,075
Infrastructure	2,148,662,039	794,980,942	44,123,225	2,987,766,206	11,993,542
Capital leases	306,728	-	-	306,728	-
Accumulated depreciation and amortization	(293,159,335)	(307,871,178)	(93,259,061)	(694,289,574)	(119,185,799)
	<u>2,621,506,845</u>	<u>663,427,776</u>	<u>141,837,461</u>	<u>3,426,772,082</u>	<u>193,468,910</u>
Capital assets net of accumulated depreciation and amortization					
Internal loan	21,700,000	-	-	21,700,000	-
Prepaid expense	21,827,822	22,670,560	2,231,716	46,730,098	10,835,638
	<u>2,665,034,667</u>	<u>686,098,336</u>	<u>144,069,177</u>	<u>3,495,202,180</u>	<u>204,304,548</u>
Total noncurrent assets (unrestricted)					
Noncurrent assets (restricted):					
Cash and Investments	53,244,370	45,593,821	-	98,838,191	2,409,764
	<u>2,718,279,037</u>	<u>731,692,157</u>	<u>144,069,177</u>	<u>3,594,040,371</u>	<u>206,714,312</u>
Total noncurrent assets					
Total assets	<u>2,816,401,081</u>	<u>793,971,475</u>	<u>186,825,890</u>	<u>3,797,198,446</u>	<u>358,078,406</u>

Continued next page

**City of Portland, Oregon**  
**Statement of Net Assets, Continued**  
**Proprietary Funds**  
**June 30, 2010**

	<u>Business-type Activities - Enterprise Funds</u>				<b>Governmental Activities - Internal Service Funds</b>
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Other Funds</u>	<u>Total</u>	
<b>LIABILITIES</b>					
Current liabilities (payable from unrestricted assets):					
Accounts payable	\$ 24,882,897	\$ 5,671,532	\$ 1,615,388	\$ 32,169,817	7,889,886
Self insurance claims	-	-	-	-	10,663,693
Compensated absences	2,641,467	2,846,782	355,993	5,844,242	2,013,876
Bonds payable	62,454,523	15,066,994	6,329,764	83,851,281	9,573,996
Notes and loans payable	7,910,345	-	-	7,910,345	-
Accrued interest payable	7,802,355	3,836,408	489,245	12,128,008	380,938
Unearned revenue	499,378	238,938	-	738,316	-
Internal loans payable	-	97,715	-	97,715	-
Other liabilities	265,876	239,166	-	505,042	400
Pollution remediation	277,500	-	1,550,000	1,827,500	-
<b>Total current liabilities (unrestricted)</b>	<b>106,734,341</b>	<b>27,997,535</b>	<b>10,340,390</b>	<b>145,072,266</b>	<b>30,522,789</b>
Current liabilities (payable from restricted assets):					
Accounts payable	2,217,812	4,188,568	-	6,406,380	-
Bond payable	-	-	2,582,407	2,582,407	-
Accrued interest payable	-	-	208,119	208,119	-
<b>Total current liabilities (restricted)</b>	<b>2,217,812</b>	<b>4,188,568</b>	<b>2,790,526</b>	<b>9,196,906</b>	<b>-</b>
<b>Total current liabilities</b>	<b>108,952,153</b>	<b>32,186,103</b>	<b>13,130,916</b>	<b>154,269,172</b>	<b>30,522,789</b>
Noncurrent liabilities:					
Self insurance claims	-	-	-	-	14,132,077
Compensated absences	876,594	966,468	124,936	1,967,998	720,504
Bonds payable	1,319,152,128	348,863,029	81,740,825	1,749,755,982	75,913,635
Notes and loans payable	172,385,128	-	2,059,854	174,444,982	-
Accrued interest payable	4,716,240	4,898,411	482,095	10,096,746	2,341,209
Other liabilities	21,774	-	-	21,774	-
Other postemployment benefits	901,537	1,110,681	146,755	2,158,973	688,604
Pollution remediation	45,000	-	3,080,000	3,125,000	-
<b>Total noncurrent liabilities</b>	<b>1,498,098,401</b>	<b>355,838,589</b>	<b>87,634,465</b>	<b>1,941,571,455</b>	<b>93,796,029</b>
<b>Total liabilities</b>	<b>1,607,050,554</b>	<b>388,024,692</b>	<b>100,765,381</b>	<b>2,095,840,627</b>	<b>124,318,818</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	1,136,948,380	371,676,008	54,395,703	1,563,020,091	123,572,797
Restricted for:					
Debt service	200,000	10,224,969	11,859,686	22,284,655	-
Capital projects	53,044,371	35,368,796	-	88,413,167	-
Unrestricted	19,157,776	(11,322,990)	19,805,120	27,639,906	110,186,791
<b>Total net assets</b>	<b>\$ 1,209,350,527</b>	<b>\$ 405,946,783</b>	<b>\$ 86,060,509</b>	<b>1,701,357,819</b>	<b>\$ 233,759,588</b>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				2,570,836	
<b>Net assets of business-type activities</b>				<b>\$ 1,703,928,655</b>	

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

**City of Portland, Oregon**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<u>Business-type Activities - Enterprise Funds</u>				<b>Governmental Activities - Internal Service Fund</b>
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Other Funds</u>	<u>Total</u>	
Operating revenues:					
Service charges and fees	\$ 219,312,766	\$ 111,729,058	\$ 17,091,587	\$ 348,133,411	\$ 160,435,635
Licenses and permits	1,042,164	-	2,331,097	3,373,261	-
Rents and reimbursements	123,566	573,540	8,089,313	8,786,419	768,524
Concessions	-	-	1,214,979	1,214,979	-
Parking fees	-	-	11,423,477	11,423,477	-
Power sales	-	-	3,564,145	3,564,145	-
Miscellaneous	8,885,510	399,504	292,656	9,577,670	3,497,449
<b>Total operating revenues</b>	<b>229,364,006</b>	<b>112,702,102</b>	<b>44,007,254</b>	<b>386,073,362</b>	<b>164,701,608</b>
Operating expenses:					
Salaries and wages	41,486,812	34,821,290	6,364,407	82,672,509	40,386,472
Operating supplies	3,398,251	2,827,294	1,448,773	7,674,318	12,380,792
Professional services	38,907,719	14,253,033	10,263,724	63,424,476	26,368,222
Utilities	4,372,847	2,262,663	274,877	6,910,387	3,087,421
Claims	-	-	-	-	41,870,389
Utility license fees	12,809,321	4,339,850	-	17,149,171	-
Miscellaneous	423,054	10,864,140	12,716,191	24,003,385	30,116,815
Depreciation and amortization	29,535,000	20,129,384	6,256,670	55,921,054	19,252,698
<b>Total operating expenses</b>	<b>130,933,004</b>	<b>89,497,654</b>	<b>37,324,642</b>	<b>257,755,300</b>	<b>173,462,809</b>
Operating income	98,431,002	23,204,448	6,682,612	128,318,062	(8,761,201)
Nonoperating revenues (expenses):					
Investment earning (loss)	687,287	189,392	255,653	1,132,332	164,526
Interest expense	(39,406,741)	(10,979,221)	(4,712,609)	(55,098,571)	(3,319,484)
Debt issuance costs	(124,150)	(268,832)	(10,639)	(403,621)	(47,529)
Gain (loss) on sale of capital assets	36,531	(331,230)	4,118	(290,581)	(167,695)
<b>Total nonoperating revenues (expenses)</b>	<b>(38,807,073)</b>	<b>(11,389,891)</b>	<b>(4,463,477)</b>	<b>(54,660,441)</b>	<b>(3,370,182)</b>
Income before contributions and transfers	59,623,929	11,814,557	2,219,135	73,657,621	(12,131,383)
Transfers in	119,037	50,630	15,907	185,574	34,620,895
Transfers out	(690,649)	(523,241)	(4,543,760)	(5,757,650)	(6,377,825)
Capital contributions	958,038	-	-	958,038	-
<b>Change in net assets</b>	<b>60,010,355</b>	<b>11,341,946</b>	<b>(2,308,718)</b>	<b>69,043,583</b>	<b>16,111,687</b>
Total net assets - beginning, as previously reported	1,148,740,190	394,604,837	88,300,710		215,467,140
Restatement (see Note I.D.14.)	599,982	-	68,517		2,180,761
<b>Total net assets - beginning, as restated</b>	<b>1,149,340,172</b>	<b>394,604,837</b>	<b>88,369,227</b>		<b>217,647,901</b>
<b>Total net assets - ending</b>	<b>\$ 1,209,350,527</b>	<b>\$ 405,946,783</b>	<b>\$ 86,060,509</b>		<b>\$ 233,759,588</b>
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds				(1,967,979)	
<b>Change in net assets of business-type activities</b>				<b>\$ 67,075,604</b>	

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



DOWNTOWN WEDNESDAY FARMER'S MARKET

**City of Portland, Oregon**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 206,963,404	\$ 107,703,270	\$ 69,440,529	\$ 384,107,203	\$ 48,054,049
Receipts from interfund services provided	2,517,052	4,025,014	(57,786)	6,484,280	115,528,003
Payments to suppliers	(9,559,183)	(13,645,889)	(44,298,967)	(67,504,039)	(57,463,448)
Payments to employees	(40,173,608)	(34,418,172)	(6,219,717)	(80,811,497)	(39,985,401)
Payments for interfund services used	(43,014,730)	(21,789,170)	(9,730,491)	(74,534,391)	(22,208,060)
Other payments	333,520	86,971	-	420,491	-
Claims paid	-	-	-	-	(42,289,402)
Net cash provided by operating activities	<u>117,066,455</u>	<u>41,962,024</u>	<u>9,133,568</u>	<u>168,162,047</u>	<u>1,635,741</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	119,037	50,630	15,907	185,574	34,620,895
Transfers out	(690,649)	(523,241)	(4,543,760)	(5,757,650)	(6,377,825)
Net cash provided (used) by noncapital financing activities	<u>(571,612)</u>	<u>(472,611)</u>	<u>(4,527,853)</u>	<u>(5,572,076)</u>	<u>28,243,070</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of bonds and notes	161,431,827	73,440,000	6,689,853	241,561,680	12,015,000
Premium on bonds and notes issued	-	1,951,293	-	1,951,293	1,040,270
Sale of capital assets	116,235	170,864	6,919	294,018	974,099
Acquisition of capital assets	(222,900,227)	(68,509,942)	(2,215,373)	(293,625,542)	(11,328,761)
Principal paid on bonds, notes and capital leases	(54,540,592)	(19,171,336)	(8,092,570)	(81,804,498)	(21,187,658)
Interest paid on bonds, notes and capital leases	(44,677,749)	(9,844,305)	(4,808,774)	(59,330,828)	(3,460,467)
Bond issuance costs	(124,150)	(268,832)	(10,639)	(403,621)	(47,529)
Net cash used by capital related financing activities	<u>(160,694,656)</u>	<u>(22,232,258)</u>	<u>(8,430,584)</u>	<u>(191,357,498)</u>	<u>(21,995,046)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	2,017,875	535,824	525,920	3,079,619	848,534
Net increase (decrease) in cash and cash equivalents	(42,181,938)	19,792,979	(3,298,949)	(25,687,908)	8,732,299
<b>CASH AND CASH EQUIVALENTS, July 1, 2009</b>	<u>149,795,124</u>	<u>69,573,477</u>	<u>44,165,006</u>	<u>263,533,607</u>	<u>139,283,041</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2010</b>	<u>\$ 107,613,186</u>	<u>\$ 89,366,456</u>	<u>\$ 40,866,057</u>	<u>\$ 237,845,699</u>	<u>\$ 148,015,340</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Asset:</b>					
Unrestricted cash and cash equivalents	\$ 52,151,004	\$ 39,584,067	\$ 26,269,526	\$ 118,004,597	\$ 145,597,166
Restricted cash and cash equivalents	55,462,182	49,782,389	14,596,531	119,841,102	2,418,174
Total	<u>\$ 107,613,186</u>	<u>\$ 89,366,456</u>	<u>\$ 40,866,057</u>	<u>\$ 237,845,699</u>	<u>\$ 148,015,340</u>

Continued next page

**City of Portland, Oregon**  
**Statement of Cash Flows, Continued**  
**Proprietary Funds**  
**For the Year Ended June 30, 2010**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	\$ 98,431,002	\$ 23,204,448	\$ 6,682,612	\$ 128,318,062	\$ (8,761,201)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization of capital assets	29,535,000	20,129,384	6,256,670	55,921,054	19,252,698
Provision for uncollectible accounts	1,380,583	1,029,366	-	2,409,949	-
Accounts and contracts receivable	1,295,950	(1,053,874)	(513,165)	(271,089)	(698,714)
Inventories	(66,176)	69,612	-	3,436	537,369
Checks and accounts payable	8,987,998	(624,929)	(3,430,990)	4,932,079	(8,582,279)
Accrued compensated absences	(3,464)	(992,049)	10,177	(985,336)	(283,884)
Due from (to) other funds	(531,751)	305,244	(21,807)	(248,314)	(94,189)
Internal loans receivable	(22,200,940)	-	-	(22,200,940)	-
Other assets	-	-	120,763	120,763	536,247
Deferred revenue	(184,354)	6,575	-	(177,779)	-
Accrued claims	-	-	-	-	(419,013)
Other accrued liabilities	230,119	(339,337)	-	(109,218)	-
Accrued other postemployment benefits	192,488	227,584	29,308	449,380	148,707
Net cash provided by operating activities	<u>\$ 117,066,455</u>	<u>\$ 41,962,024</u>	<u>\$ 9,133,568</u>	<u>\$ 168,162,047</u>	<u>\$ 1,635,741</u>
<b>Noncash information</b>					
Prepaid PERS amortization	\$ 1,124,180	\$ 1,167,583	\$ 114,938	\$ 2,406,701	\$ 558,060
Capital contribution	958,038	-	-	958,038	-
Increase (decrease) in fair value of investments (classified as cash equivalents)	(1,427,627)	(760,626)	(316,332)	(2,504,585)	(1,448,073)

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

**City of Portland  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2010**

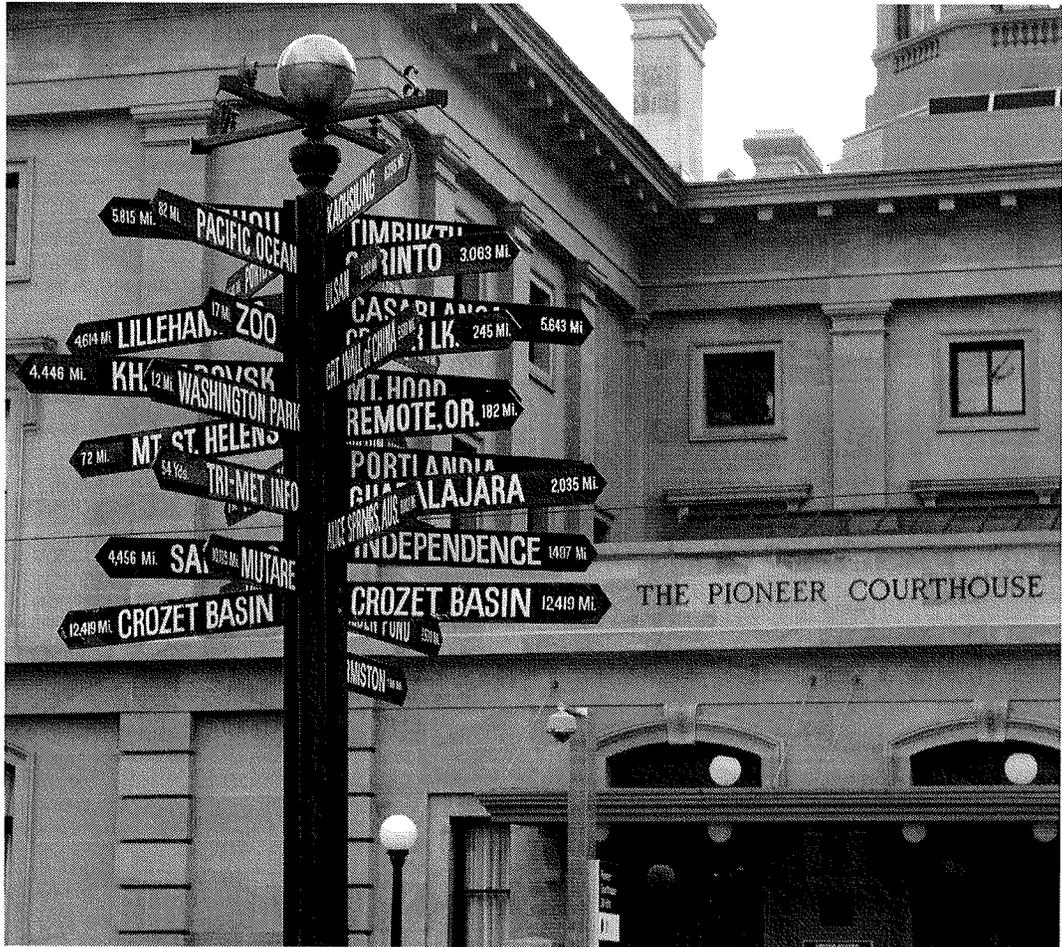
	<u>Pension Trust</u>	<u>Agency</u>
<b>ASSETS</b>		
Current assets (unrestricted):		
Cash and investments	\$ 18,260,727	\$ 43,291,495
Receivables:		
Accounts, net	49,213	199,689
Accrued interest	185,429	7,759
Due from other funds	6,782,859	-
Prepaid expenses	351,293	-
	<hr/>	<hr/>
Total current assets	25,629,521	43,498,943
Capital assets:		
Equipment	28,821	-
Computer software	282,065	-
Accumulated depreciation and amortization	(270,332)	-
	<hr/>	<hr/>
Net capital assets	40,554	-
	<hr/>	<hr/>
Total assets	25,670,075	\$ 43,498,943
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accounts payable	8,099,312	\$ 11,780,060
Salaries and withholding taxes	-	24,280,786
Compensated absences	349,557	-
Other liabilities	-	-
Accrued interest payable	74,613	7,438,097
Bonds payable	489,863	-
Other postemployment benefits	21,306	-
	<hr/>	<hr/>
Total liabilities	9,034,651	\$ 43,498,943
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	40,554	
Held in trust for pension benefits	16,594,870	
	<hr/>	
Total net assets	\$ 16,635,424	
	<hr/>	

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

**City of Portland**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

	<b>Pension Trust</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 108,147,499
Plan member	12,421
Other	56,146
Total contributions	108,216,066
Investment earnings	382,255
Total additions	108,598,321
<b>DEDUCTIONS</b>	
Benefits and refunds paid to plan members and beneficiaries	100,451,283
Refunds	17,207
Administrative expenses	3,184,652
Total deductions	103,653,142
Change in net assets	4,945,179
Net assets - beginning, as previously reported	11,630,061
Restatement (See Note I.D.14.)	60,184
Net assets - beginning, as restated	11,690,245
Net assets - ending	\$ 16,635,424

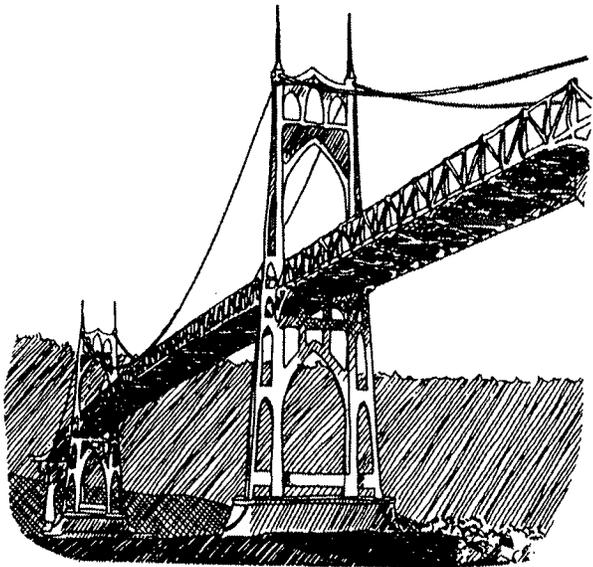
The accompanying notes are an integral part of the basic financial statements.



ALL ROADS START FROM PORTLAND

# Notes to the Financial Statements

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St. John's Bridge, 1931

City of Portland, Oregon  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

**A. Reporting entity:**

The territory of Oregon incorporated the City of Portland (City) in 1851: eight years prior to the year Oregon was granted statehood in 1859. The State of Oregon granted a new charter to the City of Portland in 1903. Voters approved an extensive revision to the City Charter, which established a commission form of government in 1913. The City Council, composed of an elected mayor and four commissioners, forms the legislative branch of the City government. The Council and an elected City Auditor manage City departments.

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

- Appointment by the City of a majority of voting members of the governing body of an organization, and ability to impose its will on the daily operations of an organization, such as power to remove appointed members at will; to modify or approve budgets, rates or fees; or to make other substantive decisions; or provision by the organization of specific financial benefits to the City; or imposition by an organization of specific financial burdens on the City, such as assumption of deficits or provision of support; or
- Fiscal dependency by the organization on the City such as lack of authority to determine a budget, approve rates or issue its own bonded debt without City approval.

*Blended component units* although legally separate entities, are, in substance, part of the government's operations. Their sole purpose is to provide services entirely to or exclusively for the City or the City Council as the governing body. The *discretely presented component unit* is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City, its governing body is not substantially the same as the City's governing body and it does not provide services entirely or exclusively to the City government.

**Blended component unit - Fire and Police Disability and Retirement Fund**

The Fire and Police Disability and Retirement Fund (FPD&R) was established by adoption of Chapter 5 of the City Charter by voters in a general election held on November 2, 1948. Voters have made nine subsequent amendments, the last one being November 6, 2007. The FPD&R provides "for the benefit of the sworn employees of Portland Fire and Rescue, and 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](mailto:FPDR@ci.portland.or.us), URL: <http://www.portlandonline.com/index.cfm?c=41134&> or by phone: (503) 823-6823.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

**A. Reporting entity**, continued:

Discretely presented component unit - Portland Development Commission

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

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

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Segments are identified as individual enterprise funds. Segment information for the major funds, Sewage Disposal and Water, is provided in separate columns in the Statement of Net Assets: Proprietary Funds. Segment information for nonmajor enterprise funds is provided in the Combining Statement of Net Assets and the Combining Statement of Revenues, Expenses and Changes in Fund Net Assets. *Program revenues* include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, though agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

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

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

Significant revenues, measurable and available for the fiscal year ended June 30, 2010, under the modified accrual basis of accounting were as follows:

- Federal and state grants (to the extent that revenues are earned as eligible expenditures are incurred)
- State, county and local shared revenues of business license taxes, liquor taxes and other taxes
- Property taxes collected within sixty days following year-end

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

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

The City reports the following major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

Additionally the City reports the following fund types:

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

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

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

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

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

*Permanent funds* account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs for the benefit of the City and its citizenry.

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

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

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

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

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

The Parks Endowment Fund, the City's only permanent fund, accounts for gifts, donations, and endowments of a permanent nature. The principal is invested and earnings are available to support Parks and Recreation programs and activities. Any income not used under the terms and conditions of the original donation shall apply to increase the trust reserve.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

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

Specific fund changes

During the fiscal year ended June 30, 2010, there was one fund established:

Special Revenue Fund:

Tax Increment Reimbursement Fund – This fund was established to coincide with the creation of the Portland Housing Bureau to account for restricted tax increment financing that will now be received by the City to pay for certain functions that used to be done by the Portland Development Commission.

During the fiscal year ended June 30, 2010, there was one fund closure:

Special Revenue Fund:

Business License Surcharge Fund – This fund was closed to the General Fund.

**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 Statements of Cash Flows. In general, interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

Oregon Revised Statutes (ORS) 294, authorizes the City and component units to invest primarily in general obligations of the U.S. Government and its agencies and instrumentalities of the U.S. or enterprises sponsored by the U.S. Government and obligations whose payment is guaranteed by the U.S., the agencies and instrumentalities of the U.S. or enterprises sponsored by the U.S. Government, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper and the State Treasurer's Local Government Investment Pool (LGIP).

2. Receivables and payables

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

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

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

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

2. Receivables and payables, continued:

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

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

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

Accounts payable to vendors and contractors include general accounts payable, retainage payable, deposits payable and other accrued contingent liabilities not included in short-term or long-term liabilities.

3. Inventories and Property Held for Sale

Inventories are stated at average cost. Expenditures are recognized in governmental funds when inventories are purchased for budgetary reporting. Inventories are expensed as used.

Land and related buildings and improvements acquired for the purpose of redevelopment and sale are recognized as assets and stated at the lower of cost (including costs of appraisal, demolition, and relocation) or net realizable value and are offset by a reservation of fund balance. Upon final disposition or a decline in the value of the property, gain or loss is charged or credited to operations. As of June 30, 2010, the City did not hold any property for sale.

4. Prepaid items

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

5. Restricted amounts

Certain assets are classified as restricted assets because their use is limited by parties external to the City. Parties external to the City include citizens, creditors, grantors, public interest groups, other governments, and the courts. Restrictions may also be imposed by laws through constitutional provisions or legally enforceable enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources, as they are needed.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

All land, buildings, permanent land use rights, and permanent owning rights are capital assets with no minimum cost threshold. Infrastructure, land improvements, and internally generated software are capitalized with total costs of \$10,000 or more. Equipment, term land use rights, term owning rights, and other computer software with a cost of \$5,000 or greater are capitalized. Dollar thresholds for capital lease assets are the same amount as the purchased capital asset counterpart.

Land use rights include: easements, rights of way, water, timber, air and mineral rights which grant the City the ability to use, obtain, harvest, mine, or otherwise use resources on land not owned by the City. Owning rights include: trademarks, copyrights, and patents.

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. Beginning in fiscal year 2008-09, salvage values are no longer used except for vehicles.

The estimated useful lives of capital assets are:

- Buildings & building improvements – 10 to 50 years
- Improvements to land – 20 to 50 years
- Equipment – 3 to 20 years
- Infrastructure – 20 to 100 years
- Term land use rights – depends on term of contract
- Term owning rights – depends on term of contract
- Computer software – internally generated – 7 to 17 years
- Computer software – other software – 1 to 10 years

Works of art and historical treasures held 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 2010 were \$80,940,222, of which \$25,841,651 was capitalized for a net interest expense of \$55,098,571.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

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

8. Leases

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

9. Compensated absences

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

10. Long-term obligations

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

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

11. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. A portion of net assets for proprietary funds has been segregated from unrestricted net assets 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 capital projects and parks endowments have been segregated from unreserved fund balance in governmental funds to indicate that this amount does not represent available expendable resources.

12. Statement of cash flows

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

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

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

13. Use of estimates

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

14. Restatement and prior period adjustment

On July 1, 2009 the City of Portland implemented Governmental Accounting Standards Board Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*. GASB 51 requires governments to report the estimated historical cost for intangible assets that were acquired in fiscal years ending after June 30, 1980, resulting in a retroactive application and restatement of net assets. See Note I.E. Adoption of new GASB pronouncements for the total effect on beginning net assets, and Note III.E. Capital assets for details due to this implementation.

In addition, a prior period adjustment has been made for assets recorded prematurely for the Portland Interstate 205/Mall Light Rail Project. The City originally capitalized \$30.4 million based on a summary report that was found to be an estimated projection. The Interagency Agreement states that assets constructed during the project belong to TriMet, and that TriMet and the City will mutually agree as to which Transit Mall Project assets transfer to, and become the responsibility of the City of Portland when the project is complete. The \$30.4 million of infrastructure assets that were capitalized as of fiscal year ending June 30, 2009 have been reversed along with a reduction of program revenue for donated assets in the governmental activity of transportation and metered parking in the Statement of Activities. This results in a decrease to the change in net assets of \$30.4 million. The net assets reported at June 30, 2009, are decreased by \$30.4 million as a result of this error.

The total change in net assets as previously reported for the fiscal year ending June 30, 2009 was (\$156.2) million. The adoption of GASB 51 decreased the total change in net assets previously reported in total by \$5.9 million. Additionally, the prior period adjustment decreased the total change in net assets by \$30.4 million. The combination of the restatement and the prior period adjustment resulted in a restated change in net assets of (\$180.7) million for the fiscal year ending June 30, 2009, as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Fiduciary Activities</u>
Change in net assets at June 30, 2009, as previously reported	\$ (219,622,325)	\$ 63,469,431	\$ (156,152,894)	\$ 6,187,568
Restatement of beginning net assets:				
Adoption of GASB Statement No. 51	5,212,077	668,499	5,880,576	60,184
Prior period adjustment:				
Transportation's capital assets	(30,395,077)	-	(30,395,077)	-
Net change in net assets	(25,183,000)	668,499	(24,514,501)	60,184
Change in net assets at June 30, 2009, as restated	<u>\$ (244,805,325)</u>	<u>\$ 64,137,930</u>	<u>\$ (180,667,395)</u>	<u>\$ 6,247,752</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

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

14. Restatement and prior period adjustment, continued:

The following is a reconciliation of net assets previously reported as of June 30, 2009 to the beginning net assets balance due to the adoption of GASB 51, which resulted in a restatement of beginning net assets, and the prior period adjustment for Transportation's capital assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Fiduciary Activities</u>
Net assets at June 30, 2009, as previously reported	\$ 809,412,997	\$ 1,636,184,552	\$ 2,445,597,549	\$ 11,630,061
Restatement of beginning net assets:				
Adoption of GASB Statement No. 51	5,212,077	668,499	5,880,576	60,184
Prior period adjustment:				
Transportation's capital assets	(30,395,077)	-	(30,395,077)	-
Net change in net assets	(25,183,000)	668,499	(24,514,501)	60,184
Net assets at June 30, 2009, as restated	<u>\$ 784,229,997</u>	<u>\$ 1,636,853,051</u>	<u>\$ 2,421,083,048</u>	<u>\$ 11,690,245</u>

15. Net assets and fund balances

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus of the statement.

On the government-wide *Statement of Net Assets*, the proprietary funds' *Statement of Net Assets*, and the fiduciary funds' *Statement of Fiduciary Net Assets*, net assets are segregated into three categories: net assets invested in capital assets, net of related debt, restricted and unrestricted net assets.

**Net assets invested in capital assets, net of related debt** represents total capital assets less accumulated depreciation less debt directly related to capital assets plus unspent bond proceeds. This amount is reported on the *Statements of Net Assets*.

**Restricted net assets** are those whose use is *not* subject solely to the government's own discretion. Restrictions may be placed on net assets by an external third party that provided the resources, laws or regulations of other governments, by enabling legislation, endowments, or by the nature of the asset.

**Unrestricted surplus (deficit)** net assets represent amounts not included in other categories.

On the *Balance Sheet – Governmental Funds*, assets in excess of liabilities are reported as fund balances and are segregated between reserved and unreserved amounts.

**Reserved** fund balances include the portion of fund balance related to assets that are not available for spending in the subsequent year's budget such as: long-term loans receivable, inventories, property held for sale, and prepaid items for any and all purposes of the fund. Fund balance should be reserved in situations where legal restrictions impose a limitation narrower than the purpose of the fund itself.

**Unreserved** fund balances are generally available for appropriate general use within the fund.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

**E. Adoption of new GASB pronouncements:**

During the fiscal year ended June 30, 2010, the City implemented the following GASB Pronouncements:

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets.

Issued June 2007, the objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of state and local governments. This Statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable and that it must be treated like capital assets. Additionally, this Statement establishes a specified-conditions approach to recognizing intangible assets that are internally generated. GASB 51 is effective for the City fiscal year ended June 30, 2010. GASB 51 requires governments to report the estimated historical cost for these intangible assets that were acquired in fiscal years ending after June 30, 1980, resulting in a retroactive application. Beginning net assets for the City have been restated due to the adoption of GASB 51. Additional information on intangible assets can be found in Note I.D. 14. Restatement and prior period adjustment and Note III.E. Capital assets.

GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.

Issued June 2008, the objective of this Statement is to improve the recognition, measurement, and disclosures regarding derivative instruments, thereby improving the understandability of a government's resources available to provide services. Though the changing financial and commodity prices result in changing cash flows and fair values that can be used as effective risk management or investment tools, there is significant exposure to risks and liabilities. Disclosure requirements include the objectives, terms and risks of hedging derivative instruments, a summary of the activity that provides an indication of the location of fair value amounts reported in the financial statements. GASB 53 is effective for the City, fiscal year ended June 30, 2010. Management has reviewed the requirements of this standard and has determined there is no impact as the City does not own or invest in any derivatives.

**F. Future adoption of GASB pronouncements:**

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2010:

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Issued February 2009, the objective of this Statement is to improve the usefulness and understandability of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users better understand the purposes for which governments have chosen to use particular funds for financial reporting. GASB 54 will be effective for the City fiscal year ending June 30, 2011.

GASB Statement No. 59, Financial Instruments Omnibus.

Issued June 2010, the objective of this Statement is to update and improve the accounting and financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. GASB 59 will be effective for the City fiscal year ending June 30, 2011.

GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements.

Issued November 2010, the objective of this Statement is to improve financial report by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement establish recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. GASB 60 will be effective for the City fiscal year ending June 30, 2013.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

**F. Future adoption of GASB pronouncements, continued:**

GASB Statement No. 61, *The Financial Reporting: Omnibus*.

Issued November 2010, the objective of this Statement is to improve financial reporting for a governmental financial reporting entity and amends Statement No. 14, *The Financial Reporting Entity*, and Statement no. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. The requirement of GASB 61 result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. GASB 61 will be effective for the City fiscal year ending June 30, 2013.

The City of Portland will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City is currently evaluating if the above listed new GASB pronouncements will have a significant financial impact to the City or in issuing its financial statements.

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

**A. Budgetary information:**

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

The City legally adopts its budget annually for all funds prior to July 1st through passage of an ordinance. This budget ordinance authorized positions and established appropriations for the fiscal year by bureau, fund and major categories of expenditures. The legal level of appropriation is established for bureau program expenses, total interfund cash transfers, total debt service and related expenditures, and contingencies for each fund, and for the General Fund at the appropriation unit level. Bureau program expenses include the major object categories: personal services, materials and services, General fund overhead and capital outlay. Special appropriations are budgeted at the fund level, across functional areas, within the General fund. The City budgets on the modified accrual basis of accounting.

Budgets may be modified during the fiscal year through different means. Bureau managers, without City Council's approval, may request a transfer of appropriations between line items within major object categories, provided transfers do not affect total appropriations. In addition, bureaus may transfer appropriations between major object categories with the permission of their commissioner-in-charge, provided the adjustments do not affect total appropriations. However, most appropriation transfers happen during one of the four supplemental budget processes during the year (Budget Monitoring Process).

Bureaus are allowed to amend the budget via ordinance outside the Adopted Budget and Budget Monitoring Process with City Council approval. All new grant awards received mid year go before Council for budget amendment approval.

Intrafund activity has been eliminated from the Schedules of Revenues and Expenditures – Budget and Actual. The City has discontinued budgeting for intrafund transfers within the same business area, but will continue to budget intrafund transfers that cross business areas.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

**B. Interfund loans:**

Loans from one fund to another are permitted whenever the loan is authorized by official resolution or ordinance of the governing body per Oregon Revised Statutes (ORS) 294.460. The City made \$13.9 million in interfund loans without a formal ordinance.

<u>Nonmajor Special Revenue Funds</u>	
Grants	\$ 13,416,486
Housing and Community Development	384,239
Total nonmajor special revenue funds	13,800,725
<u>Major Enterprise Fund</u>	
Water	97,715
Total	\$ 13,898,440

**C. Expenditures in excess of appropriations:**

State law requires a supplemental budget to increase appropriations when unexpected additional resources become available. A supplemental budget is also required to transfer appropriations from a fund's operating contingency during the fiscal year. The supplemental budget process requires a public hearing, advance notice by newspaper publication, and City Council approval. The City adopted four supplemental budgets and made a number of appropriation transfers requiring approval by the City Council during the year ended June 30, 2010.

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. However, local budget law exempts reporting of over appropriations for a variety of situations related to the issuance, repayment and refunding of bonds as defined in ORS 294.326 (5-6). This includes bonds issued under revenue bond authority as defined in ORS 287A.150 for which the referral period described in that statute ended after the preparation of the budget for the current budget year.

For the fiscal year ended June 30, 2010, three funds had expenditures for debt service and related costs over appropriations that were exempt from supplemental budgetary requirements per ORS 294.326(5)(c) and ORS 294.483(1)(c): the Bonded Debt Interest and Sinking, Water Bond Sinking and Technology Services Funds.

Though Parks and recreation reports special appropriation expenditures in excess of budgeted appropriations, total General fund special appropriations across functional areas are under budget by \$.5 million. Several other funds: Emergency Communications, BFRES Facilities GO Bond Construction, Water, and Fire and Police Disability and Retirement, were within budget at the bureau program level, but exceeded budget at the major object category (see Note II.A. above).

The Business License Surcharge fund was closed into the General fund as of June 30, 2010. All expenditures in excess of budgeted appropriations in the fiscal year ended June 30, 2010 were funded by additional revenue or available fund balance.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

**C. Expenditures in excess of appropriations, continued:**

For the fiscal year ended June 30, 2010, the following funds had total expenditures in excess of budgeted appropriations:

<u>General Fund</u>	
Community Development	
Office of Neighborhood Involvement	
Program expenses	\$ 534,612
<u>Nonmajor Special Revenue Funds</u>	
Property Management License	
Program expenses	231,862
Business License Surcharge	
Transfer to other Fund	2,843
Housing Investment	
Transfer to other Fund	293,356

The payment of any operating loans not repaid within the year or budget period in which the operating loan was made must be budgeted in the ensuing year per ORS 294.460(3). For the fiscal year ended June 30, 2010, the following funds had internal loan remittances in excess of budgeted appropriations:

General Fund	\$ 16,943,120
<u>Major Special Revenue Fund</u>	
Transportation Operating	5,443,513
<u>Major Enterprise Funds</u>	
Sewer System Operating	1,769,095
Sewer System Rate Stabilization	21,700,000
Water	305,244
<u>Nonmajor Governmental Funds</u>	
Emergency Communication	27,638
Transportation Reserve	2,494,354
Grants	9,599,157
Housing and Community Development	2,066,379
HOME Grant	1,867,649
Bancroft Bond Interest and Sinking	1,500,000
<u>Internal Service Funds</u>	
Facilities Services Operating	113,491
CityFleet Operating	74,743
Technology Services	64,996

The internal loan remittances in excess of budgeted appropriations above are a combination of repayments of internal loans that were made during fiscal year ending June 30, 2009 and new loans initiated during fiscal year ending June 30, 2010. Of these overages in the table above, those that are in violation of budget law, ORS 294.460(3), are the following:

<u>Nonmajor Special Revenue Funds</u>	
Grants	\$ 9,501,441
Housing and Community Development	2,066,379
HOME Grant	1,867,649

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

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

**D. Deficit fund equity:**

Oregon state law requires fund disclosure of deficit fund balances/total net assets. At June 30, 2010, two funds had a deficit balance reported in the Schedule of Revenues and Expenditures - Budget and Actual, and thus in the GAAP basis financial statements.

<u>Nonmajor Special Revenue Funds:</u>	<u>Budgetary Basis</u>	<u>GAAP Basis</u>
Grants	\$20,637,958	\$52,186,791
Home Grant	109,192	109,192

The activities for these funds are reported in the governmental activities on the statement of activities. The deficits were the result of the design of the new financial system which tracks all grants related expenditures in a central grants fund. Since almost all grants are reimbursable, there is a delay between when expenditures are incurred and the processing of the related billing.

**III. Detailed notes:**

**A. Cash and investments:**

Cash and investments for the primary government are comprised of governmental and business-type activities. The balances at June 30, 2010 are:

	<u>Primary Government</u>	<u>Component Unit (PDC)</u>	<u>Total</u>
Cash on hand	\$ 19,780	\$ 500	\$ 20,280
Deposits with financial institutions	10,671,034	438,019	11,109,053
Cash & Investments	561,531,825	105,967,612	667,499,437
Total primary government	572,222,639	106,406,131	678,628,770
Fiduciary Investments	61,552,222	62,312	61,614,534
Total Government	<u>\$ 633,774,861</u>	<u>\$ 106,468,443</u>	<u>\$ 740,243,304</u>

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Fiduciary Activities</u>	<u>Total Government</u>	<u>Component Unit (PDC)</u>
Unrestricted	\$ 248,114,306	\$ 118,004,597	\$ 366,118,903	\$ 61,552,222	\$ 427,671,125	\$ 106,206,131
Restricted	86,262,634	119,841,102	206,103,736	-	206,103,736	200,000
Total	<u>\$ 334,376,940</u>	<u>\$ 237,845,699</u>	<u>\$ 572,222,639</u>	<u>\$ 61,552,222</u>	<u>\$ 633,774,861</u>	<u>\$ 106,406,131</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**A. Cash and investments, continued:**

Restricted cash and investments

Cash and investments at June 30, 2010 that are restricted by legal or contractual requirements are comprised of the following:

<u>Governmental activities:</u>	
Transportation fund:	
Capital projects	\$ 22,807,029
Less: Intrafund loan	<u>(21,297,695)</u>
Net Transportation fund	1,509,334
Nonmajor governmental funds:	
Debt service	57,814,848
Federal and state grants	117,601
Voter approved special levies	16,410,860
Capital projects	10,227,868
Permanent endowment	<u>182,123</u>
Total governmental activities	<u>86,262,634</u>
<u>Business-type activities:</u>	
Sewer operations enterprise funds:	
Capital projects	<u>\$ 55,462,182</u>
Water operations enterprise funds:	
Debt service for capital projects related debt	<u>49,782,389</u>
Hydroelectric power enterprise funds:	
Debt service	4,533,559
Renewal and replacement	<u>9,411,621</u>
Total Hydroelectric power enterprise funds	<u>13,945,180</u>
Other Nonmajor Enterprise funds	<u>651,351</u>
Total business-type activities	<u>119,841,102</u>
Total primary government restricted cash	<u>\$ 206,103,736</u>
Component unit activities	<u>200,000</u>
Total restricted cash and investments	<u>\$ 206,303,736</u>

The Transportation Operating Fund has remaining restricted cash of \$22.8 million from System Development Charges (SDC). This includes an intrafund loan of \$21.3 million of SDC cash for operating purposes (intra fund activity has been eliminated for government-wide reporting.) These funds will be restored with interest and made available for SDC projects. SDC interest earnings for fiscal year ending June 30, 2010 are \$268,463.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**A. Cash and investments, continued:**

Deposits

Primary government

Custodial credit risk—deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's deposit policy is in accordance with ORS 295. All deposits are collateralized with eligible securities in amounts determined by the Office of the State Treasurer (OST). The City's deposit policy requires that all deposits are covered by the Federal Deposit Insurance Corporation (FDIC), and/or are collateralized as required by and in compliance with ORS 295. The bank balance is covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers. As of June 30, 2010, the book value of all the City's deposits was \$41.5 million.

The FDIC's standard insurance amount currently is \$250,000 per depositor. The \$250,000 limit is permanent for certain retirement accounts (includes IRAs) and is temporary for all other deposit accounts through December 31, 2013. On January 1, 2014, the standard insurance amount will return to \$100,000 per depositor for all deposit accounts except certain retirement accounts, which will remain at \$250,000 per depositor.

The OST's custodian, Federal Home Loan Bank of Seattle, is the agent of the depository bank. The securities pledged are designated as subject to the Pledge Agreement between the Depository Bank, Custodian Bank and OST are held for the benefit of the OST on behalf of the public depositors.

Component Unit - Portland Development Commission:

Total deposits for PDC were \$123,774 of which 100 percent was covered by Federal Deposit Insurance Corporation.

Investments

Primary government

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 \$882,133 for fiscal year ended June 30, 2010.

The City's investment policy, developed annually by the Office of Management and Finance, after consulting with the City's Investment Advisory Committee (IAC), is adopted annually by the City Council and forwarded to the Oregon Short-Term Fund Board for review. The IAC was established pursuant to City Code section 3.88.010 and is comprised of public members who serve without compensation and have industry experience in areas of finance, investment or economics. The public members are appointed by the Commissioner in Charge, with approval by City Council and serve two-year terms. The Oregon Short-Term Fund Board consists of the State Treasurer and six members appointed by the Governor and the State Treasurer.

The City does not invest in any form of derivatives or reverse repurchase agreements and does not leverage its investment portfolio in any manner. The City purchases investments only through designated Primary Government Securities Dealers approved by the Federal Reserve Bank of New York, or broker/dealers approved by the Chief Administrative Officer or designee in consultation with the City Treasurer and the IAC.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**A. Cash and investments, continued:**

Investments, continued:

Investments in the LGIP are included in the Oregon Short-Term Fund, which is not registered with the U.S. Securities and Exchange Commission as an investment company. The fair value of the LGIP is the same as the value of the pool shares. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board.

The following investments are permitted under the City's investment policy as well as by ORS 294.035 and ORS 294.810:

- United States Treasury Debt Obligations
- United States Agency Debt Obligations
- Bankers' Acceptances
- Commercial Paper Issued by U.S. Corporations
- Interest Bearing Deposits in State of Oregon Financial Institutions Collateralized with Securities as required by Oregon Revised Statutes 295
- State of Oregon Local Government Investment Pool
- Repurchase Agreements Secured by United States Treasury Debt Obligations
- Corporate Debt Obligations Guaranteed by: the United States Government, the Federal Deposit Insurance Corporation (FDIC), or any other United States Government Agency that Sponsors Commercial Deposit or Credit Default Protection Insurance

Interest rate risk. As of June 30, 2010, the weighted average maturity of the City's investment portfolio was 0.81 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted average maturity of eighteen months. In addition, no more than 50 percent of the projected lowest cash balance may be invested in securities with a maturity range beyond two years. All other funds must be invested in less than two-year maturities and must meet the City's cash flow requirements. Investments with maturities greater than two years may be purchased only with the approval of the IAC.

Credit risk. Credit risk is the financial risk of not receiving principal and interest when due from an issuer. The types of investments permitted by the Investment Policy seeks to minimize this risk by the conservative nature of the permissible investments and by establishing safe limits on the level of investments with Oregon financial institutions and issuers of commercial paper and monitoring their credit quality on an ongoing basis. A portfolio policy stressing a relatively short maturity serves to additionally minimize credit risk.

The City's investments in United States Treasury and Agency Obligations have short-term credit ratings of A-1 / P-1 / F1, by Moody's Investor Services, Standard & Poor's, and Fitch Ratings respectively. The City's investments in United States Treasury and Agency Obligations have long-term credit ratings of Aaa / AAA / AAA, by Moody's Investor Services, Standard & Poor's, and Fitch Ratings respectively. As of June 30, 2010, the LGIP was not rated.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**A. Cash and investments, continued:**

Investments, continued:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments				
	Moody's Investor's Service	Standard & Poor's	Fitch Ratings	Percentage of Total Investments
Federal Home Loan Banks	Aaa	AAA	AAA	38.77%
Federal Home Loan Mortgage Corporation	Aaa	AAA	AAA	7.50%
Federal National Mortgage Association	Aaa	AAA	AAA	21.13%
Federal Farm Credit Bank	Aaa	AAA	AAA	15.37%
United States Guaranteed Corporate Bonds	Aaa	AAA	AAA	4.14%
Total United States Agency Debt Obligations				86.91%
United States Treasury Debt Obligations				3.39%
Banker's Acceptances				4.04%
Time / Interest Bearing Deposits				5.63%
State of Oregon Local Government Investment Pool				0.03%
Total Investments				100.00%

Concentration of credit risk. Of the City's total investments as of June 30, 2010, 86.9 percent were United States Agency Debt Obligations or short-term investments (see the table above for the individual distribution). Banker's Acceptances and the State of Oregon Local Government Investment Pool are not explicitly guaranteed by the United States Government and were 4.07 percent of the City's total investments. The City's investment policy addresses credit risk concentration by limiting both the types and amounts of securities that may be held in the portfolio. These portfolio restrictions vary based upon the investment type and issuer. These restrictions as well as other information contained in the City's investment policy are located at:

<http://www.portlandonline.com/auditor/index.cfm?id=47787&a=272769>.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy complies with ORS 294.035 and ORS 294.810 that lists acceptable investments that are identified below. As of June 30, 2010, the City had no investments that were held by either counterparty or the counterparty's trust department agent. Therefore, the City has no outstanding investments that were exposed to custodial credit risk.

As of June 30, 2010, the City had the following investments and maturities (this table includes fiduciary funds):

Investment Type	Book Value	Fair Value				Weighted Average Maturity (Years)
		Fair Market Value	Non Maturity Rated	Investment Maturity (Years)		
				Less Than 1	1 - 5	
U.S. Treasuries	\$ 25,023,347	\$ 25,023,347	\$ -	\$ 25,023,347	\$ -	0.01
U.S. Agencies	639,787,672	640,993,398	-	384,404,825	256,588,574	0.91
Bankers' acceptances	29,825,218	29,825,218	-	29,825,218	-	0.32
Time/interest bearing deposits	41,460,000	41,460,000	41,460,000	-	-	
Local government pool	194,430	194,430	194,430	-	-	
Total	\$ 736,290,667	\$ 737,496,393	\$ 41,654,430	\$ 439,253,390	\$ 256,588,574	

Portfolio weighted average maturity

0.81

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**B. Receivables and payables**

Receivables

Receivables (other than loans) as of June 30, 2010, are as follows:

	Governmental Activities				Total
	General	Transportation Operating	Nonmajor Funds	Internal Service	
Taxes	\$ 18,871,533	\$ -	\$ 7,716,125	\$ -	\$ 26,587,658
Accounts	23,026,354	6,049,984	4,908,982	2,184,825	36,170,145
Assessments	53,804	429,578	81,803,731	-	82,287,113
Advances	1,403,812	-	1,831,477	-	3,235,289
Grants	-	-	62,231,825	-	62,231,825
Interest	259,344	20,607	576,065	399,789	1,255,805
<b>Total receivables</b>	<b>43,614,847</b>	<b>6,500,169</b>	<b>159,068,205</b>	<b>2,584,614</b>	<b>211,767,835</b>
Allowance for doubtful accounts	(506,450)	(20,838)	-	(45,650)	(572,938)
<b>Receivables, net</b>	<b>\$43,108,397</b>	<b>\$ 6,479,331</b>	<b>\$ 159,068,205</b>	<b>\$2,538,964</b>	<b>\$211,194,897</b>
Not scheduled for collection during the subsequent year	\$ -	\$ 127,665	\$ 66,531,210	\$ -	\$ 66,658,875
Delinquent special assessments	\$ 53,804	\$ 294,707	\$ 8,475,903	\$ -	\$ 8,824,414

	Business-type Activities			Total
	Sewage Disposal	Water	Nonmajor Funds	
Accounts	\$41,133,038	\$ 16,599,110	\$ 1,643,822	\$ 59,375,970
Assessments	2,997,035	102,448	-	3,099,483
Advances	-	-	60,000	60,000
Interest	560,514	335,572	157,591	1,053,677
<b>Total receivables</b>	<b>44,690,587</b>	<b>17,037,130</b>	<b>1,861,413</b>	<b>63,589,130</b>
Allowance for doubtful accounts	(4,171,627)	(2,397,311)	-	(6,568,938)
<b>Receivables, net</b>	<b>\$40,518,960</b>	<b>\$ 14,639,819</b>	<b>\$ 1,861,413</b>	<b>\$57,020,192</b>
Not scheduled for collection during the subsequent year	\$ 2,608,176	\$ 19,649	\$ -	\$ 2,627,825
Delinquent special assessments	\$ 222,444	\$ 172	\$ -	\$ 222,616

Some special assessments in the Transportation Operating, other Nonmajor Governmental, Sewage Disposal, and Water Funds are not expected to be collected within one year. City special assessment liens are defined as being delinquent once they are 30 days past due. This applies to assessments that cannot be financed, or to those that have entered into a financing repayment contract. Certain special assessments have not been financed but are under deferral status and are not deemed delinquent. Delinquent special assessments total \$9.05 million.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**B. Receivables and payables, continued:**

Loans Receivable

HUD Section 108 Loan Guarantees

The City of Portland has entered into contracts with the U.S. Department of Housing and Urban Development (HUD) as guarantor for guarantees made under HUD's Section 108 Loan Guarantee Program ("Program"). The Program, regulated by federal guidelines in 24 CFR 570, Subpart M, "Loan Guarantees," is a source of financing allotted for economic development, housing rehabilitation, public facilities rehabilitation, construction or installation for the benefit of low-to moderate-income persons, or to aid in the prevention of slums.

HUD contracts for loan guarantee assistance contain certain security provisions. The primary security is a pledge by the City of its current and future Community Development Block Grant (CDBG) funds. The City provides additional security for each Guaranteed Loan, which must be acceptable to HUD. The additional security, as specified by federal regulation 24 CFR 570.705(b)(1), is identified in the individual contracts executed at the time each Guaranteed Loan is issued, and may include assets financed by the guaranteed loan.

Finally, the loan guarantee contracts provide that HUD may use existing pledged grants to prepay (or defease) the Guaranteed Loan if HUD determines that the standard pledge of future CDBG funds is insufficient to assure payment of amounts due there under. HUD reserves the right to require further security, and the City may substitute other collateral subject to HUD's approval.

Contract B-08-MC-41-0003 – Housing Preservation Loan Fund Project. In April, 2009, the City of Portland received approval confirmation from the U. S. Department of Housing and Urban Development (HUD) for the City's request for loan guarantee assistance of up to \$15 million under Section 108 of the Housing and Community Development Act of 1974. City Ordinance number 182873, dated June 3, 2009, duly authorized acceptance of the funds from HUD and the creation of the Portland Housing Preservation Fund to facilitate related transactions. On December 21, 2009, the City signed contract ("Contract") number B-08-MC-41-0003 with the HUD for the loan guarantee assistance, as well as two related contracts for specific guaranteed loan note commitments. Guaranteed loan note commitments are executed with third-party borrowers under the HUD Section 108 program guidelines. These borrowers are scheduled to make periodic pass-through payments to the City, and the City will make annual principal and semi-annual interest payments to HUD.

As of June 30, 2010, the City had two outstanding loans receivable under the HUD Section 108 Loan Guarantee program Contract B-08-MC-41-0003 totaling \$2.5 million, for which the City is contingently liable. Further information on these two loans is available in Note III.H. Long-term debt. Each loan was executed with a promissory note ("Note") signed by the borrower. Loan details are presented in the table below.

<u>Borrower Name</u>	<u>Maximum Principal</u>	<u>Principal Disbursed As of 6/30/2010</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Cash Flows Begin Date</u>	<u>Allowance</u>
Roselyn Renewal, LLC	\$ 830,000	\$ 796,994	0.5%	June, 2059	4/1/2011	\$ 757,144
REACH Walnut Partner, LP	1,641,000	1,604,067	0.5%	May, 2071	4/1/2012	1,523,864
	<u>\$ 2,471,000</u>	<u>\$ 2,401,061</u>				<u>\$ 2,281,008</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**B. Receivables and payables**, continued:

Loans Receivable, continued:

Annual April repayment amounts are based on each borrower's excess cash flow level as defined in each of the Notes. An allowance for uncollectibility was established at 95 percent on the loans based on their being cash flow type and non-amortized. Annual City repayments are subsequently due to HUD on August 1, beginning in 2010 and maturing on August 1, 2029, in accordance with the corresponding HUD Guaranteed Loan Program Variable/Fixed Rate Notes. Neither borrower reported excess cash flow for the calendar year ending December 31, 2009, and accordingly, April 2010 payments were not received. Further information on the HUD Section 108 Loan Guarantee is available in Note IV.B. Commitments and contingent liabilities.

Oregon Rail Historical Foundation. As of June 30, 2010, the City's Bureau of Parks and Recreation had an outstanding loan receivable with the Oregon Rail Heritage Foundation (ORHF) for \$1 million. The ORHF is a tax exempt, non-profit Oregon corporation. The purpose of this loan is to secure property for permanent maintenance and operation of historic steam locomotives owned by the City. Loan details are presented in the tables below.

<u>Borrower Name</u>	<u>Amount Principal</u>	<u>Interest Rate</u>	<u>Begin Date</u>	<u>Maturity Date</u>
Oregon Rail Heritage Foundation	\$ 978,598	3.0%	11/23/2009	2/1/2012

Semi-annual installments from the ORHF began on May 23, 2010, and shall terminate on February 1, 2012, when full payment is due, plus interest, less any payments made before termination. The schedule of semi-annual payments is as follows:

<u>Due Date</u>	<u>Schedule of Payments</u>
5/23/2010	\$ 14,679
11/23/2010	14,679
5/23/2011	14,679
11/23/2011	14,679

Payables

Payables and other accrued liabilities at June 30, 2010, are as follows:

	<u>Governmental Activities</u>					<u>Total</u>
	<u>General</u>	<u>Trans- portation</u>	<u>Nonmajor Funds</u>	<u>Internal Service</u>	<u>Unallocated Governmental</u>	
Accounts to vendors and contractors	\$ 15,347,647	\$ 4,596,743	\$ 16,252,690	\$ 7,890,286	\$ 6,782,859	\$ 50,870,225
Interest on bonds and notes	-	-	-	2,722,147	48,331,521	51,053,668
<b>Total payables</b>	<b>\$ 15,347,647</b>	<b>\$ 4,596,743</b>	<b>\$ 16,252,690</b>	<b>\$ 10,612,433</b>	<b>\$ 55,114,380</b>	<b>\$ 101,923,893</b>

	<u>Business-type Activities</u>			
	<u>Sewage Disposal</u>	<u>Water</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Accounts to vendors and contractors	\$ 27,388,359	\$ 10,099,266	\$ 1,615,388	\$ 39,103,013
Interest on bonds and notes	12,518,595	8,734,819	1,179,459	22,432,873
<b>Total payables</b>	<b>\$ 39,906,954</b>	<b>\$ 18,834,085</b>	<b>\$ 2,794,847</b>	<b>\$ 61,535,886</b>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**C. Deferred and unearned revenue:**

The City recognizes revenues when earned. Amounts received in advance of the period in which services are rendered are recorded as a liability, "Unearned Revenue." Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

The various components of deferred revenue reported in the governmental funds at June 30, 2010 are as follows:

	Governmental Funds			
	General	Transportation	Nonmajor Funds	Total
Accounts	\$ 747,561	\$ 203,774	\$ 49,950,948	\$ 50,902,283
Liens - LID	-	-	1,593,502	1,593,502
Liens	53,804	429,578	79,623,845	80,107,227
Taxes	8,606,211	-	5,473,519	14,079,730
<b>Total fund level deferred revenue</b>	<b>\$ 9,407,576</b>	<b>\$ 633,352</b>	<b>\$ 136,641,814</b>	<b>\$ 146,682,742</b>

The various components of unearned revenue reported at June 30, 2010 are as follows:

	Governmental Activities				Business-type Activities		
	General	Transportation	Nonmajor Funds	Total	Sewage Disposal	Water	Total
Grants	\$ -	\$ -	\$ 35,845,559	\$ 35,845,559	\$ -	\$ -	\$ -
Accounts	30,918	2,246,548	-	2,277,466	499,378	238,938	738,316
<b>Total unearned</b>	<b>\$30,918</b>	<b>\$ 2,246,548</b>	<b>\$ 35,845,559</b>	<b>\$ 38,123,025</b>	<b>\$499,378</b>	<b>\$ 238,938</b>	<b>\$ 738,316</b>

**D. Restricted net assets:**

Restricted net assets consist of net assets with constraints placed on the use either by (1) external parties such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) are legally restricted through provisions or enabling legislation. As summarized below, the government-wide statement of net assets reports \$293.9 million of restricted net assets.

**Restricted by:**

Enabling legislation:

State law related to developer contributions for transportation	\$ 23,791,387
Voted levy for parks improvements	6,154,428
Voted levy for aid to children	7,189,787

Bond covenants:

Community development	440,399
Payment of debt	139,719,290
Construction of capital assets	7,544,322

Other:

Grant agreements	(3,171,380)
Court orders for public safety projects	1,006,168
Restricted for urban renewal projects	347,833
Permanently restricted for parks endowment	182,542

Total governmental activities	\$ 183,204,776
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Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**D. Restricted net assets, continued:**

<b>Restricted by, continued:</b>	
Repayment of debt:	
Water operations	\$ 10,224,969
Environmental operations	200,000
Power sales contract	11,859,686
Bond covenants:	
Water operations	35,368,796
Environmental operations	53,044,371
Total business-type activities	110,697,822
Total government-wide	\$ 293,902,598

**E. Capital assets:**

Primary Government

Beginning balances of capital asset activities are shown as restated. On July 1, 2009 the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 51 - *Accounting and Reporting for Intangible Assets*. The beginning balance has been increased by \$5.2 million in governmental activities and \$.7 million in business-type activities as a result of the implementation of this statement. Details are provided in a table following the City's capital asset activity. In addition, a prior period adjustment of \$30.4 million has been made for assets recorded prematurely for Transportation infrastructure. Details regarding this decrease in Transportation assets can be found in Note I.D.14. Restatements and Prior period adjustments.

In the governmental activities column of the statement of activities, capital asset reclassification or transfers between governmental funds and internal service funds have been eliminated. In a like manner, capital asset transfers between enterprise funds have been eliminated in the business-type activities column. The remaining transfers shown on the statement of activities consist of \$3,779 in capital asset transfers from governmental activities to business-type activities.

Capital assets activity for the primary government, which excludes fiduciary activities, for the year ended June 30, 2010, is as follows:

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**E. Capital assets, continued:**

	Beginning Balance, Restated	Increases	Decreases	Reclassifications and Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 121,776,358	\$ 1,916,091	\$ -	\$ (12,107,827)	\$ 111,584,622
Construction in progress	99,151,516	92,570,781	-	(9,609,138)	182,113,159
Land use rights	-	572,899	-	12,320,350	12,893,249
Owning rights	-	12,155	-	-	12,155
Total capital assets, not being depreciated	<u>220,927,874</u>	<u>95,071,926</u>	<u>-</u>	<u>(9,396,615)</u>	<u>306,603,185</u>
Capital assets, being depreciated:					
Buildings	284,988,871	1,287,444	(13,000)	1,090,448	287,353,763
Improvements to land	100,725,669	4,621,442	(86,299)	2,622,820	107,883,632
Equipment	141,614,469	7,305,146	(7,737,319)	(1,940,215)	139,242,081
Software	48,887,491	329,956	-	3,330,598	52,548,045
Infrastructure	4,339,184,178	17,359,734	-	4,289,185	4,360,833,097
Total capital assets being depreciated	<u>4,915,400,678</u>	<u>30,903,722</u>	<u>(7,836,618)</u>	<u>9,392,836</u>	<u>4,947,860,618</u>
Less accumulated depreciation for:					
Buildings	(97,478,545)	(7,457,986)	11,518	-	(104,925,013)
Improvements to land	(41,894,246)	(4,413,716)	45,844	51,454	(46,210,664)
Equipment	(73,642,200)	(10,053,447)	6,549,504	1,832,279	(75,313,864)
Software	(7,788,029)	(8,493,026)	-	(1,883,733)	(18,164,788)
Infrastructure	(2,575,972,295)	(148,443,620)	-	-	(2,724,415,915)
Total accumulated depreciation	<u>(2,796,775,315)</u>	<u>(178,861,795)</u>	<u>6,606,866</u>	<u>-</u>	<u>(2,969,030,244)</u>
Total capital assets, being depreciated, net	<u>2,118,625,363</u>	<u>(147,958,073)</u>	<u>(1,229,752)</u>	<u>9,392,836</u>	<u>1,978,830,374</u>
Governmental activities capital assets, net	<u>\$ 2,339,553,237</u>	<u>\$ (52,886,147)</u>	<u>\$ (1,229,752)</u>	<u>\$ (3,779)</u>	<u>\$ 2,285,433,559</u>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 81,155,777	\$ 3,706,319	\$ -	\$ (7,714,266)	\$ 77,147,830
Construction in progress	591,317,243	260,881,645	(3,333,965)	(96,033,219)	752,831,704
Land use rights	-	2,773,995	-	9,730,782	12,504,777
Owning rights	72,306	-	-	31,737	104,043
Total capital assets, not being depreciated	<u>672,545,326</u>	<u>267,361,959</u>	<u>(3,333,965)</u>	<u>(93,984,966)</u>	<u>842,588,354</u>
Capital assets, being depreciated:					
Buildings	189,188,057	113,508	-	7,001,430	196,302,995
Improvements to land	28,315,277	2,171	-	425,004	28,742,452
Equipment	63,192,462	2,121,674	(1,811,996)	(9,836,720)	53,665,420
Software	1,254,355	106,670	-	10,328,478	11,689,503
Infrastructure	2,874,248,387	28,207,786	(760,519)	86,070,553	2,987,766,207
Capital leases	306,728	-	-	-	306,728
Total capital assets being depreciated	<u>3,156,505,266</u>	<u>30,551,809</u>	<u>(2,572,515)</u>	<u>93,988,745</u>	<u>3,278,473,305</u>
Less accumulated depreciation for:					
Buildings	(76,092,716)	(5,865,340)	-	-	(81,958,056)
Improvements to land	(8,021,925)	(968,816)	-	-	(8,990,741)
Equipment	(30,892,128)	(5,353,179)	1,554,433	8,878,184	(25,812,690)
Software	(585,856)	(119,353)	-	(8,878,184)	(9,583,393)
Infrastructure	(524,527,633)	(43,543,819)	433,483	-	(567,637,969)
Capital leases	(236,181)	(70,547)	-	-	(306,728)
Total accumulated depreciation	<u>(640,356,439)</u>	<u>(55,921,054)</u>	<u>1,987,916</u>	<u>-</u>	<u>(694,289,577)</u>
Total capital assets, being depreciated, net	<u>2,516,148,827</u>	<u>(25,369,245)</u>	<u>(584,599)</u>	<u>93,988,745</u>	<u>2,584,183,728</u>
Business-type activities capital assets, net	<u>\$ 3,188,694,153</u>	<u>\$ 241,992,714</u>	<u>\$ (3,918,564)</u>	<u>\$ 3,779</u>	<u>\$ 3,426,772,082</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**E. Capital assets, continued:**

	Beginning Balance, Restated	Increases	Decreases	Reclassifications and Transfers	Ending Balance
<b>Total:</b>					
Capital assets, not being depreciated:					
Land	\$ 202,932,135	\$ 5,622,410	\$ -	\$ (19,822,093)	\$ 188,732,452
Construction in progress	690,468,759	353,452,426	(3,333,965)	(105,642,357)	934,944,863
Land use rights	-	3,346,894	-	22,051,132	25,398,026
Owing rights	72,306	12,155	-	31,737	116,198
Total capital assets, not being depreciated	<u>893,473,200</u>	<u>362,433,885</u>	<u>(3,333,965)</u>	<u>(103,381,581)</u>	<u>1,149,191,539</u>
Capital assets, being depreciated:					
Buildings	474,176,928	1,400,952	(13,000)	8,091,878	483,656,758
Improvements to land	129,040,946	4,623,613	(86,299)	3,047,824	136,626,084
Equipment	204,806,931	9,426,820	(9,549,315)	(11,776,935)	192,907,501
Software	50,141,846	436,626	-	13,659,076	64,237,548
Infrastructure	7,213,432,565	45,567,520	(760,519)	90,359,738	7,348,599,304
Capital leases	306,728	-	-	-	306,728
Total capital assets being depreciated	<u>8,071,905,944</u>	<u>61,455,531</u>	<u>(10,409,133)</u>	<u>103,381,581</u>	<u>8,226,333,923</u>
Less accumulated depreciation for:					
Buildings	(173,571,261)	(13,323,326)	11,518	-	(186,883,069)
Improvements to land	(49,916,171)	(5,382,532)	45,844	51,454	(55,201,405)
Equipment	(104,534,328)	(15,406,626)	8,103,937	10,710,463	(101,126,554)
Software	(8,373,885)	(8,612,379)	-	(10,761,917)	(27,748,181)
Infrastructure	(3,100,499,928)	(191,987,439)	433,483	-	(3,292,053,884)
Capital leases	(236,181)	(70,547)	-	-	(306,728)
Total accumulated depreciation	<u>(3,437,131,754)</u>	<u>(234,782,849)</u>	<u>8,594,782</u>	<u>-</u>	<u>(3,663,319,821)</u>
Total capital assets, being depreciated, net	<u>4,634,774,190</u>	<u>(173,327,318)</u>	<u>(1,814,351)</u>	<u>103,381,581</u>	<u>4,563,014,102</u>
Total capital assets, net	<u>\$ 5,528,247,390</u>	<u>\$ 189,106,567</u>	<u>\$ (5,148,316)</u>	<u>\$ -</u>	<u>\$ 5,712,205,641</u>

The restatement of net assets, as a result of the implementation of GASB 51, is as follows:

	Effects of GASB 51
<b>Governmental activities:</b>	
Software	\$ 13,000,105
Less accumulated depreciation	<u>(7,788,029)</u>
Governmental activities capital assets, net	<u>5,212,076</u>
<b>Business-type activities:</b>	
Software	1,254,355
Less accumulated depreciation	<u>(585,856)</u>
Business-type activities capital assets, net	<u>668,499</u>
<b>Total:</b>	<u>\$ 5,880,575</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**E. Capital assets**, continued:

Depreciation and amortization

Fully depreciated capital assets at June 30, 2010 totaled \$127 million, of which \$61.7 million pertains to governmental activities, and \$65.3 million to business-type activities. Remaining salvage values are \$2.4 million in total, \$1.8 million for governmental activities and \$.6 million for business-type activities. There were no permanent impairment write-downs in fiscal year ending June 30, 2010.

Capital assets held by the City of Portland's internal service funds are billed according to interagency agreements to the various functions based on their usage of the assets. Depreciation and amortization expenses are charged to the internal service fund that owns and bills for the use of the assets. Depreciation and amortization expenses of the primary government are as follows:

	Amount
<b>Governmental activities:</b>	
Public safety	\$ 3,558,210
Parks, recreation and culture	7,739,788
Community development	71,284
Transportation and metered parking	148,196,774
Legislative/ Admin/ Support services	43,042
Total governmental funds	159,609,098
Internal service funds -	
Legislative/ Admin/ Support services	19,252,698
Total governmental activities	\$ 178,861,796
<b>Business-type activities:</b>	
Environmental services	\$ 29,611,868
Water	20,129,384
Hydroelectric power	607,392
Golf	769,380
Motor sports	168,344
Parking facilities	1,423,796
Spectator facilities	3,210,890
Total business-type activities	\$ 55,921,054

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**E. Capital assets, continued:**

Construction and technology project commitments. The City has active construction and technology projects as of June 30, 2010. These include building, remodeling and retrofitting fire facilities, park improvements, enterprise business system improvements, plus communication, sewer, transportation and water infrastructure upgrades. At year end the City's contractual commitments to complete the various projects are as follows:

Projects	Spent to date	Remaining Commitments	Financing Source
<b>Governmental activities:</b>			
OMF special projects	\$ 4,168,088	\$ 11,485,000	CAD Next bond proceeds
General facilities	9,792,330	176,783	General Fund discretionary
Fire facilities	12,357,289	58,522	General obligation bonds / Intergovernmental cost sharing
Parks	65,289,528	1,290,880	Local option levy / Tax increment / Grants / General Fund discretionary
Technology services	2,699,780	9,729	Revenue bonds
Transportation	50,210,530	83,161,940	Intergovernmental cost sharing / Grants / System development charges / Local improvement districts / Transportation revenues
Total governmental activities	<u>144,517,545</u>	<u>96,182,854</u>	
<b>Business-type activities:</b>			
Sewage Disposal	469,326,315	253,468,573	Revenue bonds / Sewer rate revenues
Water	67,824,075	32,508,487	Revenue bonds / Water rate revenues / Project reimbursements
Golf	333,824	4,666,176	Golf Fund / Fees
Total business-type activities	<u>537,484,214</u>	<u>290,643,236</u>	
Total project commitments	<u>\$ 682,001,759</u>	<u>\$ 386,826,090</u>	

Component Unit - Portland Development Commission:

Activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities:</b>					
<u>Capital assets, not being depreciated:</u>					
Land	\$ 8,439,349	\$ 19,499	\$ (2,174,588)	\$ -	\$ 6,284,260
<u>Capital assets, being depreciated:</u>					
Buildings and improvements	2,707,441	-	-	-	2,707,441
Leasehold improvements	3,716,402	133,098	-	-	3,849,500
Vehicles and equipment	2,837,027	53,285	(35,611)	(610,873)	2,243,828
Intangible software	-	483,511	-	610,873	1,094,384
Total capital assets, being depreciated	<u>9,260,870</u>	<u>669,894</u>	<u>(35,611)</u>	<u>-</u>	<u>9,895,153</u>
<u>Less accumulated depreciation</u>					
Buildings and improvements	(1,137,122)	(54,147)	-	-	(1,191,269)
Leasehold improvements	(2,439,805)	(704,759)	-	-	(3,144,564)
Vehicles and equipment	(1,718,437)	(221,473)	152,100	6,519	(1,781,291)
Intangible software	-	(60,680)	-	(6,519)	(67,199)
Total accumulated depreciation	<u>(5,295,364)</u>	<u>(1,041,059)</u>	<u>152,100</u>	<u>-</u>	<u>(6,184,323)</u>
Total capital assets, being depreciated, net	<u>3,965,506</u>	<u>(371,165)</u>	<u>116,489</u>	<u>-</u>	<u>3,710,830</u>
Governmental activities capital assets, net	<u>\$ 12,404,855</u>	<u>\$ (351,666)</u>	<u>\$ (2,058,099)</u>	<u>\$ -</u>	<u>\$ 9,995,090</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes,** continued:

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

Due to/from other funds

Primary government

Transactions between individual funds and the component unit are recorded as "due to" and "due from." Repayment of these transactions is required. The General Fund due to the fiduciary fund represents employer contributions to pay pension benefits. Nonmajor governmental funds due to other funds represent federal, state, and private grants receivable not yet transferred to benefiting City bureaus. These interfund balances are expected to be repaid within one year. The composition of due to and due from other funds as of June 30, 2010 is:

Funds	Governmental Activities			Business-type Activities		Fiduciary	Total Due To Other Funds
	General	Transportation Operating	Nonmajor governmental	Sewage Disposal	Water		
<b>Governmental Activities:</b>							
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,782,859	\$ 6,782,859
Nonmajor governmental	49,758	351,789	56,817	21,013	1,286,623	-	1,766,000
Total due from other funds	<u>\$ 49,758</u>	<u>\$ 351,789</u>	<u>\$ 56,817</u>	<u>\$ 21,013</u>	<u>\$ 1,286,623</u>	<u>\$ 6,782,859</u>	<u>\$ 8,548,859</u>

Component unit – Portland Development Commission

The amount due from PDC to the City is \$27.8 million. This includes \$11.2 million of loan principal and interest receivable on contracts through PDC, \$9.3 million in accounts receivable, \$4.8 million in other internal balances due from PDC to the City, \$2.3 million line of credit for the Portland Streetcar project (which was paid in Aug of 2010), and \$0.2 million of amounts related to PDC property held for sale acquired via grant funds and amounts from the City. The amounts due from the City to PDC for various grant expenditures and other intergovernmental agreements total \$4.1 million.

	Governmental Activities				Portland Development Commission	Net Due (To) From Component Unit
	General	Transportation	Nonmajor Funds	Internal Services		
<b>Governmental Activities:</b>						
General	\$ -	\$ -	\$ -	\$ -	\$ (2,641,780)	\$ (2,641,780)
Transportation Operating	-	-	-	-	(9,330)	(9,330)
Nonmajor Funds	-	-	-	-	(1,454,964)	(1,454,964)
Total due to Component Unit						<u>(4,106,074)</u>
Portland Development Commission	794,924	3,978,460	22,295,798	731,925	-	27,801,107
Net Due From (To) Component Unit	<u>\$ 794,924</u>	<u>\$ 3,978,460</u>	<u>\$ 22,295,798</u>	<u>\$ 731,925</u>	<u>\$ (4,106,074)</u>	<u>\$ 23,695,033</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**F. Interfund receivables, payables, and transfers, continued:**

Interfund transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and resources for payment of debt services. General Fund transfers to the Transportation Operating Fund are for street lighting. General Fund transfers to nonmajor governmental funds are for various programs including: emergency communications, nuisance control and other neighborhood programs, the General Fund's portion of the PERS debt, capital construction in the parks program, facilities debt service for City Hall, and various borrowings. General Fund transfers to internal service funds represent financial commitments to fund operating improvements. The Transportation Operating Fund transfers debt service payments to nonmajor governmental funds. Nonmajor governmental fund transfers represent federal, state, and private grants receivable, not yet transferred to benefiting bureaus or the component unit. Transfers from internal service and nonmajor enterprise funds are primarily overhead charges.

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

Interfund transfers and the reconciliation to the Statement of Activities for the fiscal year ended June 30, 2010 consist of the following:

	Governmental Activities				Business-type Activities			Total Transfers Out
	General	Transportation Operating	Nonmajor Funds	Internal Service	Sewage Disposal	Water	Nonmajor Funds	
<b>Governmental activities:</b>								
General	\$ -	12,709,028	19,580,824	26,393,161	\$ -	-	-	\$ 58,683,013
Transportation	800,000	-	1,758,788	-	-	-	-	2,558,788
Nonmajor funds	1,626,843	23,742,145	53,725,078	2,146,380	119,037	50,630	15,907	81,426,020
Internal service	26,980	-	269,491	6,081,354	-	-	-	6,377,825
<b>Business-type activities:</b>								
Sewage disposal	-	-	690,649	-	-	-	-	690,649
Water	-	-	523,241	-	-	-	-	523,241
Nonmajor funds	1,306,434	3,190,000	47,326	-	-	-	-	4,543,760
<b>Total transfers in</b>	<b>\$3,760,257</b>	<b>\$ 39,641,173</b>	<b>\$ 76,595,397</b>	<b>\$ 34,620,895</b>	<b>\$ 119,037</b>	<b>\$ 50,630</b>	<b>\$ 15,907</b>	<b>\$ 154,803,296</b>
<b>Reconciliation:</b>								
Internal service funds elimination								(6,377,825)
Total governmental funds								(142,667,821)
Campaign fund transfers to sewage disposal, water and other nonmajor funds								(185,574)
Capital assets transferred from the governmental funds								(3,779)
<b>Total transfers per statement of activities</b>								<b>\$ 5,568,297</b>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**F. Interfund receivables, payables, and transfers**, continued:

Interfund loans

As of June 30, 2010, the Grants Funds received capital loans from the Sewage Disposal Fund (budgeted in the Sewer System Rate Stabilization Fund) of \$22.2 million, \$8.5 million from the General Fund, and \$4.6 million from the Transportation Operating Fund. The loans provided interim capital financing for the Portland Bureau of Transportation Eastside Streetcar Loop Project. Also, the Bureau of Development Services received a temporary loan of \$1.5 million from Bancroft Interest and Sinking Fund for interim funding for community services. Of these loans, \$21.7 million from the Sewage Disposal Fund to the Grants Fund, a nonmajor special revenue fund, and the \$1.5 million loan from the Bancroft Bond Fund to the Development Services fund, both nonmajor governmental funds, are multi-year loans and are not expected to be repaid in the subsequent year. The remainder of the loans are expected to be repaid during fiscal year 2010-2011. Interfund loan balances at fiscal year end June 30, 2010:

	Governmental Activities			Business-type Activities		
	General	Transportation Operating	Nonmajor Funds	Internal Service	Sewage Disposal	Total Internal Loans Payable
<b>Governmental activities:</b>						
Nonmajor funds	\$ 8,506,660	\$ 4,589,433	\$ 1,526,207	\$ 177,485	\$ 22,200,940	\$ 37,000,725
<b>Business-type activities:</b>						
Water	-	-	97,715	-	-	97,715
Total Internal loans receivable	<u>\$ 8,506,660</u>	<u>\$ 4,589,433</u>	<u>\$ 1,623,922</u>	<u>\$ 177,485</u>	<u>\$ 22,200,940</u>	<u>\$ 37,098,440</u>

**G. Leases:**

Capital lease

The equipment acquired through a capital lease for \$306,728 is now fully depreciated. The determination on whether to keep this asset will be made in the subsequent year. The final payment was made in May 2010.

Operating leases

The City leases land, buildings and equipment under operating leases. Operating leases for governmental type activities were \$3.3 million and for business-type activities, \$2.2 million. Total costs for such leases were \$5.5 million for the year ended June 30, 2010. Future minimum payments for these operating leases are as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2011	\$ 2,808,690	\$ 1,421,596	\$ 4,230,286
2012	2,384,889	993,089	3,377,978
2013	1,743,118	454,136	2,197,254
2014	1,760,694	305,048	2,065,742
2015	1,620,865	120,059	1,740,924
2016-2020	2,515,252	-	2,515,252
2021-2025	229,784	-	229,784
2025-2030	-	-	-
Total	<u>\$ 13,063,292</u>	<u>\$ 3,293,928</u>	<u>\$ 16,357,220</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**G. Leases**, continued:

The City acts as lessor for operating leases that arise primarily from leasing office or retail space. Operating lease revenues for governmental activities were \$2.8 million and for business-type activities, \$2.3 million. As of June 30, 2010, future minimum rents to be received from operating leases are contractually due as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2011	\$ 2,568,942	\$ 1,967,068	\$ 4,536,010
2012	2,407,276	1,925,806	4,333,082
2013	2,451,265	1,356,838	3,808,103
2014	2,353,563	1,238,109	3,591,672
2015	2,367,263	1,077,450	3,444,713
2016-2020	5,781,741	3,873,517	9,655,258
2021-2025	3,715,122	2,351,037	6,066,159
	<u>\$ 21,645,172</u>	<u>\$ 13,789,825</u>	<u>\$ 35,434,997</u>

The City has entered into various lease agreements that are made up of mixed-use properties, most of which are occupied by a combination of three types of tenants which include: City, leaseholders, and short-term renters. Therefore, it is not practical for the City to determine the original cost, accumulated depreciation and net book value that are leased to others under operating leases.

**H. Long-term debt:**

The City issues a variety of debt types for the purpose of carrying out its capital financing activities. The various types of debt are discussed below and each debt type reports the range of maturities for each of its outstanding debt issue. The City's tax exempt debt remains in compliance with all Internal Revenue Service arbitrage regulations. Outstanding debt amounts are as of June 30, 2010.

General obligation bonds

The City issues general obligation bonds 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 \$63.8 million of unlimited tax general obligation bonds for governmental activities. The City currently has \$58.9 million of these bonds outstanding. The 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.

In July 2009, the City sold \$14.6 million in bonds to refund the 1999A Emergency Facilities General Obligation Bonds. Rates range from 1.75 to 4 percent and will be paid off over nine years. In April 2010, \$20.0 million in bonds were sold to refund the Series A 2001 Parks bonds. The new bonds will be paid off over five years and the interest rate is 4 percent.

The City originally issued general obligation bonds in the amount of \$7.6 million for business-type activities. The City currently has \$1.6 million of unlimited general obligation water bonds outstanding. While the City has the authority to levy an unlimited ad valorem tax to pay these bonds, the City has chosen to pay these bonds entirely from revenues of the water system. The City's general obligation water bonds issued in 2004 are non-callable. The City is in compliance with its bond covenants as of and for fiscal year ended June 30, 2010.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**H. Long-term debt**, continued:

General obligation bonds, continued:

General obligation bonds currently outstanding are as follows:

Governmental Activities	Bond Series	Interest Rate(s)	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
		Outstanding Debt				
Parks	2010A	4.00	04/16/2010	2010-2015	\$ 19,960,000	\$ 19,960,000
Emergency Facilities	2004A	3.00-4.25	01/28/2004	2004-2024	13,965,000	10,805,000
"	2008A	3.00-4.75	11/18/2008	2008-2028	15,360,000	15,080,000
"	2009A	1.75-4.00	07/10/2009	2010-2019	14,560,000	13,045,000
<b>Total General Obligation Bonds: Governmental Activities</b>					<b>63,845,000</b>	<b>58,890,000</b>
<b><u>Business-type Activities</u></b>						
Water	2004C	3.40	06/09/2004	2004-2010	7,640,000	1,590,000
<b>Total General Obligation Bonds: Business-type Activities</b>					<b>7,640,000</b>	<b>1,590,000</b>
<b>TOTAL GENERAL OBLIGATION BONDS</b>					<b>\$ 71,485,000</b>	<b>\$ 60,480,000</b>

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 6,195,000	\$ 2,267,209	\$ 1,590,000	\$ 27,030
2012	6,420,000	2,044,508	-	-
2013	6,640,000	1,812,777	-	-
2014	6,870,000	1,589,240	-	-
2015	7,105,000	1,347,096	-	-
2016-2020	13,885,000	4,223,246	-	-
2021-2025	8,410,000	1,859,842	-	-
2026-2030	3,365,000	324,662	-	-
Total	<b>\$ 58,890,000</b>	<b>\$ 15,468,580</b>	<b>\$ 1,590,000</b>	<b>\$ 27,030</b>

Limited tax improvement bonds

The City has \$63.1 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 2 to 5 percent. The City issued an additional \$22.3 million in bonds for improvements in April 2010 at interest rates ranging from 2 to 4.125 percent.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**H. Long-term debt**, continued:

Limited tax improvement bonds, continued:

Limited tax improvement bonds currently outstanding are as follows:

Governmental Activities	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
Limited Tax Improvement	2003A	4.35	05/22/2003	2003-2023	\$ 21,430,000	\$ 8,055,000
"	2007A	4.00-5.00	06/28/2007	2007-2027	41,745,000	32,745,000
"	2010A	2.00-4.125	04/20/2010	2010-2030	22,305,000	22,305,000
<b>TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities</b>					<b>\$ 85,480,000</b>	<b>\$ 63,105,000</b>

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2011	\$ 3,505,000	\$ 2,756,391
2012	3,505,000	2,576,730
2013	1,350,000	2,458,030
2014	1,310,000	2,431,030
2015	1,145,000	2,391,730
2016-2020	14,605,000	10,478,900
2021-2025	8,055,000	8,023,366
2026-2030	29,630,000	4,020,187
Total	<u>\$ 63,105,000</u>	<u>\$ 35,136,364</u>

Urban renewal and redevelopment bonds

The City issues urban renewal and redevelopment bonds to finance capital projects that stimulate job creation and growth in designated target areas. The City has urban renewal and redevelopment bonds outstanding that are secured solely by the tax increment revenues generated from the respective urban renewal areas.

The City has issued long-term urban renewal and redevelopment bonds for seven of its urban renewal districts including Airport Way, Oregon Convention Center, South Park Blocks, Downtown Waterfront, Interstate Corridor, Lents and River District. The \$353.4 million outstanding balances on these bonds are paid from tax increment revenues generated from the respective urban renewal areas. No additional City revenues are pledged to the repayment of these bonds. Interest rates on the outstanding bonds range from 2.488 to 7.75 percent.

In July 2010, the City issued \$36.9 million of urban renewal and redevelopment bonds for the Lents Urban Renewal Area. These bonds were issued to fund capital improvements within the Area and to pay off existing lines of credit. The bonds are secured by and payable from the tax increment revenues from the Lents Urban Renewal Area. The bonds will be paid back over 20 years with interest rates ranging from 2.488 to 6.284 percent.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**H. Long-term debt**, continued:

Urban renewal and redevelopment bonds, continued:

Urban renewal bonds currently outstanding are as follows:

Governmental Activities	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
South Park Blocks	2000B	7.24-7.34	10/15/2000	2000-2013	\$ 16,560,000	\$ 4,665,000
"	2008A	4.772-6.081	07/01/2008	2008-2019	34,580,000	32,055,000
"	2008B	5.00	07/01/2008	2008-2024	32,020,000	32,020,000
Waterfront Renewal	2000A	5.10-5.75	10/31/2000	2001-2020	33,060,000	33,060,000
"	2000B	7.26	10/31/2000	2001-2013	24,970,000	10,185,000
"	2008A	4.17-6.30	04/23/2008	2008-2024	50,165,000	45,705,000
Airport Way	2005A	4.00-5.00	09/29/2005	2005-2020	45,370,000	43,670,000
Oregon Convention Center	2000A	5.25-5.75	08/01/2000	2001-2020	32,900,000	32,900,000
"	2000B	7.60-7.75	08/01/2000	2001-2014	16,840,000	10,725,000
River District	2003A	3.25-5.00	06/20/2010	2004-2023	33,180,000	33,180,000
"	2003B	3.60-4.10	06/17/2003	2004-2015	28,760,000	11,885,000
Lents District	2010A	2.488-6.284	06/18/2010	2010-2024	21,240,000	21,240,000
"	2010B	4.25-5.00	06/18/2010	2010-2030	15,650,000	15,650,000
Interstate Corridor	2004A	3.50-5.25	12/09/2004	2005-2025	32,310,000	26,465,000
<b>TOTAL URBAN RENEWAL &amp; REDEVELOPMENT BONDS: Governmental Activities</b>					<b>\$ 417,605,000</b>	<b>\$ 353,405,000</b>

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2011	\$ 20,140,000	\$ 19,003,175
2012	21,150,000	17,979,178
2013	22,320,000	16,813,389
2014	23,580,000	15,565,789
2015	24,795,000	14,341,940
2016-2020	149,080,000	49,932,370
2021-2025	79,185,000	14,863,139
2026-2030	13,155,000	1,992,326
Total	<u>\$ 353,405,000</u>	<u>\$ 150,491,306</u>

Limited tax and limited tax revenue bonds

The City has issued limited tax revenue bonds to finance local and public capital improvement projects and to reduce the City's payments to the State of Oregon Public Employees Retirement System (PERS). These bond issues include non self-supporting General Fund obligations and self-supporting General Fund obligations.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**H. Long-term debt**, continued:

Limited tax and limited tax revenue bonds, continued:

Non self-supporting general fund obligations

Limited Tax Revenue Bonds. As of June 30, 2010, the City had \$82.1 million of outstanding limited tax revenue bonds and \$19.5 in limited tax housing revenue bonds outstanding, which are backed primarily from General Fund resources.

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

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
<b>Governmental Activities</b>						
Capital Financing - Development Services Building	2008A	3.75-5.00	06/10/2008	2008-2018	\$ 17,725,000	\$ 14,580,000
System Development	2010A	3.00	04/22/2010	2010-2011	290,000	290,000
Integrated Regional Network Enterprise (IRNE)	2010A	3.00	04/22/2010	2010-2013	2,565,000	2,565,000
EBS Project	2007A	4.25	04/24/2007	2007-2016	22,480,000	15,620,000
"	2009B	3.00-4.00	12/17/2009	2010-2017	9,400,000	9,400,000
Capital Improvement & Renovation	2010A	3.000-3.125	04/22/2010	2010-2020	4,840,000	4,840,000
Radio Shop	2003A	3.75-4.00	01/15/2003	2003-2009	930,000	315,000
Emergency Operations Center Expansion (EOC)	2003A	3.75-4.00	01/15/2003	2003-2013	160,000	55,000
"	2010A	3.00	04/22/2010	2010-2012	50,000	50,000
800MHz	2003A	3.75-4.00	01/15/2003	2003-2013	2,635,000	885,000
"	2004A	5.00	03/25/2004	2004-2011	3,420,000	560,000
"	2004A	3.00-5.00	03/25/2004	2004-2016	21,096,000	12,874,000
"	2004A	3.00-5.00	03/25/2004	2004-2013	624,000	251,000
CAD project	2009B	3.00-4.00	12/17/2009	2010-2017	8,210,000	7,160,000
Archives Space Project	2007C	4.00-4.50	12/17/2007	2008-2028	11,925,000	11,110,000
<b>Total Non Self-Supporting Limited Tax Revenue Bonds: Governmental Activities</b>					<u>106,350,000</u>	<u>80,555,000</u>
<b>Business-type Activities</b>						
Portland International Raceway	LOC	6.14	10/25/2007	2008-2017	2,010,000	1,530,000
<b>Total Non Self-Supporting Limited Tax Revenue Bonds</b>					<u>\$ 108,360,000</u>	<u>\$ 82,085,000</u>

In April 2010, \$7.7 million Limited Tax Revenue Bonds were issued to refund the Limited Tax Revenue Bonds 1998B, 1999B and 2002A bonds. These bonds will be repaid over ten years at interest rates ranging from 3 to 3.125 percent. In December 2009, \$9.4 million in bonds were sold to pay off an outstanding line of credit over a life of seven years at interest rates ranging from 3 to 4 percent. Also in December 2009, \$8.2 million of bonds were sold to fund the CAD project. These bonds will be paid off over seven years at rates ranging from 3 to 4 percent.

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

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
<b>Governmental Activities</b>						
Headwaters Apt Project	2005A	3.51-4.71	04/18/2005	2005-2035	\$ 10,480,000	\$ 9,965,000
"	2005B	4.70	04/18/2005	2005-2035	1,260,000	1,200,000
Housing Projects	2005C	4.30-4.45	06/21/2005	2005-2014	3,170,000	1,325,000
"	2005D	3.25-5.00	06/21/2005	2005-2025	6,975,000	6,975,000
<b>Total Non Self-Supporting Limited Tax Housing Revenue Bonds</b>					<u>\$ 21,885,000</u>	<u>\$ 19,465,000</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**H. Long-term debt**, continued:

Limited tax and limited tax revenue bonds, continued:

Non self-supporting general fund obligations, continued:

Limited Tax Pension Obligation Revenue Bonds. The City issued \$300.8 million of Limited Tax Pension Obligation Revenue Bonds in November 1999 to finance the City's December 31, 1997 PERS unfunded actuarial accrued pension liability with the State of Oregon Public Employees Retirement System. The bonds are secured by available general funds, defined as revenues that are legally available to pay the bonds and not prohibited for such use under the charter and ordinances of the City and Oregon laws. Revenues include all taxes and other legally available general funds of the City. At June 30, 2010 interest rates on the outstanding bonds \$72.9 million of 1999 Series D variable rate bonds and the \$72.8 million of 1999 Series E variable rate bonds was .195 percent and .12 percent respectively. Interest rates on the fixed rate \$134.5 million of 1999 Series C bonds ranges from 7.701 to 7.93 percent. 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:

	Original Distribution	Liability June 30, 2010
<b>Governmental Activities:</b>		
Governmental funds	\$ 211,379,554	\$ 196,856,603
Internal service funds	16,741,773	15,591,520
<b>Total governmental activities</b>	<b>228,121,327</b>	<b>212,448,123</b>
<b>Business-type Activities</b>		
Fiduciary funds	72,201,017	67,240,402
	526,002	489,862
<b>Total</b>	<b>\$ 300,848,346</b>	<b>\$ 280,178,387</b>

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

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
<b>Governmental Activities</b>						
Allocation of Limited Tax Pension Obligation	1999C	7.420-7.701	11/01/1999	2000-2022	\$ 84,291,994	\$ 71,898,212
"	1999C	7.93	11/01/1999	2000-2029	30,090,303	30,090,303
"	1999D&E	Variable	11/01/1999	2000-2019	113,739,030	110,459,608
<b>Total Governmental Activities</b>					<b>228,121,327</b>	<b>212,448,123</b>
<b>Business-type Activities</b>						
Allocation of Limited Tax Pension Obligation	1999C	7.420-7.701	11/01/1999	2000-2022	26,678,646	22,755,993
"	1999C	7.93	11/01/1999	2000-2029	9,523,661	9,523,661
"	1999D&E	Variable	11/01/1999	2000-2019	35,998,710	34,960,748
<b>Total Business-type Activities</b>					<b>72,201,017</b>	<b>67,240,402</b>
<b>Fiduciary Funds</b>						
Allocation of Limited Tax Pension Obligation	1999C	7.420-7.701	11/01/1999	2000-2022	194,360	165,782
"	1999C	7.93	11/01/1999	2000-2029	69,382	69,382
"	1999D&E	Variable	11/01/1999	2000-2019	262,260	254,698
<b>Total Fiduciary Funds</b>					<b>526,002</b>	<b>489,862</b>
<b>Total Limited Tax Pension Bonds</b>					<b>\$ 300,848,346</b>	<b>\$ 280,178,387</b>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**H. Long-term debt**, continued:

Limited tax and limited tax revenue bonds, continued:

Non self-supporting general fund obligations, continued:

Approximately 40 percent of the debt service on these bonds is expected to be paid from resources of the General Fund. The remaining 60 percent is expected to be paid by non-General Fund bureaus of the City, (see "Self-supporting General Fund Obligations" below). As of June 30, 2010, \$104 million of outstanding principal remained on the portion of the bonds is projected to be repaid with General Fund resources.

Self-supporting obligations

The following issues are expected to be repaid from sources other than the general fund and are considered self-supporting.

Governmental Activities	Bond Series	Interest Rate(s)		Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
		Outstanding Debt					
Oregon Convention Center	2001A	5.00-5.125		02/13/2001	2201-2030	\$ 81,940,000	\$ 74,900,000
Deferred Interest	2001B	4.62-5.36		02/13/2001	2001-2022	18,058,888	16,739,108
Portland Center for Performing Arts	2001C	4.60-5.25		05/01/2001	2001-2021	2,100,000	1,390,000
Portland Mall Revitalization	2007B	4.00-5.00		08/02/2007	2008-2017	16,860,000	12,425,000
North McAdams Investors	LOC	5.75		07/01/2007	2007-2016	2,500,000	2,243,491
<b>Total Self-Supporting Limited Tax Revenue Bonds: Governmental Activities</b>						<b>121,458,888</b>	<b>107,697,599</b>
<b>Business-type Activities</b>							
Central City Streetcar	2009A	2.50-4.00		05/21/2009	2009-2024	21,450,000	20,190,000
Arena	2005A	4.35		03/03/2005	2005-2011	10,555,000	1,590,000
"	2005B	3.50-5.00		03/03/2005	2005-2017	17,810,000	17,810,000
Civic Stadium	2001D	6.375-7.00		05/15/2001	2001-2023	35,000,000	26,055,000
<b>Total Self-Supporting Limited Tax Revenue Bonds: Business-type Activities</b>						<b>84,815,000</b>	<b>65,645,000</b>
<b>Total Self-Supporting Limited Tax Revenue Bonds</b>						<b>\$ 206,273,888</b>	<b>\$ 173,342,599</b>

Annual debt service requirements to maturity for all of the above types of limited tax revenue bonds at June 30, 2010 are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities		Fiduciary Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 20,887,591	\$ 21,418,482	\$ 7,165,922	\$ 7,326,255	\$ 15,342	\$ 27,923
2012	22,430,139	20,645,208	7,871,910	6,977,548	18,009	27,009
2013	23,873,984	19,837,025	8,612,894	6,606,208	20,893	25,937
2014	24,705,261	19,017,457	9,438,874	6,151,340	23,997	24,694
2015	26,733,146	18,086,856	10,330,858	5,649,650	27,362	23,266
2016-2020	131,405,687	74,607,969	50,984,423	19,668,486	197,936	87,284
2021-2025	102,664,734	108,508,806	34,884,774	28,923,187	148,981	198,078
2026-2030	64,160,180	135,652,194	5,125,747	40,314,837	37,342	293,708
2031-2035	3,305,000	503,405	-	-	-	-
<b>Total</b>	<b>\$ 420,165,722</b>	<b>\$ 418,277,402</b>	<b>\$ 134,415,402</b>	<b>\$ 121,617,511</b>	<b>\$ 489,862</b>	<b>\$ 707,899</b>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**H. Long-term debt, continued:**

Revenue bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements backed solely by the fees derived from the provision of certain services. Types of revenue bonds outstanding include bonds issued for 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 2010, the City issued \$73.4 million of First Lien Water System Revenue Bonds. The First Lien Water System Revenue bonds were issued to fund capital improvements to the Water System and to refund the 2000 Series A bonds. The final maturity of the 2010 Series A Bonds is in 2035 with interest rates ranging from 2.5 to 5 percent.

Ordinances for revenue bonds generally require the City to maintain restricted reserve accounts to provide for the payment of debt service in the event that pledged revenues are not sufficient to pay debt service when due. The bond ordinances for particular enterprise funds also require setting rates such that net operating income provides specified levels of debt service coverage on outstanding bonds and to maintain adequate insurance on the facilities. Revenue bonds may be redeemed at dates earlier than the stated maturity at call rates varying from 100 to 103 percent of face value dependent upon the call date. The City is in compliance with its bond covenants as of and for fiscal year ended June 30, 2010.

Revenue bonds outstanding at June 30, 2010 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Principal Outstanding</u>
Gas Tax Revenue Bonds:		
Public street improvements	3.15-5.00%	\$ 4,295,000
Sewage Disposal:		
Sewer improvements and maintenance	3.70-5.25%	1,298,160,000
Water Operating:		
Water lines improvement and maintenance	2.50-5.50%	323,715,000
Hydroelectric Power:		
Electrical power generating plant	5.523%	15,035,000
Golf Operations:		
Golf courses improvement and maintenance	4.98-5.26%	2,191,000
Parking Facilities:		
City owned parking structures and maintenance	4.00-4.25%	1,855,000
Total		<u>\$ 1,645,251,000</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**H. Long-term debt**, continued:

Revenue bonds, continued:

Revenue bonds currently outstanding are as follows:

Governmental Activities	Bond Series	Interest Rate(s)		Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2010
		Outstanding Debt					
Gas Tax	1998A	4.70-5.00		06/01/1998	1999-2018	\$ 3,070,000	\$ 1,560,000
"	2005A	3.15-3.75		03/17/2005	2005-2016	4,400,000	2,735,000
<b>Total Revenue Bonds: Governmental Activities</b>						<u>7,470,000</u>	<u>4,295,000</u>
<b>Business-type Activities</b>							
Water	2000A	5.00		03/15/2000	2001-2017	35,000,000	760,000
"	2004A	4.50-5.00		05/06/2004	2004-2015	29,900,000	17,410,000
"	2004B	4.00-5.00		05/06/2004	2004-2023	61,900,000	48,490,000
"	2006A	4.125-5.00		09/21/2006	2007-2031	68,970,000	64,175,000
"	2006B	4.00-5.00		09/21/2006	2007-2020	44,000,000	41,485,000
"	2008A	4.00-5.00		08/07/2008	2008-2033	79,680,000	77,955,000
"	2010A	2.50-5.00		02/11/2010	2010-2035	73,440,000	73,440,000
Golf	LOC	4.98-5.26		01/10/2003	2004-2013	6,333,333	2,191,000
Sewage Disposal	2003A	3.70-5.25		04/03/2003	2004-2023	88,370,000	37,490,000
"	2004A	4.00-5.00		11/30/2004	2005-2024	163,500,000	136,200,000
"	2004B	5.00		11/30/2004	2005-2017	93,080,000	86,715,000
"	2005A	5.00		06/16/2005	2005-2020	144,850,000	144,850,000
"	2006A	4.50-5.00		05/25/2006	2007-2031	177,845,000	161,930,000
"	2006B	4.50-5.00		05/25/2006	2007-2031	87,135,000	79,465,000
"	2007A	5.00		03/08/2007	2007-2015	193,510,000	143,310,000
"	2008A	4.25-5.00		04/21/2008	2008-2033	333,015,000	314,645,000
"	2008B	5.00		04/21/2008	2008-2033	195,700,000	193,555,000
Hydroelectric Power	2006	5.523		04/05/2006	2006-2016	21,370,000	15,035,000
Parking Facilities	2001A	4.00-4.25		08/15/2001	2002-2013	10,200,000	1,855,000
<b>Total Revenue Bonds: Business-type Activities</b>						<u>1,907,798,333</u>	<u>1,640,956,000</u>
<b>TOTAL REVENUE BONDS</b>						<u>\$ 1,915,268,333</u>	<u>\$ 1,645,251,000</u>

Remaining future payments to maturity are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 580,000	\$ 170,377	\$ 70,865,000	\$ 79,347,213
2012	600,000	149,628	73,789,000	75,167,645
2013	630,000	127,577	77,392,000	71,556,364
2014	650,000	103,863	79,905,000	67,703,619
2015	680,000	78,643	83,905,000	63,720,958
2016-2020	1,155,000	86,562	490,770,000	248,723,578
2021-2025	-	-	434,305,000	126,247,393
2026-2030	-	-	208,295,000	56,930,115
2031-2035	-	-	121,730,000	11,210,236
Total	<u>\$ 4,295,000</u>	<u>\$ 716,650</u>	<u>\$ 1,640,956,000</u>	<u>\$ 800,607,121</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**H. Long-term debt, continued:**

Revenue bonds, continued:

The City issues debt backed solely by future fees received for certain services. At June 30, 2010 future pledged revenues are as follows:

Purpose	Revenue Stream	For the Year Ending June 30, of Final Payments	Future Pledged Revenue Debt Outstanding	Approx. % of Future Revenue Pledged to Gross Revenue	For the Year Ended June 30, 2010 Revenue, Net of Related Expenses	For the Year Ended June 30, 2010 Debt Payments
Gas Tax Revenue Bonds ---						*
Public street improvements	Gas tax from state	2018	\$ 5,011,650	0.93%	\$ 42,851,072	\$ 760,038
Transportation Line of Credit ---						*
Various transportation related improvements	Gas tax from state	2014	1,291,662	0.51%	-	331,327
Urban Renewal & Redevelopment ----						
Fund improvements within the urban renewal & redevelopment area	Tax increment property tax	2030	503,896,306	13.51%	112,823,213	36,017,106
Sewer State Revolving Fund Loans ---						**
Financing energy, sewer system improvements, & housing renovations	Sewer fees	2028	21,660,717	0.32%	154,226,612	1,331,711
Sewage Disposal ---						**
Sewer improvement & maintenance	Sewer fees	2033	1,926,746,531	20.52%	-	118,536,107
Water Operating ---						
Water lines improvement & maintenance	Water fees	2035	492,430,189	7.60%	47,529,000	22,193,694
Electrical power generating plant	Power sales	2016	17,972,545	69.16%	2,602,687	2,716,057
Golf Operations ---						
Golf courses improvement & maintenance	Golf course fees	2013	2,421,293	9.96%	1,034,959	807,369
Parking Facilities ---						
City owned parking structures & maintenance	Parking fees	2013	1,992,563	1.76%	22,972,059	981,375
Total			\$ 2,973,423,456		\$ 384,039,602	\$ 183,674,784
Governmental activities			\$ 510,199,618		\$ 155,674,285	\$ 37,108,471
Business-type activities			2,463,223,838		228,365,317	146,566,313
Total			\$ 2,973,423,456		\$ 384,039,602	\$ 183,674,784

\* same revenue source pledged for two purposes

\*\*same revenue source pledged for two purposes

Advance and current refundings

On July 7, 2009, the City issued \$14.56 million of General Obligation Emergency Facilities Refunding Bonds, 2009 Series A to refund the remaining maturities of the General Obligation Emergency Facilities Bonds, 1999 Series A. The proceeds were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal and interest on \$14.92 million of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This current refunding was undertaken to reduce total debt service payments by \$2.01 million over the 10 years and resulted in an economic gain of \$1.73 million.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**H. Long-term debt, continued:**

Advance and current refundings, continued

On February 11, 2010, the City issued the \$73.44 million First Lien Water System Revenue and Refunding Bonds, 2010 Series A to refund the 2011 to 2017 maturities of the Water System Revenue Bonds, 2000 Series A and finance new construction. The refunding portion of the proceeds were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal of and interest on \$6.58 million of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net assets. This advanced refunding was undertaken to reduce total debt service payments by \$.34 million over the 8 years and resulted in an economic gain of \$.45 million.

On April 15, 2010, the City issued \$19.96 million of General Obligation Parks Refunding Bonds, 2010 Series A to refund the remaining maturities of the General Obligation Parks Refunding Bonds, 2001 Series A. The proceeds were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal of and interest on \$21.4 million of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. This current refunding was undertaken to reduce total debt service payments by \$2.54 million over the five years and resulted in an economic gain of \$2.05 million.

On April 22, 2010, the City issued \$7.75 million of Limited Tax Revenue Refunding Bonds, 2010 Series A to refund the remaining maturities of the Limited Tax Revenue Bonds, 1998 Series B, Limited Tax Revenue Bonds, 1999 Series B and Limited Tax Revenue Bonds, 2002 Series A. The proceeds were placed in an irrevocable escrow held by an independent escrow agent and invested in U.S. Government obligations maturing in amounts sufficient to pay the principal of and interest on \$7.86 million of the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column and business-type activities column of the statement of net assets. This current refunding was undertaken to reduce total debt service payments by \$.88 million over the ten years and resulted in an economic gain of \$.84 million.

Conduit debt

The City has issued Economic Development Revenue Bonds, which have not been recorded as a liability for GAAP presentation purposes. Private developers use the proceeds of these bond sales to finance capital expansion. The Economic Development Revenue Bonds have not been recognized as a liability of the City because the bonds are secured solely by the specific project and the developers make the payments. The bonds shall not be payable from a charge upon any of the City's resources or assets, nor shall the City be subject to any liability thereon. No holder or holders of the bonds shall ever have the right to compel an exercise of the taxing power of the City to pay the bonds or the interest thereon, nor to enforce payment thereof against any property of the City except the specific project. Upon completion of the project, the developer owns the assets constructed. Since the City does not own any of the assets constructed or assume any of the liabilities associated with repayment, this does not require balance sheet disclosure or recognition of revenues and expenditures according to GAAP. The total outstanding principal of these bonds as of June 30, 2010 is \$154.9 million.

The City has made a limited, subject-to-appropriation, pledge of its General Fund to restore reserve fund balances on four Housing Authority of Portland revenue bond issues. The original par amount of these issues is \$30.9 million, of which \$27.5 million remains outstanding.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**H. Long-term debt, continued:**

Notes, lines of credit and loans payable

Notes payable. The City issues Notes to finance equipment acquisitions and improvements, improving streets and sidewalks, and to provide interim financing of urban renewal plans. Sewage Disposal Fund's \$4 million note payable with the State of Oregon is for flood storage, water quality and habitat improvements to the Johnson Creek flood plain. The interest rate on the note outstanding on June 30, 2010 was 5 percent.

Lines of credit. As of June 30, 2010, the City has \$341.8 million outstanding on various lines of credit. The use of proceeds and remaining balances are as follows:

Provide interim financing for urban renewal district projects	\$172.6 million
Finance various City backed projects, including:	
Extension of the Portland Central City Streetcar line	3.0 million
Various transportation improvements	1.2 million
Local improvement district projects	2.9 million
Improvements to stadium for major league soccer	2.1 million
Sewer system construction projects	160.0 million

Other than the outstanding lines of credit for transportation improvements, sewer system improvements and stadium improvements, the remaining outstanding lines of credit are secured by the General Fund. The City expects to retire \$4.25 million of the lines of credit with working capital over the next four years. The rest will be replaced with long-term bonds. Interest rates on the outstanding line of credit balances on June 30, 2010 ranged from .54 to 1.76 percent; all are variable rates tied to either prime or the London Interbank Offered Rate (LIBOR).

The \$160 million sewer system line of credit was replaced by a bond issue in August of 2010. The first payment on those bonds is due in March of 2011 and the final payment comes in March of 2035. The interest rates on those bonds range from 2 to 5 percent. \$115 million of the urban renewal lines of credit was replaced by a new line of credit in December 2010. That line of credit comes due in December of 2013 and interest rates are variable tied to LIBOR.

Loans Payable. The City has entered into various loan arrangements for the purpose of financing energy, sewer system improvements and housing projects. Additions during fiscal year 2010 were \$2.5 million in housing loans guaranteed by the City with HUD Section 108 funding, \$1 million for park land, and \$1.4 million in sewer loans. The principal balance of these loans on June 30, 2010, is \$23.4 million. Interest rates vary from 1 to 7 percent with maturities to fiscal year 2030. Details for the activity of notes, lines of credit and loans payable can be found in the changes in long-term liabilities schedule at the end of this note.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**H. Long-term debt, continued:**

Notes, lines of credit and loans payable, continued:

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 3,382,315	\$ 1,284,169	\$ 7,910,345	\$ 4,227,743
2012	384,000	1,353,322	4,815,180	7,560,657
2013	393,000	1,344,419	4,948,173	7,402,658
2014	169,855,322	789,541	5,113,185	7,238,876
2015	92,000	235,952	7,382,421	7,026,539
2016-2020	7,483,490	665,565	29,993,042	31,481,285
2021-2025	675,000	205,380	36,137,782	25,170,932
2026-2030	851,000	63,040	38,727,998	17,589,827
2031-2035	-	-	47,327,201	7,329,754
Total	<u>\$ 183,116,127</u>	<u>\$ 5,941,388</u>	<u>\$ 182,355,327</u>	<u>\$ 115,028,271</u>

For further information on the HUD Section 108 Loan Guarantee Program, refer to the Loans Receivable section of Note III.B. Receivables and payables.

Compensated Absences

The City's policy relating to compensated absences is described in Note I.D.9. The long-term portion of compensated absences for governmental activities and business-type activities is \$14.7 million and \$2 million respectively at June 30, 2010. 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, 2010 was \$47.8 million for governmental activities and \$7.8 million for business-type activities.

Changes in long-term liabilities

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the totals below for governmental activities. At June 30, 2010, internal service funds had \$83.3 million bonds outstanding. When debt service payments become due, cash is transferred from the applicable governmental fund and enterprise operating fund to the disbursing debt service fund within five days prior to the payment date.

For fiscal year 2010, there were no governmental funds used to liquidate other long-term liabilities. The governmental funds and internal service funds, which committed to a long-term liability such as a capital lease, paid the debt service obligations from current resources.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**H. Long-term debt, continued:**

Changes in long-term liabilities, continued:

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Reclassification	Additions	Reductions	Ending Balance	Due Within One Year
<b>Government Activities:</b>						
Bonds payable:						
General obligation bonds	\$ 66,820,000	\$ -	\$ 34,520,000	\$ 42,450,000	\$ 58,890,000	\$ 6,195,000
Limited tax improvement bonds payable from assessment payments	44,260,000	-	22,305,000	3,460,000	63,105,000	3,505,000
Urban renewal and redevelopment bonds	334,445,000	-	36,890,000	17,930,000	353,405,000	20,140,000
Limited tax and limited tax revenue bonds	422,137,316	-	25,355,000	27,326,594	420,165,722	20,887,591
Revenue bonds	4,865,000	-	-	570,000	4,295,000	580,000
Unamortized premium and discounts on bonds	10,117,000	-	4,085,169	1,658,291	12,543,878	2,176,456
Total bonds payable	882,644,316	-	123,155,169	93,394,885	912,404,600	53,484,047
Notes, loans and lines of credit payable	194,129,708	-	53,407,092	64,420,673	183,116,127	3,382,315
Self insurance claims	25,214,783	-	41,870,389	42,289,402	24,795,770	10,663,693
Net pension obligation	933,696,127	4,328,266	73,018,727	-	1,011,043,120	-
Compensated absences	51,944,469	-	33,907,158	38,053,676	47,797,951	33,092,569
Other postemployment benefits	19,654,116	(4,328,266)	3,414,684	-	18,740,534	-
Governmental activities long-term liabilities	\$ 2,107,283,519	\$ -	\$ 328,773,219	\$ 238,158,636	\$ 2,197,898,102	\$ 100,622,624
<b>Business-type Activities:</b>						
Bonds payable:						
General obligation bonds	\$ 3,135,000	\$ -	\$ -	\$ 1,545,000	\$ 1,590,000	\$ 1,590,000
Limited tax and limited tax revenue bonds	140,815,546	-	-	6,400,144	134,415,402	7,165,922
Revenue bonds	1,640,114,000	-	73,440,000	72,598,000	1,640,956,000	70,865,000
Unamortized premium and discounts on bonds	64,242,224	-	1,951,293	6,965,249	59,228,268	6,812,766
Total bonds payable	1,848,306,770	-	75,391,293	87,508,393	1,836,189,670	86,433,688
Notes, loans and lines of credit payable	20,034,963	-	163,491,681	1,171,317	182,355,327	7,910,345
Compensated absences	8,797,576	-	6,888,100	7,873,436	7,812,240	5,844,242
Other postemployment benefits	1,709,593	-	449,380	-	2,158,973	-
Capital leases	84,772	-	-	84,772	-	-
Business-type activities long-term liabilities	\$ 1,878,933,674	\$ -	\$ 246,220,454	\$ 96,637,918	\$ 2,028,516,210	\$ 100,188,275

Auction Rate Securities

As of June 30, 2010, the City had \$145.7 million in outstanding Limited Tax Pension Obligation Revenue Bonds, 1999 Series D and E, in the form of auction rate securities. These taxable, seven-day auction rate securities are rated Aa1 by Moody's Investors Service and are not backed by municipal bond insurance or other credit enhancement. All \$145.7 million of these securities remain outstanding as of January 1, 2011.

Beginning in February 2008, the City began to experience "failed" auctions due to the collapse of the auction rate market. Failed auctions occur when, on any given auction date, there are insufficient buyers to purchase all of the auction rate securities that have been offered for sale by investors. When an auction fails, the rate on the securities for the next interest rate period is determined by a mathematical formula that is defined in the legal provisions for the bonds.

The legal provisions for the City's outstanding auction rate securities provide that in the event of a failed auction (and assuming the rating of the securities remains at Aa3 or higher), the interest rate for the next interest period is set at 150 percent of the most recent seven-day AA-rated financial commercial paper index.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes, continued:**

**H. Long-term debt, continued:**

Auction Rate Securities, continued:

Since February 2008, all of the City's auctions have "failed" and the rate on these securities has been set by formula. The average interest paid by the City since July 1, 2010 has been .2238 percent, plus a .25 percent broker/dealer fee, for an average all-in cost of .474 percent. For the week of January 10, 2011, the City paid an all-in rate of .597 percent.

The City expects that it will continue to experience failed auctions for the foreseeable future. As such, the interest rates on the City's auction rates securities will likely continue to be tied directly to the seven-day, AA-rated financial commercial paper index. The City continues to evaluate options related to its pension auction rate securities, including the possibility of refunding the auction rate securities into fixed rate debt if market conditions warrant.

Bond Insurer Rating Downgrades

The City has approximately \$164.3 million face amount of debt service reserve fund surety policies ("credit facilities") relating to outstanding sewer, water, parking and gas tax revenue bonds, as well as urban renewal and redevelopment bonds issued for the Airport Way, Convention Center, Downtown Waterfront, South Park Blocks and Interstate Corridor urban renewal areas. The City has frequently purchased debt service reserve surety bonds from municipal bond insurance companies in lieu of cash funding debt service reserve requirements for certain revenue bonds and urban renewal bonds.

The legal provisions for these revenue bonds and urban renewal bonds provide that the minimum credit rating of the credit facility provider must exceed specified rating levels. In most cases, the legal provisions state that the credit facility rating "test" is made only at the time of issuance of the bonds. However, in other documents it is unclear or ambiguous whether the test is made only at the time of issuance or whether the rating test is ongoing. Where the rating test is unclear as to its timing (at time of issuance only vs. ongoing), the City has taken the position that if the rating of the credit facility provider falls below the minimum standard subsequent to the issuance of the bonds, the City is not required to replace the credit facility with an alternative credit facility or with cash.

As of January 1, 2011, the City had the following face amount of debt service reserve (DSR) surety policies with the various bond insurers. Where only one rating is shown, the related bonds are rated only by Moody's Investors' Service.

	Insurer Ratings (Moody's / S&P)	Face Amount of DSR Surety Bonds
Ambac Assurance Corporation (Ambac)	Caa2	\$ 20,101,335
Assured Guaranty Municipal Corporation (formerly FSA)	Aa3 / AAA	89,773,029
National Public Finance Guarantee Corporation (formerly MBIA)	Baa1 / A	50,972,738
<b>Total</b>		<b>\$ 160,847,102</b>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**III. Detailed notes**, continued:

**I. Short-term debt:**

The City issues overnight bonds to permit the City's component unit, PDC, to access tax increment revenues deposited into debt service funds established for each urban renewal district. Under ORS 457.435 and 457.440, tax increment collections may only be spent to pay principal and interest on indebtedness. Tax increment collections are expected to be sufficient to meet debt service requirements for outstanding long-term debt. The City issues overnight debt to release excess collections to PDC for capital projects. The City issued \$50.6 million in overnight bonds in fiscal year 2010 and redeemed those bonds within five days. At June 30, 2010, there were no outstanding overnight bonds.

At the beginning of the fiscal year, the City issued \$27.8 million of tax anticipation notes in advance of property tax collections, depositing the proceeds in the Fire and Police Disability and Retirement (fiduciary) Fund. The notes were issued to meet current operating expenses of the Fire and Police Disability and Retirement Fund. The tax anticipation notes were paid prior to the end of the fiscal year.

Short-term debt activity of the fiscal year ended June 30, 2010 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Over night bonds	\$ -	\$50,570,000	\$50,570,000	\$ -
Tax anticipation notes	-	27,830,000	27,830,000	-
	<u>\$ -</u>	<u>\$78,400,000</u>	<u>\$78,400,000</u>	<u>\$ -</u>

**J. Termination benefits:**

The City offers a targeted severance program which provides qualified employees with a minimum of two months' salary and six months of paid health insurance upon termination of employment. Individual severance agreements are generated by the bureau in specific instances offering health care continuation and are generally offered for up to six months. The American Recovery and Reinvestment Act of 2009 (ARRA) as amended allows qualified individuals a health insurance premium reduction of 65 percent for up to fifteen months. The six month severance term and the fifteen month ARRA term run consecutively. The ARRA program applies only to terminations through May 31, 2010. At the end of fiscal year 2009, ten individuals had qualified for and entered into these programs. Due to the short duration of this termination plan, payments have not been discounted. This plan has no effect on the actuarial accrued liability related to other postemployment benefits.

The City began offering a new plan, "Lay Off with Safety Net Severance," for employees laid off for budgetary reasons between July 1, 2009 and June 30, 2010. Qualified employees will receive up to six months of paid COBRA health insurance upon termination of employment. The six month safety net term and the fifteen month ARRA term run consecutively.

The number of employees affected and the net cost of these termination benefits for fiscal year ending June 30, 2010 were:

	Number of <u>Participants</u>	<u>Benefits</u>
ARRA	66	\$ 146,869
Safety Net	79	395,751
Severance	24	94,085
	<u>169</u>	<u>\$ 636,705</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information:**

**A. Risk management:**

The City is exposed to various risks of loss related to theft, damage and destruction of assets, tort claims (general and fleet liability), injuries to employees, acts of terrorism, and natural disasters. The City of Portland is self-insured for workers' compensation, general liability claims and certain employees' medical coverage in internal service funds. Per Oregon Revised Statute 30.272, general and fleet liability claims for bodily and personal injury are limited to \$533,300 per person and \$1,066,700 aggregate per occurrence for causes of action arising on or after July 1, 2010 and before July 1, 2011, Per ORS 30.273, covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2010, and before July 1, 2011, are \$100,100 for any single claimant and \$500,600 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 Services and independent actuarial studies. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors. Estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine present value of the liability. For fiscal year ended June 30, 2010, the expected rate of return was 1.26 percent. For fiscal year ending June 30, 2011, the expected rate of return is .4 percent. The Bureau of Human Resources and the employee benefits consultant determines relevant employees' medical coverage estimates.

The City provides insurance coverage deemed as adequate, appropriate, and actuarially sound. It meets all the City's anticipated settlements, obligations and outstanding liabilities. Furthermore, current levels of accrued claims and retained earnings are viewed as reasonable provisions for expected future losses. An excess liability coverage insurance policy covers individual claims in excess of \$1,000,000, with a \$500,000 sublimit on City Attorney defense costs for the 2010-11 policy year, and an excess workers' compensation coverage insurance policy covers claims in excess of \$750,000. The City purchases commercial insurance for claims in excess of coverage provided by the fund and for all other risks of loss. A 2010 proposed settlement of a 2006-07 policy year liability claim has reached the excess liability policy attachment point. A 2010 settlement of a 2006-07 policy year liability claim has reached the excess liability policy attachment point.

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:

	Year ended June 30, 2010	Year ended June 30, 2009
Balance, beginning of fiscal year	\$ 25,214,783	\$ 26,487,373
Incurred claims and adjustments	41,870,389	34,105,603
Claim cash payments	<u>(42,289,402)</u>	<u>(35,378,193)</u>
Unpaid claims, end of fiscal year	<u>\$ 24,795,770</u>	<u>\$ 25,214,783</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**B. Commitments and contingent liabilities**

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

Bonds

The City has a contingent liability against its full faith and credit for liabilities recorded in enterprise funds for general obligation water district bonds in the amount of \$1.6 million at June 30, 2010. General credit of the City is obligated on these bonds only to the extent cash, generated from income in the Water Fund, is insufficient to pay debt service on the bonds.

The City's general credit is obligated on limited tax improvement bonds totaling \$63.1 million at June 30, 2010, 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, seven of which expired on June 30, 2010. The contract with Laborers' Local 483 – Seasonal Maintenance Workers expires June 30, 2011. Five of the contracts have been settled and ratified by City Council and are currently in effect. The Portland Police Association and the Portland Police Commanding Officers Association contracts are still in negotiations.

	<u>Effective Dates</u>	
The Portland Fire Fighters' Association (PFFA) - Local 43	7/1/2010	6/30/2012
Portland Police Association (PPA)	7/1/2006	6/30/2010
The Portland Police Commanding Officers Association (PPCOA)	7/1/2006	6/30/2010
Bureau of Emergency Communications (BOEC) -	7/1/2010	6/30/2013
The District Council of Trade Unions (DCTU) -	7/1/2010	6/30/2013
Laborers' Local 483 - Seasonal Maintenance Workers	7/1/2007	6/30/2011
The City of Portland Professional Employees Association (COPPEA)	7/1/2010	6/30/2013
Laborers' Local 483 - Recreation Employees	7/1/2010	6/30/2013

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information**, continued:

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

HUD Section 108 Loan Guarantee:

The City is party to a HUD Section 108 loan guarantee contract, B-97-MC-41-0003\_with HUD for the Commercial Revitalization Loan Fund Program, which is administered by the Portland Development Commission (PDC). The HUD contract, signed in December 1999, was for \$8 million. There are eight outstanding loans totaling \$4.7 million in original principal and \$3.7 million currently remaining balances. The table below presents a list of borrowers and their respective loan principal balances:

<u>Borrower Name</u>	<u>Original Principal Amount</u>	<u>Principal Balance June 30,</u>	
		<u>2009</u>	<u>2010</u>
HUD Offering Rate Variance	\$31,000	\$30,000	\$28,000
Killingsworth / McCuller Crossing	143,000	124,000	117,000
MRK - Alberta Street Market	850,000	788,000	756,000
OUV1	700,000	475,000	440,000
OUV2	800,000	737,000	714,000
PCRI / Alberta Simmons	375,000	290,000	275,000
PCRI / Maggie Gibson	670,000	565,000	535,000
PUB Group	875,000	640,000	600,000
Rachel Elizabeth / Rexall	290,000	227,000	213,000
Total	<u>\$4,734,000</u>	<u>\$3,876,000</u>	<u>\$3,678,000</u>

The Bank of New York Mellon ("BNY") serves as custodian for this group of HUD Section 108 loans under an indenture and trust agreement between the City and the BNY executed in 1999. All transactions flow through BNY trust accounts. The HUD offering rate variance is repaid by PDC on a periodic amortizing basis from EDI grant reserve funds also held in trust at BNY. The collective loan balances under this HUD contract for which the City is contingently liable should the borrowers default is \$3.7 million. For further information on the HUD Section 108 Loan Guarantee Program, refer to the Loans Receivable section of Note III.B. Receivables and payables,

Contractual commitments

Contractual commitments at June 30, 2010 amount to:

Governmental activities	\$ 26,107,705
Business-type activities	<u>6,234,780</u>
Total	<u>\$ 32,342,485</u>

Included in these amounts are remaining balances of professional service contracts, goods and services contracts and intergovernmental agreements. Construction commitments of \$386.8 million are presented in Note III.E.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information**, continued:

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

Hydroelectric Power Fund

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

The agreement states that, upon expiration of the term of the agreement, if the accumulated cost of power generated at Hydro's plant exceeds that of the accumulated cost of a like amount of power generated by the utility, then the carrying value of the renewal and replacement assets shall be paid to the utility to offset up to 50 percent of the "excess cost" incurred by the utility to generate power at Hydro's plant. The balance of the assets, if any, shall be divided equally between Hydro and the utility. In the event the accumulated cost of power generated at Hydro's plant exceeds that of the accumulated cost of a like amount of power generated by the utility, and the carrying value of the renewal and replacement assets is less than 50 percent of the excess cost, no further amounts would be required to be paid to the utility. At August 31, 2010, the total accumulated excess cost was \$22,611,390, 50 percent of this total was \$11,305,695, and the carrying value of the renewal and replacement assets was \$9,378,530.

Environmental Remediation - Portland Harbor Superfund Site

Portland Harbor was listed as a federal Superfund site in December of 2000. In 2003, the City of Portland and nine other potentially responsible parties entered into an Administrative Agreement and Order on Consent (AOC) with EPA obligating them to finance a Remedial Investigation and Feasibility Study (RI/FS) under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

The signatories to the AOC have agreed upon an interim cost sharing plan to fund the RI/FS. Under this arrangement, the City's share is 25 percent. The City's share of the RI/FS costs does not define the City's final liability for the assessment costs and bears no relationship to the City's potential liability for clean up costs at the site. The City's costs for this phase of the work are being financed primarily from user fees generated by the City's sanitary sewer and storm water utility, which is managed by the City's Bureau of Environmental Services (BES) and funds the City's Environmental Remediation Fund. The City's estimated costs associated with the RI/FS activities, are based on the arrangement to share the RI/FS activities through 2012. These costs are expected to range between \$1.55 and \$4.63 million and have been accrued at fiscal year end June 30, 2010 using the probability weighted cash flow technique. Since 2001, the City has contributed over \$20 million to the Lower Willamette Group for the RI/FS. The City believes that an estimate of maximum exposure for the Portland Harbor cleanup cannot be made but could be material.

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. It is anticipated that allocation of liability for cleanup will be determined after a remedial action is selected. Under CERCLA, responsible parties that fail to enter into agreements to remediate and restore Superfund sites become subject to legal action by the EPA to recover their full share of the 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.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

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

Environmental Remediation, continued:

The City will seek recovery of some or all of its RI/FS costs from other parties that have liability at the Superfund site. To date, EPA has notified more than 85 entities and property owners along the Willamette River, including the City, that they are potentially responsible for investigation and cleanup of contaminated sediments in Portland Harbor. The City is participating in voluntary negotiations with approximately 80 other potentially responsible parties to develop a method of fairly allocating investigation and remedy costs among all responsible parties. Additional entities that contributed to the contamination may be discovered throughout the process. This non-judicial allocation process is expected to take several more years to complete. Under a cost sharing agreement with the other parties in the negotiations, the City pays a per capita share of negotiation costs (for facilities, facilitation, and administrative support). The City's per capita share of costs for fiscal year ending June 30, 2011 have not been estimated but may be somewhat higher than the initial \$20,000 share as the allocation process ramps up.

The City is also one of ten plaintiffs who filed suit in June 2009 against 40 entities to protect against a potential statute of limitations claim by parties that are not participating in negotiated settlements or did not agree to waive statute of limitation defenses. The plaintiffs in the litigation sought and were issued a stay of the litigation pending the outcome of the negotiated settlement discussed above. The City may also have liabilities to Natural Resource Trustees of the Willamette River (including federal, state and tribal resource agencies) for damages to natural resources in Portland Harbor. The City is participating in negotiations with the federal resource trustees regarding these potential natural resource damages and is voluntarily contributing funding for the trustees to develop a damage assessment. Under City and Trustee Activity, the City expects to fund restoration planning for fiscal year ending June 30, 2011 at an estimated \$300,000. The amount or duration of additional Trustee funding cannot be determined. Potential resource damages have not been quantified by the trustees and cannot be estimated at this time until the conclusion of Trustee activities. It is anticipated that costs for the restoration of natural resources will be estimated at the completion of the RI/FS. The City's ultimate liability is undeterminable at this time. However, it is expected to be a material amount in the period it is recorded.

**C. Other postemployment benefits:**

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined benefit plan.

Health Insurance Continuation

Plan Description: The City has a Health Insurance Continuation option available for most groups of retirees. It is a substantive postemployment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires the City provide retirees with group health and dental insurance from the date of retirement to age 65, and the rate be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This single-employer "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

Funding Policy: For the Health Insurance Continuation option, the City collects insurance premiums from participating retirees each month. The premiums are either deposited in the City's self insurance fund or paid directly to a third party health insurance provider depending upon the plan. At the date of the actuarial report 747 retirees and 410 spouses were participating in the plan.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information**, continued:

**C. Other postemployment benefits**, continued:

Health Insurance Continuation, continued:

The City has elected to not pre-fund the fiscal year 2010 employer's annual required contribution to the plan (ARC) of \$3,869,854.

The Health Insurance Continuation "blended" premium rates, according to the most recent actuarial valuation, dated July 1, 2009, were:

Health Insurance Continuation			
	Medical Only	Dental	Vision
<b>City Health Care Plan</b>			
Individual	\$ 453.46	\$52.28	\$ 5.07
Two-Party	883.80	90.28	9.23
Family	1,183.78	160.41	12.31
<b>HDHP (early retiree only)</b>			
Individual	\$ 328.12	N/A	N/A
Two-Party	628.85	N/A	N/A
Family	839.08	N/A	N/A
<b>Kaiser</b>			
Individual	\$ 447.81	\$56.22	\$ 3.93
Two-Party	882.34	96.70	7.97
Family	1,190.29	164.16	10.85
N/A = not applicable			

***Annual OPEB Cost and Net OPEB Obligation:*** The City's annual other postemployment benefit cost is calculated based on the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the plan.

	Health Insurance Continuation
Employer's normal cost	\$ 10,595,075
Interest on net OPEB obligation	600,528
Adjustment to annual required contribution	(868,215)
Annual Required Contribution (ARC)	10,327,388
Less expected contribution	(6,457,534)
Increase in Net OPEB obligation	3,869,854
Net OPEB obligation - beginning of year	17,050,959
Net OPEB obligation - end of year	\$ 20,920,813
Governmental activities	\$ 18,740,534
Business-type activities	2,158,973
Fiduciary activities	21,306
Net OPEB obligation - end of year	\$ 20,920,813

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**C. Other postemployment benefits, continued:**

Health Insurance Continuation, continued:

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2010 were as follows:

Health Insurance Continuation				
Fiscal Year Ended	Annual OPEB Cost	Contribution	Percent of Annual OPEB Cost Contributions	Net OPEB Obligation
6/30/2008	\$ 10,934,810	\$ 2,005,392	18.34%	\$ 8,929,418
6/30/2009	10,934,810	2,813,269	25.73%	17,050,959
6/30/2010	10,595,075	6,457,534	60.95%	20,920,813

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2009 (the date of the most recent actuarial valuation), was as follows:

	Health Insurance Continuation
Actuarial accrued liability (AAL)	\$ 104,203,230
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 104,203,230
Funded ratio (actuarial value of plan assets (AAL))	0%
Covered payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A
N/A = not applicable	

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

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

In the July 1, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4 percent investment rate of return and an annual healthcare cost trend rate of 5 to 14.63 percent for health insurance, 4.2 to 6.1 percent for dental insurance and 0 to 6 percent for vision. The UAAL is amortized over an open period of 30 years using the level percentage of projected pay. Payroll growth increase assumption is 4 percent for general services.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**C. Other postemployment benefits, continued:**

PERS Retirement Health Insurance Account

*Plan Description:* The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

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

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.59 percent of annual covered payroll. The Oregon PERS Board of Trustees sets the employer contribution rate. It is based on the annual required contribution of the combined participant employers. This is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a closed period not to exceed 30 years. The City's contributions to RHIA equaled the required contributions each year and were:

Fiscal Year Ended	RHIA Contributions
6/30/2008	\$ 870,639
6/30/2009	951,332
6/30/2010	739,467

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

State of Oregon Public Employees Retirement System

*Plan description:* All civilian City employees, all sworn fire and police personnel hired after December 31, 2006, and 10 sworn fire and police personnel hired before January 1, 2007 are participants under one or more plans currently available through Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system administered under ORS 238 and 238A.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**D. Employee retirement systems and pension plans, continued:**

State of Oregon Public Employees Retirement System, continued:

The 1995 Legislature created a second tier of benefits for those who became members after 1995. The second tier does not have the Tier One assumed earnings rate guarantee.

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 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, telephone (503) 598-7377 or by URL: [http://Oregon.gov/PERS/section/financial\\_reports/financials.shtml](http://Oregon.gov/PERS/section/financial_reports/financials.shtml).

PERS' benefits vest after five years of continuous service or at normal retirement age. 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. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with less than 30 years of service. Fire and police personnel benefits are reduced if retirement occurs prior to age 55 with less than 25 years of service. Tier Two members are eligible for full benefits at age 60 (age 55 for fire and police personnel). OPSRP members are eligible for full benefits at 30 years and age 58 or at age 65.

Tier one 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. Tier Two uses either money match or full formula. OPSRP only uses full formula. Fire and police personnel may purchase increased benefits payable between the date of retirement and age 65. These benefit provisions and other requirements are established by state statutes.

On November 7, 2006, voters in the City of Portland passed a measure that took effect January 1, 2007. All police officers and firefighters hired on or after January 1, 2007 will now be enrolled in the state retirement system instead of the City's Fire and Police Disability and Retirement fund for retirement purposes. They will remain under the City's plan for disability payments.

Funding policy. The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed annually. Beginning in fiscal year 1999-2000, PERS began passing costs on to employers due to the Oregon State Legislature increasing retiree benefits in 1995 by a maximum 9.89 percent benefit increase on benefits earned before October 1991 after a Court decision mandating taxation of state PERS benefits for retirees, and because the interpretation of PERS statutes by the PERS Board increased benefits beyond those foreseen by the legislature. The impact on the City to recover the higher PERS costs would have raised its employer contribution rate from 10.48 to 17.4 percent of covered members' compensation.

Proceeds of the 1999 Series C, D & E Bonds (the "Bonds") were used to finance all of the estimated unfunded actuarial accrued liability (UAAL) of the City of Portland with PERS as of December 31, 1997.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information**, continued:

**D. Employee retirement systems and pension plans**, continued:

State of Oregon Public Employees Retirement System, continued:

The City elected to finance its December 31, 1997, UAAL of \$257.9 million to receive a lower employer contribution rate of 8.56 percent of covered employees' salaries. This resulted in the City having an over funded Actuarial Accrued Liability of \$60.8 million 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 \$300.8 million. 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: Effective January 1, 2000, the City elected to participate in the Local Government Rate Pool (LGRP). The LGRP was created by legislative act of the State of Oregon and provided local governments the option to pool their PERS-related assets and liabilities with others that elected to participate in the pool, whereby contribution rates are determined based on the overall experience of the pool versus the potentially more volatile experience of individual employers. The LGRP was expanded and replaced by the State and Local Government Rate Pool (the SLGRP). The City made the election to join the SLGRP as of January 1, 2002.

The most recent actuarial valuation was prepared for the period ending December 31, 2009, and was issued in October 2010, based on the most recent actuarial valuation the City's contribution rate would be increasing for fiscal year 2012. The rates for fiscal years 2008 through 2010 are listed below.

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

Significant economic assumptions used in the 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 3.75 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 2.75 percent per year, and (g) a factor for unused sick leave that is used to calculate retirement benefits under the Full Formula and Formula Plus Annuity benefit calculations.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**D. Employee retirement systems and pension plans, continued:**

State of Oregon Public Employees Retirement System, continued:

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

	General Service					
	2008		2009		2010	
	PERS	OPSRP	PERS	OPSRP	PERS	OPSRP
PERS Defined Benefit Plan	6.66%	9.21%	6.66%	9.21%	4.30%	5.04%
Employee IAP*	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Total contribution rate	12.66%	15.21%	12.66%	15.21%	10.30%	11.04%

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

	Firefighters & Police Officers					
	2008		2009		2010	
	PERS	OPSRP	PERS	OPSRP	PERS	OPSRP
PERS Defined Benefit Plan	6.66%	12.48%	6.66%	12.48%	4.30%	7.75%
Employee IAP*	6% / 9%**	9.00%	6% / 9%**	9.00%	6% / 9%**	9.00%
Total contribution rate	12.66-15.66%	21.48%	12.66-15.66%	21.48%	10.30-13.30%	16.75%

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

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

The City sold bonds in 1999 and deposited the proceeds in an account with the state retirement system. The state sets rates for members of the SLGRP. The City opted to amortize the original deposit ratably over the life of the bonds.

The unamortized balance of the funds deposited with PERS at June 30 was:

	2008	2009	2010
Governmental funds	\$ 120,253,681	\$ 114,638,723	\$ 109,023,765
Internal Service funds	11,951,758	11,393,698	10,835,638
Governmental activities	132,205,439	126,032,421	119,859,403
Business-type activities	51,543,499	49,136,798	46,730,097
Fiduciary funds	375,510	357,977	340,444
Total prepaid	\$ 184,124,448	\$ 175,527,196	\$ 166,929,944

The amounts contributed to PERS during the years ended June 30, 2008, 2009 and 2010 were equal to the required contribution for each year. The amounts contributed by the City were as follows:

	2008	2009	2010
Cash contribution during year	\$ 32,779,658	\$ 35,326,820	\$ 32,598,608
Amortization of deposit with PERS	8,597,252	8,597,252	8,597,252
Total	\$ 41,376,910	\$ 43,924,072	\$ 41,195,860

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**D. Employee retirement systems and pension plans, continued:**

Fire and Police Disability and Retirement Plan

Description of plan: As of June 30, 2010, membership data related to the Fire and Police Disability, Retirement and Death Benefit Plan (the Plan) was as follows:

	<u>FPDR One</u>	<u>FPDR Two</u>	<u>FPDR Three</u>	<u>Total</u>
Retirees, beneficiaries and participants with disabilities currently receiving pension and long-term disability benefits	745	1,087	-	1,832
Terminated employees that are vested, but not yet receiving benefits	-	60	-	60
Current members on short-term disability	-	22	7	29
Current members:				
Vested	-	1,252	-	1,252
Non-vested	-	114	-	114
Not in FPDR pension plan	-	-	279	279
Total current members	-	1,366	279	1,645

Fire and Police Disability and Retirement (FPDR) Plan, consists of three tiers, two of which are now closed to new employees. The Plan's authority for vesting and benefit provisions is contained in the City Charter. Fire and police personnel generally become eligible for membership in the Plan immediately upon employment. See *The Fire and Police Disability and Retirement Fund*, (Note I.A.) for information on obtaining financial statements.

FPDR One, the original plan, and FPDR Two, the tier in which most active fire and police personnel participate, are single employer defined-benefit plans, administered by the FPDR Board of Trustees. As of June 30, 2010 there were 745 members and beneficiaries, respectively, under the provisions of the Plan as constituted prior to July 1, 1990, now called FPDR One: 2,513 members and beneficiaries were subject to the new Plan after June 30, 1990, now called FPDR Two.

On November 7, 2006, voters in the City of Portland passed a measure that changed the retirement plan for new police officers and firefighters. Members hired after 2006 will be FPDR Three members and enrolled in PERS, predominantly in the Oregon Public Service Retirement Plan (OPSRP), for retirement benefits. New employees do not become members of PERS for six months unless they were previously members of PERS. The FPDR Fund pays the employee and employer portion of the PERS contributions. FPDR Three members are covered by the same disability and death benefit provisions as FPDR Two members. As of June 30, 2010, the number of FPDR Three members was 279.

The Plan provides for service-connected and occupational disability benefits for FPDR Two and Three members at 75 percent of the member's base pay, reduced by 50 percent of any wages earned in other employment, for the first year. After the first year, if the member is medically stationary and capable of substantial gainful activity, benefits are reduced to 50 percent of the member's base pay, reduced by 25 percent of any wages earned in other employment. The minimum benefit is 25 percent of the member's base pay. The Plan also provides for nonservice-connected disability benefits at reduced rates of base pay after 10 years of service.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information**, continued:

**D. Employee retirement systems and pension plans**, continued:

Fire and Police Disability and Retirement Plan, continued:

FPDR One service-connected and occupational disability benefits are paid at 60 percent of top-step pay for a police officer or fire fighter. Nonservice-connected disability benefits for FPDR One members are paid in the amount of the member's maximum earned pension, defined below, with a minimum payment of 20 percent of top-step pay for a police officer or fire fighter.

Active members enrolled in the Plan prior to July 1, 1990 were required to make an election as to whether they wished to fall under the provisions of the Plan as constituted prior to July 1, 1990 or become subject to the new Plan provisions after June 30, 1990. Under the old plan, now called FPDR One, payment of benefits are provided upon termination of employment on or after attaining the age of 50 (with 25 or more years of service) or 55 (with 20 years or more of service). Retirement benefits are paid to members at two percent of top-step pay for a police officer or firefighter for each year of active service (up to 60 percent).

Effective July 1, 1990, the Plan was amended to provide for the payment of FPDR Two retirement benefits upon termination of employment on or after attaining age 55, or on or after attaining age 50 if the member has 25 or more years of service. Members become 100 percent vested after five years of service. Benefits are paid to members at retirement using the following formula: 2.2 percent to 2.8 percent multiplied by the number of years of service incurred by the member (30-year maximum); that product is multiplied by the highest one-year base pay the member received during the final three years of employment. The accrual rate of 2.2, 2.4, 2.6 or 2.8 percent is selected by the member at retirement; the rate determines the survivor benefit.

Additional pension benefits are mandated by Oregon Revised Statutes for members whose service began prior to July 14, 1995. The benefits were defined in 1995 but made retroactive to 1991, when the State of Oregon began taxing local pension benefits. The benefits are calculated as a percentage of the Plan benefits, using the higher of 9.89 percent times the member's percentage of creditable service prior to October 1991 or 0 to 4 percent based on the member's years of service.

The Charter provides that, upon termination of employment before attaining five years of service, FPDR Two members shall be entitled to a lump-sum payment consisting of seven percent of base pay received by the member, excluding the first six months of membership. FPDR One members upon termination of employment after having completed five years of active service but fewer than 20 years receive a refund of the member's contributions, less the amount of any nonservice-connected disability benefits paid to the member.

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 the terms of the Plan from a nonservice-connected death and for death after retirement.

On November 6, 2007, voters in the City of Portland passed a measure that changed the medical coverage for retirees of the FPDR Fund. The change was effective for retirees after January 1, 2007. The measure requires the FPDR Fund to pay for the post-retirement medical expense associated with retired police and firefighters' approved claims for job-related injuries and occupational disabilities. The financial effects are preliminary, but the additional benefits cost \$0.3 million in the fiscal year ended June 30, 2009 and \$0.8 million in the fiscal year ended June 30, 2010. These costs are expected to grow as more members retire. Administration of the additional benefits is being absorbed by existing staff; administrative expense may increase in the future as the number of affected members grows.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**D. Employee retirement systems and pension plans, continued:**

Fire and Police Disability and Retirement Plan, continued:

House Bill 2420 governing workers' compensation law became effective January 1, 2010. The bill established the presumption that 12 cancers are occupational diseases for firefighters. The new presumption is not deemed to have a material impact on the valuation of disability-related medical expenses 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. 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. See Note III.A. Cash and investments for additional information on associated investment risks.

Funding policy and reserves: The Pension Trust Fund was established by adoption of Chapter 5 of the City Charter by the voters at the general election held November 2, 1948. Nine subsequent amendments have been made by voters with the last one being November 6, 2007.

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, 2010.

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

The Council is required by Charter to levy a tax sufficient to provide amounts necessary to meet estimates provided by the Board of Trustees. Funding for the Plan is accomplished by imposition of a special property tax levy which cannot exceed two and eight-tenths mills on each dollar of valuation of property (\$2.80 per \$1,000 of real market value) not exempt from such levy and is recognized in the FPDR Fund.

Prior to July 1, 1990, 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 FPDR Fund could receive advances from the FPDR Reserve Fund first, and other City funds second, to make up the difference. Repayment of advances, if any, would be made from the special property tax levy in the succeeding year. In the event that the special property tax levy is insufficient to pay benefits because benefits paid exceed the two and eight-tenth mills limit, then other City funds would be required to make up the difference from the Reserve Fund. For fiscal year ended June 30, 2010, the weighted levy rate per \$1,000 of real market value under the special property tax levy was \$1.29.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**D. Employee retirement systems and pension plans, continued:**

Fire and Police Disability and Retirement Plan, continued:

Prior to July 1, 1990, members were required to contribute seven 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.

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 FPDR Two provisions after June 30, 1990. As of June 30, 2010, there were 745 members and beneficiaries that fall under the provisions of the Plan as constituted prior to July 1, 1990, and 2,513 members and beneficiaries were subject to the new Plan as constituted after June 30, 1990 but before January 1, 2007; and 279 were subject to the plan as amended after January 1, 2007.

Recognizing that the economic conditions have changed significantly over the past few years, the City reviewed the discount rate and assumptions utilized in the calculations of the actuarial valuation, actuarial accrued pension liabilities, and net pension obligation, and determined they should be revised to more closely match the funding and investment returns that actually are achieved under existing investment. As a result, the City continued to monitor the discount rate used to value the Fund liabilities throughout the fiscal year; as a result revised 2010's rate from 4.5 to 4.0 percent. The impact of this change in estimate increased the accrued actuarial liability for pension by \$190 million and for disability-related medical expenses after retirement by \$.3 million.

Total actual contributions to the Plan for fiscal year ended June 30, 2010, consisted of the special property tax levy of \$108.1 million, which is 89.26 percent of the annual covered payroll of \$121.1 million. The City has recognized a net pension obligation (NPO) of \$1,005.7 million. The NPO was determined in accordance with GASB Statement 25. No expenditure or liability is reported for the NPO in the governmental fund financial statements, because such amounts normally are not expected to be liquidated with available financial resources. Instead, expenditures are reported in the governmental funds only when the amounts in question are, in fact, funded. In the interim, the liability for the NPO is reported in the government-wide statement of net assets.

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

**SCHEDULE OF FUNDING PROGRESS**

**Pension and Disability Plan**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2010	\$ 16,583,450	\$ 2,549,479,088	\$ 2,532,895,638	0.65%	\$ 121,080,178	2091.92%

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**D. Employee retirement systems and pension plans, continued:**

Fire and Police Disability and Retirement Plan, continued:

**SCHEDULE OF FUNDING PROGRESS**

**Disability Related Medical Expenses after Retirement**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2010	\$ -	\$ 5,118,095	\$ 5,118,095	0.00%	\$ 121,080,178	4.23%

**SCHEDULE OF ANNUAL PENSION COST**

**Pension and Disability Plan**

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Contribution *	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 154,626,180	\$ 88,706,536	57.37%	\$ 862,783,227
2009	175,001,510	100,981,612	57.70%	936,803,125
2010	173,983,893	105,100,343	60.41%	1,005,686,675

\* 2009 contribution restated

**SCHEDULE OF ANNUAL PENSION COST**

**Disability Related Medical Expenses after Retirement**

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 3,131,519	\$ 290,589	9.28%	\$ 2,840,930
2009	1,815,992	328,656	18.10%	4,328,266
2010	1,795,545	767,366	42.74%	5,356,445

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information**, continued:

**D. Employee retirement systems and pension plans**, continued:

Fire and Police Disability and Retirement Plan, continued:

**NET PENSION OBLIGATION**

**Pension and Disability Plan**

		Fiscal Year Ended June 30, 2010
Net pension asset (obligation), beginning of year		\$ (933,696,127)
Annual Required Contribution	\$ (186,862,957)	
Interest on pension asset (obligation)	(42,156,141)	
Adjustment to Annual Required Contribution	55,035,205	
Annual Pension Cost	(173,983,893)	
Adjustment to FYE 6/30/2009 contribution	(3,106,998)	
Contributions made	105,100,343	
Change in pension asset (obligation)		(71,990,548)
Net pension asset (obligation), end of year		<u><u>\$ (1,005,686,675)</u></u>

**NET PENSION OBLIGATION**

**Disability Related Medical Expenses after Retirement**

		Fiscal Year Ended June 30, 2010
Net pension asset (obligation), beginning of year		\$ (4,328,266)
Annual Required Contribution	\$ (1,855,049)	
Interest on pension asset (obligation)	(194,772)	
Adjustment to Annual Required Contribution	254,276	
Annual Pension Cost	(1,795,545)	
Contributions made	767,366	
Change in pension asset (obligation)		(1,028,179)
Net pension asset (obligation), end of year		<u><u>\$ (5,356,445)</u></u>

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**D. Employee retirement systems and pension plans, continued:**

Fire and Police Disability and Retirement Plan, continued:

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

**Pension and Disability Plan**

Valuation date	July 1, 2010
Actual cost method	Attained age normal
Amortization method	30-year level dollar
Remaining amortization period	30 years open
Asset valuation method	Net assets of pension funds
Actuarial assumption methods:	
Investment rate of return	4.00%
Projected salary increases - Police *	3.75%
Projected salary increases - Fire *	4.25%
Includes inflation at cost of living adjustments	2.75%
Post-retirement benefit increases:	
Per FPDR One	3.75%
Per FPDR Two	2.00%

\* These rates are for officers with more than seven years of service. Those with less than seven years have rate increases ranging up to 14%.

**Disability Related Medical Expenses after Retirement**

Valuation date	July 1, 2010
Actual cost method	Entry Age
Amortization method	30-year level dollar
Remaining amortization period	30 years open
Asset valuation method	None
Actuarial assumption methods:	
Investment rate of return	4.00%
Average annual medical trend	5.00%

**E. Subsequent events:**

Sellwood Bridge

The City has entered into an intergovernmental agreement with Multnomah County to provide funding for the Sellwood Bridge replacement project. City resources to fund this project will be generated from the Oregon Jobs and Transportation Act of 2009, State House Bill 2001. HB 2001 created new provisions for vehicle registration fee-based revenue to support transportation infrastructure. These revenues will be used repay the principal and interest on a City bond issue not to exceed \$100 million. A total project cost of \$330 million is anticipated in the intergovernmental agreement. The City's maximum contribution shall be \$100 million (plus financing costs up to \$60 million), or 30 percent of the total project cost.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information**, continued:

**E. Subsequent events**, continued:

Fire and Police Disability and Retirement

In July 2008, FPDR Fund staff discovered an error in how additional pension benefits mandated by the Oregon Revised Statutes had been calculated. The benefits, which are intended to partially offset state income taxes, were overpaid beginning in 1997 but were retroactive back to 1991. The benefit is calculated using one of two formulas; FPDR Fund staff mistakenly blended the two formulas until 2008, resulting in overpayments totaling \$2.9 million to 984 individuals. The calculation was corrected with the October 1, 2008 benefit payment for most members and beneficiaries who were being overpaid; the remainder was corrected with the January 1, 2009 payment. In July 2009, the FPDR Board of Trustees' legal counsel filed a Voluntary Correction Program application, designed to address the Operational Failure that was the overpayment, and a determination letter application with the Internal Revenue Service (IRS). The Voluntary Correction Program application was needed to ensure the Plan maintains its tax-qualified status and requested IRS approval for the prospective-only correction now in place. In April 2010, the IRS ruled, that in order to maintain the Plan's tax-qualified status, the Board of Trustees must either retroactively amend the Charter, a step requiring voter approval, or submit a plan to recover the overpayments. In August 2010, the Board directed legal counsel to submit a recovery plan to the IRS for approval. The Board is currently awaiting IRS approval of the final recovery plan, which is expected by January 2011. If approved, implementation of the recovery plan will begin in July 2011.

Citywide Housing Reorganization

In December 2008, the City's Mayor announced a major reorganization that would merge the Portland Development Commission (PDC) Housing Department with the City's Bureau of Housing and Community Development (BHCD) into a new bureau to be called the Portland Housing Bureau (PHB). Due to the complexity of issues related to the potential merging of PDC's Housing assets and liabilities, as well as system conversion complications, preparations have taken longer than expected and the transition did not occur during fiscal year 2009 or 2010. Subsequently, many system issues have been resolved and all City housing processing has transitioned to the City. PDC Housing Department staff were transferred to the City payroll on July 1, 2010. Related asset, liability, and fund balance transfers from PDC to the City as of July 1, 2010 will occur in January, 2011. While not all details are known and finalized at this time, the City anticipates receiving: approximately 1,880 housing-related loans and grants with a gross value of \$289,703,646; 17 real properties with a book value of \$14,006,502; three fixed assets with a value of \$55,630; along with the assets, liabilities, and fund balances of 13 complete funds and six partial funds.

Debt activity

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

<u>Debt Redeemed:</u>	Event Date	Principal
Parking system revenue bonds, 2000 Series A	1/11/2011	\$ 1,855,000

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

<u>Notes and Loans:</u>	Issue Date	Principal	Length in Years	Interest Rate	Draw Date	Draw Amount
Tax Anticipation Notes, Series 2010						
Fire and Police Disability and Retirement Fund	7/22/2010	\$21,825,000	0.95	2.00%	N/A	N/A

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

**E. Subsequent events, continued:**

Debt activity, continued:

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

<b>Bonds and Terms:</b>	Origination Date	Principal	Length in Years	Interest Rate
Second Lien Sewer System Revenue Bonds 2010 Series A Interest payable semi-annually on September 1 and March 1 Refinance existing line of credit, big pipe project	8/19/2010	\$407,850,000	25	2 - 5%
North Macadam Urban Renewal and Redevelopment Bonds 2010 Series A (Taxable) Interest payable semi-annually on June 15 and December 15 Refinance existing line of credit	9/23/2010	29,645,000	12	2.571 - 5.574%
North Macadam Urban Renewal and Redevelopment Bonds 2010 Series B (Tax Exempt) Interest payable semi-annually on June 15 and December 15 Refinance existing line of credit	9/23/2010	35,280,000	20	3.75 - 5.00%

Subsequent to fiscal year-end, the City made draws on open lines of credit:

<b>Line of Credit Activity</b>	Origination Date	Maximum Credit	Draw (Repayment) Date	Principal Draw (Repayment)	Length in Years	Interest Rate
Major League Soccer - PGE Park:						
MLS Line Draw # 5	3/10/2010	\$ 12,000,000	7/23/2010	\$ 119,897	5	variable
MLS Line Draw # 6	3/10/2010	12,000,000	8/20/2010	237,668	5	variable
MLS Line Draw # 7	3/10/2010	12,000,000	9/17/2010	370,783	5	variable
MLS Line Draw # 8	3/10/2010	12,000,000	10/22/2010	537,895	5	variable
MLS Line Draw # 9	3/10/2010	12,000,000	11/19/2010	949,718	5	variable
MLS Line Draw # 10	3/10/2010	12,000,000	12/17/2010	990,244	5	variable
MLS Line Draw # 11	3/10/2010	12,000,000	1/21/2011	1,657,317	5	variable
Payoff Sewer 2010 LOC	3/31/2010	160,000,000	8/18/2010	(160,000,000)	0.5	variable
Resource Access Ctr Line of Credit:						
Non-revolving Taxable or Tax-Exempt Facility	11/12/2009	16,000,000	9/10/2010	729,607	3	variable
Payoff Streetcar Line of Credit	6/12/2008	6,500,000	9/15/2010	(3,007,315)	2.5	variable
Payoff North Macadam Urban Renewal:						
Line of Credit, Bank of America	12/13/2007	27,000,000	9/23/2010	(18,486,090)	5	variable
Payoff North Macadam Central District:						
Line of Credit, Wells Fargo, Short-Term	6/11/2010	70,800,000	9/23/2010	(30,800,000)	2	variable
Line of Credit, Wells Fargo, Long-Term	6/11/2010	70,800,000	9/23/2010	(13,577,571)		
Transportation 2010 Line of Credit	10/8/2010	7,500,000	10/8/2010	3,840,000	5	variable
Central Eastside Urban Renewal:						
Line of Credit Draw	12/13/2007	27,000,000	11/10/2010	3,725,000	3	variable
Interstate Corridor Urban Renewal:						
Line of Credit Draw	12/13/2007	26,000,000	7/2/2009	4,273,248	3	variable
Local Improvement District:						
2006 Line of Credit Draw # 22	1/5/2006	10,000,000	11/17/2010	1,993,781	5	variable
Payoff 2009 Line of Credit	1/5/2006	10,000,000	11/17/2010	(1,993,781)	5	variable

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2010

**IV. Other information, continued:**

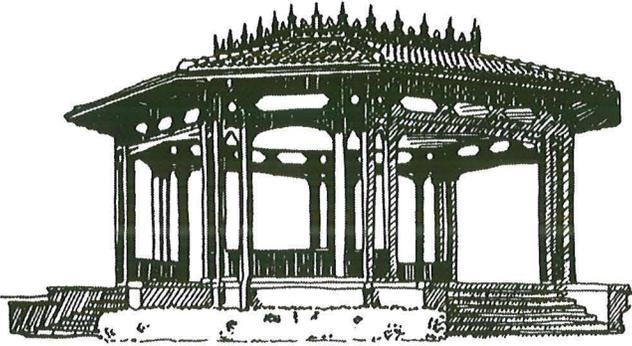
**E. Subsequent events, continued:**

Debt activity, continued:

<b>Lines of Credit Activity</b> , continued:	Origination Date	Maximum Credit	Draw (Repayment) Date	Principal Draw (Repayment)	Length in Years	Interest Rate
Local Improvement District: Payoff 2006 Line of Credit	1/5/2006	10,000,000	12/21/2010	(2,842,970)	5	variable
Local Improvement District: 2010 LID Line of Credit Draw #1	12/21/2010	20,000,000	12/21/2010	2,844,170	5	variable
Replace Urban Renewal Line of Credit: Oregon Convention Center	12/20/2010	315,500,000	12/22/2010	25,496,155	5	variable
Oregon Convention Center	12/13/2007	36,000,000	12/22/2010	(25,496,155)	3	variable
Replace Urban Renewal Line of Credit: Central Eastside	12/20/2010	315,500,000	12/22/2010	32,920,340	5	variable
Central Eastside	12/13/2007	27,000,000	12/22/2010	(32,920,340)	3	variable
Replace Urban Renewal Line of Credit: River District	12/20/2010	315,500,000	12/22/2010	9,978,966	5	variable
River District	12/13/2007	30,000,000	12/22/2010	(9,978,966)	3	variable
Replace Urban Renewal Line of Credit: Interstate Corridor	12/20/2010	315,500,000	12/22/2010	33,637,375	5	variable
Interstate Corridor	12/13/2007	26,000,000	12/22/2010	(33,637,375)	3	variable
Replace Urban Renewal Line of Credit: Gateway	12/20/2010	315,500,000	12/22/2010	12,545,073	5	variable
Gateway	12/13/2007	17,300,000	12/22/2010	(12,545,073)	3	variable
Interstate Corridor Urban Renewal: Line of Credit Draw	12/13/2007	26,000,000	1/27/2011	4,114,308	3	variable

# Required Supplementary Information

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Peninsula Park Bandstand, 1913

**City of Portland, Oregon  
General Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 181,020,159	\$ 181,020,159	\$ 183,683,862	\$ 2,663,703
Prior year property taxes	3,933,572	3,933,572	4,927,242	993,670
Lodging taxes	15,674,351	15,674,351	14,224,430	(1,449,921)
Total taxes	<u>200,628,082</u>	<u>200,628,082</u>	<u>202,835,534</u>	<u>2,207,452</u>
Licenses and permits:				
Business licenses, net	56,230,090	56,230,090	59,803,972	3,573,882
Public utility licenses	51,755,883	53,325,761	54,753,844	1,428,083
Construction permits	1,367,800	967,800	1,020,832	53,032
Other permits	2,571,000	2,995,019	3,178,926	183,907
Total licenses and permits	<u>111,924,773</u>	<u>113,518,670</u>	<u>118,757,574</u>	<u>5,238,904</u>
Intergovernmental:				
Federal cost sharing	-	-	53,413	53,413
State revenue sharing	12,276,689	12,276,689	12,136,934	(139,755)
State cost sharing	30,000	30,000	20,785	(9,215)
Multnomah County cost sharing	1,931,712	1,731,076	1,495,290	(235,786)
Local cost sharing	8,676,250	12,388,185	11,520,170	(868,015)
Local revenue sharing	4,659,614	4,659,614	3,547,152	(1,112,462)
City overhead charges	324,694	324,694	324,694	-
Total intergovernmental	<u>27,898,959</u>	<u>31,410,258</u>	<u>29,098,438</u>	<u>(2,311,820)</u>
Service charges and fees:				
Inspection fees	1,183,000	1,183,000	1,164,562	(18,438)
Rents and reimbursements	3,729,684	3,768,147	3,809,186	41,039
Parking fees	148,354	213,354	263,610	50,256
Concessions	132,057	25,007	603	(24,404)
Parks and recreation facilities fees	10,938,294	10,408,465	9,968,315	(440,150)
Other service charges	2,898,495	2,509,302	2,833,319	324,017
Total service charges and fees	<u>19,029,884</u>	<u>18,107,275</u>	<u>18,039,595</u>	<u>(67,680)</u>
Billings to other funds for services	<u>21,870,455</u>	<u>22,346,417</u>	<u>20,299,663</u>	<u>(2,046,754)</u>
Billings to other funds for overhead	<u>24,377,465</u>	<u>24,377,465</u>	<u>24,377,463</u>	<u>(2)</u>
Other:				
Loan repayments	15,000	15,000	1,121	(13,879)
Sales - other	176,000	650,050	996,366	346,316
Refunds	1,420,000	455,000	288,377	(166,623)
Donations	104,096	149,596	-	(149,596)
Investment earnings	30,000	-	276,890	276,890
Other interest income	2,590,342	2,618,918	882,144	(1,736,774)
Payment in lieu of taxes	1,175,317	1,175,317	700,819	(474,498)
Fines	657,150	657,150	216,652	(440,498)
Miscellaneous	720,184	1,365,802	1,191,276	(174,526)
Total other	<u>6,888,089</u>	<u>7,086,833</u>	<u>4,553,645</u>	<u>(2,533,188)</u>
Total revenues	<u>412,617,707</u>	<u>417,475,000</u>	<u>417,961,912</u>	<u>486,912</u>

Continued next page

**City of Portland, Oregon**  
**General Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Current:				
Personal services	281,342,285	293,801,942	289,236,812	4,565,130
Materials and services	140,023,534	135,907,153	125,692,209	10,214,944
General operating contingencies	2,253,188	2,920,277	-	2,920,277
Debt service and related costs:				
Principal	2,547,594	2,372,977	2,372,977	-
Interest	5,242,666	4,265,083	2,543,136	1,721,947
Capital outlay	1,776,280	5,649,357	3,369,952	2,279,405
	<u>433,185,547</u>	<u>444,916,789</u>	<u>423,215,086</u>	<u>21,701,703</u>
Total expenditures				
Revenues over (under) expenditures	<u>(20,567,840)</u>	<u>(27,441,789)</u>	<u>(5,253,174)</u>	<u>22,188,615</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Transportation Operating	-	800,000	800,000	-
Emergency Communication	-	91,902	91,902	-
Business License Surcharge	-	10,000	12,843	2,843
General Reserve	5,717,892	5,755,892	5,755,892	-
Housing Investment	235,000	235,000	-	(235,000)
Campaign Finance	177,819	177,819	177,819	-
Pension Debt Redemption	134,279	1,344,279	1,344,279	-
Sewer System Operating	12,809,321	12,809,321	12,809,321	-
Water	4,184,153	4,186,653	4,186,653	-
Hydroelectric Power Operating	290,000	290,000	290,000	-
Portland International Raceway	-	2,000	2,000	-
Solid Waste Management	737,294	772,294	757,406	(14,888)
Parking Facilities	241,213	241,213	241,213	-
Spectator Facilities Operating	15,815	15,815	15,815	-
Technology Services	16,000	28,000	26,980	(1,020)
	<u>24,558,786</u>	<u>26,760,188</u>	<u>26,512,123</u>	<u>(248,065)</u>
Total transfers from other funds				

Continued next page

**City of Portland, Oregon  
General Fund  
Schedule of Revenues and Expenditures - Budget and Actual, Continued  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES), Continued</b>				
Transfers to other funds:				
Transportation Operating	(12,272,298)	(13,000,930)	(12,709,028)	291,902
Emergency Communication	(11,053,675)	(11,031,112)	(11,031,112)	-
Development Services	(1,911,710)	(1,907,808)	(1,907,808)	-
Business License Surcharge	-	-	(75)	(75)
Portland Parks Memorial Trust	(25,000)	(25,000)	(25,000)	-
Police Special Revenue	-	(165,746)	(165,746)	-
Pension Debt Redemption	(1,311,392)	(1,311,392)	(1,311,392)	-
Governmental Bond Redemption	(1,443,056)	(1,443,056)	(1,314,721)	128,335
Parks Capital Construction and Maintenance	(1,064,970)	(1,064,970)	(1,064,970)	-
Sewer System Operating	-	(25,000)	(25,000)	-
Spectator Facilities Operating	(766,100)	-	-	-
Facilities Services Operating	(2,913,512)	(2,913,512)	(2,913,512)	-
Technology Services	(461,500)	(7,165,546)	(7,165,546)	-
Enterprise Business Solutions Services	(5,970,891)	(7,532,843)	(7,532,843)	-
Total transfers to other funds	<u>(39,194,104)</u>	<u>(47,586,915)</u>	<u>(47,166,753)</u>	<u>420,162</u>
Internal loan proceeds	-	-	8,436,460	8,436,460
Internal loan remittances	-	-	(16,943,120)	(16,943,120)
Sale of capital asset	-	-	6,787	6,787
Total other financing sources (uses)	<u>(14,635,318)</u>	<u>(20,826,727)</u>	<u>(29,154,503)</u>	<u>(8,327,776)</u>
Net change in fund balance	(35,203,158)	(48,268,516)	(34,407,677)	13,860,839
Fund balance - beginning	35,203,158	48,268,516	69,120,652	20,852,136
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	34,712,975	<u>\$ 34,712,975</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			48,784,573	
Internal loans			8,506,660	
Unrealized gain (loss) on investments			(178,800)	
Resources not available for spending:				
Petty cash			47,000	
Fund balance - GAAP basis			<u>\$ 91,872,408</u>	

**City of Portland, Oregon  
Transportation Operating Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Construction permits	\$ 1,084,336	\$ 1,559,936	\$ 2,335,661	\$ 775,725
Other permits	-	-	158,378	158,378
Total licenses and permits	<u>1,084,336</u>	<u>1,559,936</u>	<u>2,494,039</u>	<u>934,103</u>
Intergovernmental:				
Grant revenue	71,933,329	5,587,070	1,577,431	(4,009,639)
Federal cost sharing	-	-	897,888	897,888
State revenue sharing	21,960,000	22,700,000	24,083,129	1,383,129
State cost sharing	-	-	189,181	189,181
Multnomah County cost sharing	98,000	98,000	-	(98,000)
Local revenue sharing	19,247,000	19,247,000	22,321,085	3,074,085
Local cost sharing	431,881	431,881	566,041	134,160
Total intergovernmental	<u>113,670,210</u>	<u>48,063,951</u>	<u>49,634,755</u>	<u>1,570,804</u>
Service charges and fees:				
Public works and utility charges	5,562,205	6,341,443	2,555,430	(3,786,013)
Inspection fees	250,000	250,000	127,257	(122,743)
Rents and reimbursements	-	-	276,414	276,414
Parking fees	24,040,000	24,012,730	25,776,556	1,763,826
Other service charges	3,050,600	3,017,600	920,059	(2,097,541)
Total service charges and fees	<u>32,902,805</u>	<u>33,621,773</u>	<u>29,655,716</u>	<u>(3,966,057)</u>
Billings to other funds for services	<u>30,540,279</u>	<u>29,846,691</u>	<u>27,788,711</u>	<u>(2,057,980)</u>
Other:				
Refunds	-	-	246,496	246,496
Donations	335,000	335,000	106,746	(228,254)
Investment earnings	350,000	350,000	1,828	(348,172)
Other interest income	-	-	82,994	82,994
Assessments	980,000	980,000	224,478	(755,522)
Fines	315,000	315,000	-	(315,000)
Sales - other	825,000	825,000	576,618	(248,382)
Miscellaneous	1,668,607	1,718,607	994,236	(724,371)
Total other	<u>4,473,607</u>	<u>4,523,607</u>	<u>2,233,396</u>	<u>(2,290,211)</u>
Total revenues	<u>182,671,237</u>	<u>117,615,958</u>	<u>111,806,617</u>	<u>(5,809,341)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	62,700,652	61,575,493	56,860,133	4,715,360
Materials and services	83,942,919	63,452,718	54,465,519	8,987,199
General operating contingencies	8,813,350	4,743,936	-	4,743,936
Overhead charges - General Fund	5,150,632	5,150,632	5,150,632	-

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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b>				
Debt service and related costs:				
Principal	2,177,210	2,655,151	2,655,151	-
Interest	3,154,045	2,676,104	1,832,255	843,849
Debt issuance costs	-	-	-	-
Capital outlay	75,542,616	39,116,463	28,422,748	10,693,715
Total expenditures	<u>241,481,424</u>	<u>179,370,497</u>	<u>149,386,438</u>	<u>29,984,059</u>
Revenues over (under) expenditures	<u>(58,810,187)</u>	<u>(61,754,539)</u>	<u>(37,579,821)</u>	<u>24,174,718</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	12,272,298	13,000,930	12,709,028	(291,902)
Campaign Finance	69,601	69,601	69,601	-
Local Improvement District Construction	22,292,000	25,807,000	23,672,544	(2,134,456)
Parking Facilities	3,100,000	3,100,000	3,100,000	-
Spectator Facilities Operating	90,000	90,000	90,000	-
Total transfers from other funds	<u>37,823,899</u>	<u>42,067,531</u>	<u>39,641,173</u>	<u>(2,426,358)</u>
Transfers to other funds:				
General	-	(800,000)	(800,000)	-
Transportation Reserve	(850,000)	(1,345,000)	(1,345,000)	-
Portland Parks Memorial Trust	-	(26,283)	(26,283)	-
Pension Debt Redemption	(641,141)	(641,141)	(641,141)	-
Gas Tax Bond Redemption	(1,133,458)	(1,133,458)	(1,091,364)	42,094
Sewer System Operating	(215,000)	(192,997)	-	192,997
Total transfers to other funds	<u>(2,839,599)</u>	<u>(4,138,879)</u>	<u>(3,903,788)</u>	<u>235,091</u>
Bonds and notes issued	2,184,000	2,184,000	352,279	(1,831,721)
Internal loan proceeds	-	-	3,348,434	3,348,434
Internal loan remittances	-	-	(5,443,513)	(5,443,513)
Total other financing sources (uses)	<u>37,168,300</u>	<u>40,112,652</u>	<u>33,994,585</u>	<u>(6,118,067)</u>
Net change in fund balance	(21,641,887)	(21,641,887)	(3,585,236)	18,056,651
Fund balance - beginning	21,641,887	21,641,887	9,435,675	(12,206,212)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	5,850,439	<u>\$ 5,850,439</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Internal loans			2,095,079	
Reserve fund budgeted as separate fund			2,498,292	
Unrealized gain (loss) on investments			-	
Resources not available for spending:			-	
Petty cash			6,100	
Inventories			2,177,544	
Fund balance - GAAP basis			<u>\$ 12,627,454</u>	

City of Portland, Oregon  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2010

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

General Fund and Transportation Operating Fund are the City's major governmental funds. Each has its own reserve fund that accounts for counter-cyclical and emergency reserves. These two reserve funds' budgetary activities are reported in the Special Revenue Funds' section of the CAFR. At year-end the ending fund balances are folded in with the General Fund and Transportation Fund, respectively.

The gain (loss) on investments is the change in the fair value of investments and is not recorded in the budgetary statements.

Petty cash and inventories reported in the General Fund and Transportation Operating Fund are resources not available for spending in the subsequent year.

**B. Expenditures in excess of appropriations:**

State law requires a supplemental budget to increase appropriations when unexpected additional resources become available. A supplemental budget is also required to transfer appropriations from a fund's operating contingency during the fiscal year. The supplemental budget process requires a public hearing, advance notice by newspaper publication, and City Council approval. The City adopted four supplemental budgets and made a number of appropriation transfers requiring approval by the City Council during the year ended June 30, 2010.

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the fiscal year ended June 30, 2010, General Fund had total expenditures in excess of budgeted appropriations:

<u>General Fund</u>	
Community Development	
Office of Neighborhood Involvement	
Program expenses	\$ 534,612

City of Portland, Oregon  
Required Supplementary Information  
For the Fiscal Year Ended June 30, 2010

**A. Other postemployment benefits:**

**SCHEDULE OF FUNDING PROGRESS**

City Employees Health Continuation Plan Other Postemployment Retirement Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2007	\$ -	\$ 98,027,683	\$ 98,027,683	0%	N/A	N/A
7/1/2009	-	104,203,230	104,203,230	0%	N/A	N/A

N/A = not applicable

**B. Employee retirement pension benefits:**

**SCHEDULE OF FUNDING PROGRESS**

Fire and Police Disability and Retirement Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2005 *	15,121,840	1,684,459,000	1,669,337,160	0.90%	115,134,912	1449.90%
6/30/2006	15,266,971	1,817,661,314	1,802,394,343	0.84%	117,568,114	1533.06%
6/30/2007 *	9,884,902	1,919,501,000	1,909,616,098	0.51%	121,760,468	1568.34%
6/30/2008	5,377,290	2,217,414,215	2,212,036,925	0.24%	116,960,994 **	1891.26%
6/30/2009 *	11,571,074	2,279,923,000	2,268,351,926	0.51%	147,723,042	1535.54%
6/30/2010	16,583,450	2,549,479,088	2,532,895,638	0.65%	121,080,178	2091.92%

\* Actuarial valuations are not performed in odd-numbered years. The AALs shown in odd-numbered years are roll forwards of AAL from the prior actuarial valuation assuming no gains or losses, with adjustments in certain years to reflect a different discount rate.  
\*\* Revised

Fire and Police Disability Related Medical Costs after Retirement

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) <sup>1</sup> (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2006	\$ -	\$ 28,864,710	\$ 28,864,710	0.00%	N/A	N/A
7/1/2008	-	20,308,278	20,308,278	0.00%	N/A	N/A
7/1/2010	-	5,118,095	5,118,095	0.00%	N/A	N/A

\* Revised  
<sup>1</sup> AAL was calculated under Attained Age cost method for 2006 and 2008, and Entry Age cost method for 2010.



MOUNTED POLICE

# Combining and Individual Fund Statements and Schedules

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Fried/Durkheimer Residence, 1800-81

# Nonmajor Governmental Funds

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## Nonmajor Governmental Fund Types:

**Special Revenue Funds** are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**Debt Service Funds** are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Capital Projects Funds** are to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

**Permanent Funds** are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs, that is, for the benefit of the City of Portland or its citizenry.

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2010**

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Unrestricted:					
Cash and investments	\$ 21,640,080	\$ 18,525	\$ 9,604,257	\$ -	\$ 31,262,862
Receivables:					
Accounts, net	4,318,703	-	242,446	-	4,561,149
Assessments	7,650,510	-	3,153,228	-	10,803,738
Loans, net	-	-	978,598	-	978,598
Advances	1,253,548	-	-	-	1,253,548
Accrued interest	82,095	58	71,211	-	153,364
Due from other funds	-	-	56,817	-	56,817
Due from component unit	-	-	796,611	-	796,611
Internal loans	26,207	-	-	-	26,207
Prepaid items	195,254	-	7,894	-	203,148
Restricted:					
Cash and investments	16,528,461	57,814,848	7,809,694	182,123	82,335,126
Receivables:					
Taxes	851,292	6,864,833	-	-	7,716,125
Accounts, net	347,833	-	-	-	347,833
Assessments	49,591	70,950,402	-	-	70,999,993
Loans, net	120,053	-	-	-	120,053
Advances	577,929	-	-	-	577,929
Grants	62,231,825	-	-	-	62,231,825
Accrued interest	104,334	317,748	-	619	422,701
Due from component unit	19,210,105	2,289,082	-	-	21,499,187
Internal loans receivable	97,715	1,500,000	-	-	1,597,715
<b>Total assets</b>	<b>\$ 135,285,535</b>	<b>\$ 139,755,496</b>	<b>\$ 22,720,756</b>	<b>\$ 182,742</b>	<b>\$ 297,944,529</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 1,765,011	\$ -	\$ 542,430	\$ -	\$ 2,307,441
Internal loans payable	1,500,000	-	-	-	1,500,000
Deferred revenue	7,652,794	-	3,153,228	-	10,806,022
Other accrued liabilities	35,128	-	4,192	-	39,320
Liabilities payable from restricted assets:					
Accounts payable	13,639,300	1,057	265,372	200	13,905,929
Due to other funds	1,766,000	-	-	-	1,766,000
Due to component unit	1,454,964	-	-	-	1,454,964
Internal loans payable	35,500,724	-	-	-	35,500,724
Deferred revenue	48,289,847	77,545,945	-	-	125,835,792
Unearned revenue	35,845,559	-	-	-	35,845,559
<b>Total liabilities</b>	<b>147,449,327</b>	<b>77,547,002</b>	<b>3,965,222</b>	<b>200</b>	<b>228,961,751</b>
Fund balances:					
Reserved for :					
Capital projects	-	-	13,459,654	-	13,459,654
Parks endowment fund:					
Nonexpendable	-	-	-	182,542	182,542
Unreserved, reported in:					
Special revenue funds	(12,163,792)	-	-	-	(12,163,792)
Debt service funds	-	62,208,494	-	-	62,208,494
Capital projects funds	-	-	5,295,880	-	5,295,880
<b>Total fund balances</b>	<b>(12,163,792)</b>	<b>62,208,494</b>	<b>18,755,534</b>	<b>182,542</b>	<b>68,982,778</b>
<b>Total liabilities and fund balances</b>	<b>\$ 135,285,535</b>	<b>\$ 139,755,496</b>	<b>\$ 22,720,756</b>	<b>\$ 182,742</b>	<b>\$ 297,944,529</b>

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2010**

	<b>Assessment Collection</b>	<b>Emergency Communication</b>	<b>Development Services</b>	<b>Property Management License</b>
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ 79,373	\$ 9,912,502	\$ 1,444,185	\$ 283,318
Receivables:				
Accounts, net	-	1,220,703	577,263	-
Assessments	3,477	-	7,647,033	-
Advances	-	-	-	-
Accrued interest	270	35,956	4,473	2,209
Internal loans receivable	-	26,207	-	-
Prepaid items	-	89,702	98,378	-
Restricted:				
Cash and investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts, net	-	-	-	-
Assessments	-	-	-	-
Loans, net	-	-	-	-
Advances	-	-	-	-
Grants	-	-	-	-
Accrued interest	-	-	-	-
Due from component unit	-	-	-	-
Internal loans receivable	-	-	-	-
	<b>\$ 83,120</b>	<b>\$ 11,285,070</b>	<b>\$ 9,771,332</b>	<b>\$ 285,527</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ 222,593	\$ 79,119	\$ 244,926
Internal loans payable	-	-	1,500,000	-
Deferred revenue	3,477	-	7,649,317	-
Other accrued liabilities	-	-	29,320	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Due to component unit	-	-	-	-
Internal loans payable	-	-	-	-
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
	<b>3,477</b>	<b>222,593</b>	<b>9,257,756</b>	<b>244,926</b>
Fund balances:				
Unreserved	79,643	11,062,477	513,576	40,601
Total fund balances	79,643	11,062,477	513,576	40,601
Total liabilities and fund balances	<b>\$ 83,120</b>	<b>\$ 11,285,070</b>	<b>\$ 9,771,332</b>	<b>\$ 285,527</b>

<u>Cable</u>	<u>Private for Hire Transportation Safety</u>	<u>Business License Surcharge</u>	<u>Convention and Tourism</u>	<u>Special Finance and Resource</u>	<u>Housing Investment</u>
\$ 3,728,889	\$ 218,525	\$ -	\$ 330,570	\$ 9,445	\$ 3,019,584
2,415,940	-	-	-	-	6,998
-	-	-	-	-	-
1,253,548	-	-	-	-	-
15,261	741	-	1,789	552	9,922
-	-	-	-	-	-
7,174	-	-	-	-	-
-	-	-	-	227,488	92,858
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	120,053
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,420,812</u>	<u>\$ 219,266</u>	<u>\$ -</u>	<u>\$ 332,359</u>	<u>\$ 237,485</u>	<u>\$ 3,249,415</u>
\$ 1,134,574	\$ -	\$ -	\$ 26,155	\$ -	\$ 49,059
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	54,644	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,134,574</u>	<u>-</u>	<u>-</u>	<u>26,155</u>	<u>54,644</u>	<u>49,059</u>
<u>6,286,238</u>	<u>219,266</u>	<u>-</u>	<u>306,204</u>	<u>182,841</u>	<u>3,200,356</u>
<u>6,286,238</u>	<u>219,266</u>	<u>-</u>	<u>306,204</u>	<u>182,841</u>	<u>3,200,356</u>
<u>\$ 7,420,812</u>	<u>\$ 219,266</u>	<u>\$ -</u>	<u>\$ 332,359</u>	<u>\$ 237,485</u>	<u>\$ 3,249,415</u>

Continued next page

**City of Portland, Oregon**  
**Combining Balance Sheet, Continued**  
**Nonmajor Special Revenue Funds**  
**June 30, 2010**

	<b>Campaign Finance</b>	<b>Parks Local Option Levy</b>	<b>Children's Investment</b>	<b>Grants</b>
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ 531,339	\$ -	\$ -	-
Receivables:				
Accounts, net	-	-	-	-
Assessments	-	-	-	-
Advances	-	-	-	-
Accrued interest	2,008	-	-	-
Internal loans receivable	-	-	-	-
Prepaid items	-	-	-	-
Restricted:				
Cash and investments	-	5,982,272	9,018,884	117,601
Receivables:				
Taxes	-	149,737	701,555	-
Accounts, net	-	-	-	-
Assessments	-	-	-	-
Loans, net	-	-	-	-
Advances	-	-	490,925	87,004
Grants	-	-	-	59,181,131
Accrued interest	-	22,419	35,958	43,441
Due from component unit	-	-	-	2,815,672
Internal loans receivable	-	-	-	97,715
Total assets	\$ 533,347	\$ 6,154,428	\$ 10,247,322	\$ 62,342,564
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ 355	\$ -	\$ -	-
Internal loans payable	-	-	-	-
Deferred revenue	-	-	-	-
Other accrued liabilities	-	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	3,057,535	9,966,469
Due to other funds	-	-	-	1,737,766
Due to component unit	-	-	-	597,928
Internal loans payable	-	-	-	35,116,485
Deferred revenue	-	95,177	485,498	47,659,581
Unearned revenue	-	-	-	19,451,126
Total liabilities	355	95,177	3,543,033	114,529,355
 Fund balances:				
Unreserved	532,992	6,059,251	6,704,289	(52,186,791)
Total fund balances	532,992	6,059,251	6,704,289	(52,186,791)
Total liabilities and fund balances	\$ 533,347	\$ 6,154,428	\$ 10,247,322	\$ 62,342,564

Housing and Community Development	HOME Grant	Portland Parks Memorial Trust	Tax Increment Reimbursement	Police Special Revenue	Total
\$ -	\$ -	2,082,350	\$ -	\$ -	\$ 21,640,080
-	-	97,799	-	-	4,318,703
-	-	-	-	-	7,650,510
-	-	-	-	-	1,253,548
-	-	8,914	-	-	82,095
-	-	-	-	-	26,207
-	-	-	-	-	195,254
-	45,705	-	-	1,043,653	16,528,461
-	-	-	-	-	851,292
-	-	-	347,833	-	347,833
49,591	-	-	-	-	49,591
-	-	-	-	-	120,053
-	-	-	-	-	577,929
2,822,185	228,509	-	-	-	62,231,825
-	-	-	-	2,516	104,334
12,121,656	4,272,777	-	-	-	19,210,105
-	-	-	-	-	97,715
<u>\$ 14,993,432</u>	<u>\$ 4,546,991</u>	<u>\$ 2,189,063</u>	<u>\$ 347,833</u>	<u>\$ 1,046,169</u>	<u>\$ 135,285,535</u>
\$ -	\$ -	8,230	\$ -	\$ -	\$ 1,765,011
-	-	-	-	-	1,500,000
-	-	-	-	-	7,652,794
-	-	5,808	-	-	35,128
520,651	-	-	-	40,001	13,639,300
28,234	-	-	-	-	1,766,000
696,862	160,174	-	-	-	1,454,964
384,239	-	-	-	-	35,500,724
49,591	-	-	-	-	48,289,847
12,121,656	4,272,777	-	-	-	35,845,559
<u>13,801,233</u>	<u>4,432,951</u>	<u>14,038</u>	<u>-</u>	<u>40,001</u>	<u>147,449,327</u>
<u>1,192,199</u>	<u>114,040</u>	<u>2,175,025</u>	<u>347,833</u>	<u>1,006,168</u>	<u>(12,163,792)</u>
<u>1,192,199</u>	<u>114,040</u>	<u>2,175,025</u>	<u>347,833</u>	<u>1,006,168</u>	<u>(12,163,792)</u>
<u>\$ 14,993,432</u>	<u>\$ 4,546,991</u>	<u>\$ 2,189,063</u>	<u>\$ 347,833</u>	<u>\$ 1,046,169</u>	<u>\$ 135,285,535</u>

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2010**

	<u>River District Urban Renewal Area Debt Redemption</u>	<u>Bonded Debt Interest and Sinking</u>	<u>Downtown Waterfront Renewal Bond Sinking</u>	<u>Interstate Corridor Debt Service</u>
<b>ASSETS</b>				
Unrestricted:				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accrued interest	-	-	-	-
Restricted:				
Cash and investments	9,566,686	500,546	6,618,639	3,970,825
Receivables:				
Taxes	1,608,254	580,099	757,519	691,878
Assessments	-	-	-	-
Accrued interest	53,085	17,645	43,333	20,152
Due from component unit	-	-	-	-
Internal loans	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 11,228,025</u>	<u>\$ 1,098,290</u>	<u>\$ 7,419,491</u>	<u>\$ 4,682,855</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities payable from restricted assets:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	1,137,551	415,158	541,353	490,932
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>1,137,551</u>	<u>415,158</u>	<u>541,353</u>	<u>490,932</u>
Fund balances:				
Unreserved	10,090,474	683,132	6,878,138	4,191,923
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>10,090,474</u>	<u>683,132</u>	<u>6,878,138</u>	<u>4,191,923</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 11,228,025</u>	<u>\$ 1,098,290</u>	<u>\$ 7,419,491</u>	<u>\$ 4,682,855</u>

<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt Service</u>	<u>Gas Tax Bond Redemption</u>	<u>Lents Town Center Urban Renewal Area Debt Redemption</u>
\$ -	\$ -	\$ -	\$ 4,499	\$ -
-	-	-	33	-
810,726	8,434,907	1,473,255	-	4,003,197
-	487,399	356,618	-	532,754
-	-	-	-	-
13,548	43,119	16,810	-	9,518
-	-	-	-	-
-	-	-	-	-
<u>\$ 824,274</u>	<u>\$ 8,965,425</u>	<u>\$ 1,846,683</u>	<u>\$ 4,532</u>	<u>\$ 4,545,469</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	347,653	256,043	-	376,414
-	347,653	256,043	-	376,414
<u>824,274</u>	<u>8,617,772</u>	<u>1,590,640</u>	<u>4,532</u>	<u>4,169,055</u>
<u>824,274</u>	<u>8,617,772</u>	<u>1,590,640</u>	<u>4,532</u>	<u>4,169,055</u>
<u>\$ 824,274</u>	<u>\$ 8,965,425</u>	<u>\$ 1,846,683</u>	<u>\$ 4,532</u>	<u>\$ 4,545,469</u>

Continued next page

**City of Portland, Oregon**  
**Combining Balance Sheet, Continued**  
**Nonmajor Debt Service Funds**  
**June 30, 2010**

	<b>Central Eastside Industrial District Debt Service</b>	<b>Bancroft Bond Interest and Sinking</b>	<b>Convention Center Area Debt Service</b>	<b>North Macadam Urban Renewal Area Debt Redemption</b>
<b>ASSETS</b>				
Unrestricted:				
Cash and Investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accrued interest	-	-	-	-
Restricted:				
Cash and investments	2,081,576	14,347,229	2,653,347	2,980,440
Receivables:				
Taxes	336,144	-	693,791	610,792
Assessments	-	68,704,489	-	-
Accrued interest	8,174	49,577	22,330	15,787
Due from component unit	-	-	-	-
Internal loans	-	1,500,000	-	-
Total assets	\$ 2,425,894	\$ 84,601,295	\$ 3,369,468	\$ 3,607,019
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities payable from restricted assets:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	236,981	68,118,105	504,395	438,252
Total liabilities	236,981	68,118,105	504,395	438,252
Fund balances:				
Unreserved	2,188,913	16,483,190	2,865,073	3,168,767
Total fund balances	2,188,913	16,483,190	2,865,073	3,168,767
Total liabilities and fund balances	\$ 2,425,894	\$ 84,601,295	\$ 3,369,468	\$ 3,607,019

<u>Special Projects Debt Service</u>	<u>Gateway Urban Renewal Area Debt Redemption</u>	<u>Willamette Industrial Urban Renewal Area Debt Service</u>	<u>Governmental Bond Redemption</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 14,026	\$ 18,525
-	-	-	25	58
21,920	266,597	68,392	16,566	57,814,848
-	166,305	43,280	-	6,864,833
2,245,913	-	-	-	70,950,402
74	2,726	1,870	-	317,748
-	-	-	2,289,082	2,289,082
-	-	-	-	1,500,000
<u>\$ 2,267,907</u>	<u>\$ 435,628</u>	<u>\$ 113,542</u>	<u>\$ 2,319,699</u>	<u>\$ 139,755,496</u>
\$ -	\$ -	\$ -	\$ 1,057	\$ 1,057
2,245,913	116,849	31,264	2,289,082	77,545,945
<u>2,245,913</u>	<u>116,849</u>	<u>31,264</u>	<u>2,290,139</u>	<u>77,547,002</u>
<u>21,994</u>	<u>318,779</u>	<u>82,278</u>	<u>29,560</u>	<u>62,208,494</u>
<u>21,994</u>	<u>318,779</u>	<u>82,278</u>	<u>29,560</u>	<u>62,208,494</u>
<u>\$ 2,267,907</u>	<u>\$ 435,628</u>	<u>\$ 113,542</u>	<u>\$ 2,319,699</u>	<u>\$ 139,755,496</u>

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2010**

	<b>BFRES Facilities GO Bond Construction</b>	<b>Local Improvement District Construction</b>	<b>Parks Capital Construction and Maintenance</b>	<b>Total</b>
<b>ASSETS</b>				
Unrestricted:				
Cash and investments	\$ -	\$ 5,234,098	\$ 4,370,159	\$ 9,604,257
Receivables:				
Accounts, net	-	31,700	210,746	242,446
Assessments	-	2,899,116	254,112	3,153,228
Loans, net	-	-	978,598	978,598
Accrued interest	24,025	31,735	15,451	71,211
Due from other funds	-	-	56,817	56,817
Due from component unit	-	-	796,611	796,611
Prepaid items	-	-	7,894	7,894
Restricted:				
Cash and investments	6,684,072	-	1,125,622	7,809,694
<b>Total assets</b>	<b>\$ 6,708,097</b>	<b>\$ 8,196,649</b>	<b>\$ 7,816,010</b>	<b>\$ 22,720,756</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities payable from unrestricted assets:				
Accounts payable	\$ -	\$ 1,653	\$ 540,777	\$ 542,430
Deferred revenue	-	2,899,116	254,112	3,153,228
Other accrued liabilities	-	-	4,192	4,192
Liabilities payable from restricted assets:				
Accounts payable	265,372	-	-	265,372
<b>Total liabilities</b>	<b>265,372</b>	<b>2,900,769</b>	<b>799,081</b>	<b>3,965,222</b>
Fund balances:				
Reserved	6,442,725	-	7,016,929	13,459,654
Unreserved	-	5,295,880	-	5,295,880
<b>Total fund balances</b>	<b>6,442,725</b>	<b>5,295,880</b>	<b>7,016,929</b>	<b>18,755,534</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,708,097</b>	<b>\$ 8,196,649</b>	<b>\$ 7,816,010</b>	<b>\$ 22,720,756</b>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2010**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>REVENUES</b>					
Taxes					
Property	\$ 13,783,005	\$ 112,823,214	\$ -	\$ -	\$ 126,606,219
Lodging	2,287,477	-	-	-	2,287,477
Licenses and fees	24,971,781	-	305,000	-	25,276,781
Intergovernmental	87,858,681	8,102,573	4,443,349	-	100,404,603
Charges for services	2,648,711	-	1,497,678	-	4,146,389
Concessions	150	-	-	-	150
Rents and reimbursements	45,271	-	78,613	-	123,884
Miscellaneous service charges	5,022,888	-	956,748	-	5,979,636
Loan collections	5,503,820	-	-	-	5,503,820
Assessments	1,650,789	5,307,909	10,676,513	-	17,635,211
Investment earnings	516,315	3,461,209	1,032,125	597	5,010,246
Miscellaneous	1,558,166	391,989	599,073	-	2,549,228
<b>Total revenues</b>	<b>145,847,054</b>	<b>130,086,894</b>	<b>19,589,099</b>	<b>597</b>	<b>295,523,644</b>
<b>EXPENDITURES</b>					
Current:					
Public safety	25,822,006	-	1,741,040	-	27,563,046
Parks, recreation and culture	2,407,870	-	1,541,507	2,400	3,951,777
Community development	170,227,907	-	4,244,610	-	174,472,517
Transportation and metered parking	1,411,899	-	-	-	1,411,899
Legislative/ Admin/ Support services	8,312,937	790,879	-	-	9,103,816
Environmental services	326,089	-	-	-	326,089
Water	157,563	-	-	-	157,563
Debt service and related costs:					
Principal	6,616,050	35,108,325	24,974,131	-	66,698,506
Interest	519,536	32,119,052	266,459	-	32,905,047
Debt issuance costs	446,666	432,235	476,252	-	1,355,153
Capital outlay	69,878,434	-	15,410,088	-	85,288,522
<b>Total expenditures</b>	<b>286,126,957</b>	<b>68,450,491</b>	<b>48,654,087</b>	<b>2,400</b>	<b>403,233,935</b>
Revenues over(under) expenditures	(140,279,903)	61,636,403	(29,064,988)	(1,803)	(107,710,291)
<b>OTHER FINANCING SOURCES(USES)</b>					
Transfers in	66,872,176	7,569,269	2,153,952	-	76,595,397
Transfers out	(2,987,401)	(53,834,279)	(24,604,340)	-	(81,426,020)
Proceeds from sale of capital assets	26,206	-	-	-	26,206
Bonds and notes issued	52,215,483	64,206,308	40,267,022	-	156,688,813
Bonds and notes premium	615,944	2,384,786	118,039	-	3,118,769
Bonds and notes discount	(73,870)	-	-	-	(73,870)
Loans issued	2,471,000	-	950,000	-	3,421,000
Payments to refunded loan and bond escrow agent	-	(63,243,022)	-	-	(63,243,022)
<b>Total other financing sources(uses)</b>	<b>119,139,538</b>	<b>(42,916,938)</b>	<b>18,884,673</b>	<b>-</b>	<b>95,107,273</b>
Net change in fund balances	(21,140,365)	18,719,465	(10,180,315)	(1,803)	(12,603,018)
Fund balances - beginning	8,976,573	43,489,029	28,935,849	184,345	81,585,796
Fund balances - ending	\$ (12,163,792)	\$ 62,208,494	\$ 18,755,534	\$ 182,542	\$ 68,982,778

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended 30, 2010**

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Development Services</u>	<u>Property Management License</u>
<b>REVENUES</b>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Lodging	-	-	-	-
Licenses and fees	-	-	15,739,374	4,658,500
Intergovernmental	-	6,354,609	-	-
Charges for services	-	-	2,132,310	-
Concessions	-	-	-	-
Rents and reimbursements	-	-	-	-
Miscellaneous service charges	-	194,601	4,772,160	11,127
Loan collections	-	-	-	-
Assessments	-	-	1,641,967	-
Investment earnings	261	29,614	300,560	5,058
Miscellaneous	-	-	2,460	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	261	6,578,824	24,588,831	4,674,685
<b>EXPENDITURES</b>				
Current:				
Public safety	-	16,572,592	-	-
Parks, recreation and culture	-	-	-	-
Community development	564	-	28,131,132	-
Transportation and metered parking	-	-	-	-
Legislative/ Admin/ Support services	-	-	-	4,716,367
Environmental services	-	-	-	-
Water	-	-	-	-
Debt service and related costs:				
Principal	-	1,110,020	301,222	-
Interest	-	191,321	322,306	-
Debt issuance costs	-	26,587	3,534	-
Capital outlay	-	4,202,653	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	564	22,103,173	28,758,194	4,716,367
Revenues over(under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	(303)	(15,524,349)	(4,169,363)	(41,682)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	13,798,910	1,928,117	-
Transfers out	-	(288,571)	(166,467)	-
Proceeds from sale of capital assets	-	26,206	-	-
Bonds and notes issued	-	8,210,000	-	-
Bonds and notes premium	-	615,944	-	-
Bonds and notes discount	-	-	-	-
Loans issued	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	22,362,489	1,761,650	-
Net change in fund balances	<hr/>	<hr/>	<hr/>	<hr/>
	(303)	6,838,140	(2,407,713)	(41,682)
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	79,946	4,224,337	2,921,289	82,283
Fund balances - ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 79,643	\$ 11,062,477	\$ 513,576	\$ 40,601

<u>Cable</u>	<u>Private for Hire Transportation Safety</u>	<u>Business License Surcharge</u>	<u>Convention and Tourism</u>	<u>Special Finance and Resource</u>	<u>Housing Investment</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,550,257	-	-	2,287,477	-	-
283,579	-	-	-	-	979,498
-	-	-	-	-	-
38,000	-	-	-	-	7,000
-	-	-	-	-	5,503,820
26,472	642	31	3,854	266	10,071
12,500	-	-	-	-	754,477
<u>4,910,808</u>	<u>642</u>	<u>31</u>	<u>2,291,331</u>	<u>266</u>	<u>7,254,866</u>
-	-	-	-	-	-
4,499,551	-	-	-	88,928,161	7,667,238
-	1,389	11	2,995,819	-	-
-	-	-	-	-	-
-	-	-	-	-	5,204,808
-	-	-	-	-	2,053
-	-	-	-	416,405	140
-	-	-	-	-	-
<u>4,499,551</u>	<u>1,389</u>	<u>11</u>	<u>2,995,819</u>	<u>89,344,566</u>	<u>12,874,239</u>
<u>411,257</u>	<u>(747)</u>	<u>20</u>	<u>(704,488)</u>	<u>(89,344,300)</u>	<u>(5,619,373)</u>
867	-	75	735	50,570,000	-
-	-	(12,843)	-	-	(1,220,955)
-	-	-	-	-	-
-	-	-	-	38,969,612	5,035,871
-	-	-	-	(73,870)	-
-	-	-	-	-	2,471,000
<u>867</u>	<u>-</u>	<u>(12,768)</u>	<u>735</u>	<u>89,465,742</u>	<u>6,285,916</u>
412,124	(747)	(12,748)	(703,753)	121,442	666,543
<u>5,874,114</u>	<u>220,013</u>	<u>12,748</u>	<u>1,009,957</u>	<u>61,399</u>	<u>2,533,813</u>
<u>\$ 6,286,238</u>	<u>\$ 219,266</u>	<u>\$ -</u>	<u>\$ 306,204</u>	<u>\$ 182,841</u>	<u>\$ 3,200,356</u>

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**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended 30, 2010**

	<u>Campaign Finance</u>	<u>Parks Local Option Levy</u>	<u>Children's Investment</u>	<u>Grants</u>
<b>REVENUES</b>				
Taxes				
Property	\$ -	\$ 143,262	\$ 13,639,743	\$ -
Lodging	-	-	-	-
Licenses and fees	-	-	-	-
Intergovernmental	-	-	-	61,141,872
Charges for services	-	-	-	-
Concessions	-	-	-	-
Rents and reimbursements	-	-	-	-
Miscellaneous service charges	-	-	-	-
Loan collections	-	-	-	-
Assessments	-	-	-	-
Investment earnings	(39)	23,119	33,243	63,130
Miscellaneous	51	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	12	166,381	13,672,986	61,205,002
<b>EXPENDITURES</b>				
Current:				
Public safety	-	-	-	8,749,765
Parks, recreation and culture	-	902,833	-	680,570
Community development	-	-	13,483,039	9,911,359
Transportation and metered parking	-	-	-	1,411,899
Legislative/ Admin/ Support services	212,751	-	-	386,600
Environmental services	-	-	-	326,089
Water	-	-	-	157,563
Debt service and related costs:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
Capital outlay	-	-	-	65,675,781
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	212,751	902,833	13,483,039	87,299,626
Revenues over(under) expenditures	<hr/> (212,739)	<hr/> (736,452)	<hr/> 189,947	<hr/> (26,094,624)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(543,933)	(734,550)	-	-
Proceeds from sale of capital assets	-	-	-	-
Bonds and notes issued	-	-	-	-
Bonds and notes premium	-	-	-	-
Bonds and notes discount	-	-	-	-
Loans issued	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(543,933)	(734,550)	-	-
Net change in fund balances	(756,672)	(1,471,002)	189,947	(26,094,624)
Fund balances - beginning	1,289,664	7,530,253	6,514,342	(26,092,167)
Fund balances - ending	<u>\$ 532,992</u>	<u>\$ 6,059,251</u>	<u>\$ 6,704,289</u>	<u>\$ (52,186,791)</u>

Housing and Community Development	HOME Grant	Portland Parks Memorial Trust	Tax Increment Reimbursement	Police Special Revenue	Total
\$ -	\$ -	\$ -	\$ -	\$ -	13,783,005
-	-	-	-	-	2,287,477
-	-	23,650	-	-	24,971,781
10,675,831	6,815,466	-	849,999	1,041,406	87,858,681
-	-	232,822	-	-	2,648,711
-	-	150	-	-	150
-	-	45,271	-	-	45,271
-	-	-	-	-	5,022,888
-	-	-	-	-	5,503,820
8,822	-	-	-	-	1,650,789
12,118	-	6,614	(1,132)	2,433	516,315
-	-	507,892	-	280,786	1,558,166
<u>10,696,771</u>	<u>6,815,466</u>	<u>816,399</u>	<u>848,867</u>	<u>1,324,625</u>	<u>145,847,054</u>
-	-	-	-	499,649	25,822,006
-	-	824,467	-	-	2,407,870
10,411,790	6,349,896	-	845,177	-	170,227,907
-	-	-	-	-	1,411,899
-	-	-	-	-	8,312,937
-	-	-	-	-	326,089
-	-	-	-	-	157,563
-	-	-	-	-	6,616,050
3,856	-	-	-	-	519,536
-	-	-	-	-	446,666
-	-	-	-	-	69,878,434
<u>10,415,646</u>	<u>6,349,896</u>	<u>824,467</u>	<u>845,177</u>	<u>499,649</u>	<u>286,126,957</u>
<u>281,125</u>	<u>465,570</u>	<u>(8,068)</u>	<u>3,690</u>	<u>824,976</u>	<u>(140,279,903)</u>
-	-	63,583	344,143	165,746	66,872,176
-	-	(20,082)	-	-	(2,987,401)
-	-	-	-	-	26,206
-	-	-	-	-	52,215,483
-	-	-	-	-	615,944
-	-	-	-	-	(73,870)
-	-	-	-	-	2,471,000
-	-	43,501	344,143	165,746	119,139,538
281,125	465,570	35,433	347,833	990,722	(21,140,365)
911,074	(351,530)	2,139,592	-	15,446	8,976,573
<u>\$ 1,192,199</u>	<u>\$ 114,040</u>	<u>\$ 2,175,025</u>	<u>\$ 347,833</u>	<u>\$ 1,006,168</u>	<u>\$ (12,163,792)</u>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2010**

	<u>River District Urban Renewal Area Debt Redemption</u>	<u>Bonded Debt Interest and Sinking</u>	<u>Downtown Waterfront Renewal Bond Sinking</u>	<u>Interstate Corridor Debt Service</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 27,806,547	\$ 9,270,903	\$ 10,451,667	\$ 11,902,980
Intergovernmental	-	-	-	-
Assessments	-	-	-	-
Investment earnings	112,206	37,426	64,425	35,667
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	27,918,753	9,308,329	10,516,092	11,938,647
<b>EXPENDITURES</b>				
Current:				
Legislative/ Admin/ Support services	-	-	440,000	-
Debt service and related costs:				
Principal	2,570,000	6,130,000	4,650,000	1,235,000
Interest	2,223,937	3,233,015	5,545,164	1,424,611
Debt issuance costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,793,937	9,363,015	10,635,164	2,659,611
Revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	23,124,816	(54,686)	(119,072)	9,279,036
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	8,450	-	-
Transfers out	(18,450,000)	-	-	(5,300,000)
Bonds and notes issued	-	34,324,244	-	-
Bonds and notes premium	-	2,237,604	-	-
Payments to refunded loan and bond escrow agents	-	(36,320,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing and uses	(18,450,000)	250,298	-	(5,300,000)
Net change in fund balances	<hr/>	<hr/>	<hr/>	<hr/>
	4,674,816	195,612	(119,072)	3,979,036
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	5,415,658	487,520	6,997,210	212,887
Fund balances - ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 10,090,474	\$ 683,132	\$ 6,878,138	\$ 4,191,923

<u>Pension Debt Redemption</u>	<u>South Park Block Redemption</u>	<u>Airport Way Debt Service</u>	<u>Gas Tax Bond Redemption</u>	<u>Lents Town Center Urban Renewal Area Debt Redemption</u>
\$ -	\$ 7,296,184	\$ 5,465,373	\$ -	\$ 9,050,644
-	-	-	-	-
-	-	-	-	-
29,087	57,318	28,768	95	23,384
391,989	-	-	-	-
<u>421,076</u>	<u>7,353,502</u>	<u>5,494,141</u>	<u>95</u>	<u>9,074,028</u>
-	310,000	-	-	-
1,222,768	3,145,000	3,350,000	870,000	-
1,308,365	4,012,830	2,174,350	221,364	111,753
403,640	-	-	928	-
<u>2,934,773</u>	<u>7,467,830</u>	<u>5,524,350</u>	<u>1,092,292</u>	<u>111,753</u>
<u>(2,513,697)</u>	<u>(114,328)</u>	<u>(30,209)</u>	<u>(1,092,197)</u>	<u>8,962,275</u>
3,381,780	-	-	1,091,364	-
(3,264,279)	-	-	-	(8,000,000)
-	-	-	-	24,750,614
-	-	-	-	-
-	-	-	-	(21,718,022)
<u>117,501</u>	<u>-</u>	<u>-</u>	<u>1,091,364</u>	<u>(4,967,408)</u>
<u>(2,396,196)</u>	<u>(114,328)</u>	<u>(30,209)</u>	<u>(833)</u>	<u>3,994,867</u>
<u>3,220,470</u>	<u>8,732,100</u>	<u>1,620,849</u>	<u>5,365</u>	<u>174,188</u>
<u>\$ 824,274</u>	<u>\$ 8,617,772</u>	<u>\$ 1,590,640</u>	<u>\$ 4,532</u>	<u>\$ 4,169,055</u>

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2010**

	<u>Central Eastside Industrial District Debt Service</u>	<u>Bancroft Bond Interest and Sinking</u>	<u>Convention Center Area Debt Service</u>	<u>North Macadam Urban Renewal Area Debt Redemption</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ 5,660,761	\$ -	\$ 10,752,254	\$ 11,473,485
Intergovernmental	-	-	-	-
Assessments	-	5,229,873	-	-
Investment earnings	14,739	2,726,038	41,868	37,965
Miscellaneous	-	-	-	-
Total revenues	<u>5,675,500</u>	<u>7,955,911</u>	<u>10,794,122</u>	<u>11,511,450</u>
<b>EXPENDITURES</b>				
Current:				
Legislative/ Admin/ Support services	-	-	-	-
Debt service and related costs:				
Principal	-	3,460,000	2,980,000	-
Interest	144,429	2,078,650	3,019,749	502,652
Debt issuance costs	-	-	-	-
Total expenditures	<u>144,429</u>	<u>5,538,650</u>	<u>5,999,749</u>	<u>502,652</u>
Revenues over (under) expenditures	<u>5,531,071</u>	<u>2,417,261</u>	<u>4,794,373</u>	<u>11,008,798</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(4,000,000)	-	(3,500,000)	(8,000,000)
Bonds and notes issued	-	1,450	-	-
Bonds and notes premium	-	-	-	-
Payments to refunded loan and bond escrow agents	-	-	-	-
Total other financing and uses	<u>(4,000,000)</u>	<u>1,450</u>	<u>(3,500,000)</u>	<u>(8,000,000)</u>
Net change in fund balances	1,531,071	2,418,711	1,294,373	3,008,798
Fund balances - beginning	657,842	14,064,479	1,570,700	159,969
Fund balances - ending	<u>\$ 2,188,913</u>	<u>\$ 16,483,190</u>	<u>\$ 2,865,073</u>	<u>\$ 3,168,767</u>

<u>Special Projects Debt Service</u>	<u>Gateway Urban Renewal Area Debt Redemption</u>	<u>Willamette Industrial Urban Renewal Area Debt Service</u>	<u>Governmental Bond Redemption</u>	<u>Total</u>
\$ -	\$ 2,906,361	\$ 786,055	\$ -	\$ 112,823,214
6,202,573	-	-	1,900,000	8,102,573
78,036	-	-	-	5,307,909
138,487	9,700	3,819	100,217	3,461,209
-	-	-	-	391,989
<u>6,419,096</u>	<u>2,916,061</u>	<u>789,874</u>	<u>2,000,217</u>	<u>130,086,894</u>
-	-	-	40,879	790,879
1,709,639	-	-	3,785,918	35,108,325
4,705,253	66,446	21	1,346,463	32,119,052
-	-	-	27,667	432,235
<u>6,414,892</u>	<u>66,446</u>	<u>21</u>	<u>5,200,927</u>	<u>68,450,491</u>
<u>4,204</u>	<u>2,849,615</u>	<u>789,853</u>	<u>(3,200,710)</u>	<u>61,636,403</u>
-	-	-	3,087,675	7,569,269
-	(2,590,000)	(730,000)	-	(53,834,279)
-	-	-	5,130,000	64,206,308
-	-	-	147,182	2,384,786
-	-	-	(5,205,000)	(63,243,022)
<u>-</u>	<u>(2,590,000)</u>	<u>(730,000)</u>	<u>3,159,857</u>	<u>(42,916,938)</u>
4,204	259,615	59,853	(40,853)	18,719,465
17,790	59,164	22,425	70,413	43,489,029
<u>\$ 21,994</u>	<u>\$ 318,779</u>	<u>\$ 82,278</u>	<u>\$ 29,560</u>	<u>\$ 62,208,494</u>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<b>Facilities GO Bond Construction</b>	<b>Improvement District Construction</b>	<b>Parks Capital Construction and Maintenance</b>	<b>Total</b>
<b>REVENUES</b>				
Licenses and fees	\$ -	\$ -	\$ 305,000	\$ 305,000
Intergovernmental	-	-	4,443,349	4,443,349
Charges for services	-	-	1,497,678	1,497,678
Rents and reimbursements	-	-	78,613	78,613
Miscellaneous service charges	-	956,048	700	956,748
Assessments	-	10,451,003	225,510	10,676,513
Investment earnings	124,338	882,318	25,469	1,032,125
Miscellaneous	-	-	599,073	599,073
<b>Total revenues</b>	<b>124,338</b>	<b>12,289,369</b>	<b>7,175,392</b>	<b>19,589,099</b>
<b>EXPENDITURES</b>				
Current:				
Public safety	1,741,040	-	-	1,741,040
Parks, recreation and culture	-	-	1,541,507	1,541,507
Community development	-	4,244,610	-	4,244,610
Debt service and related costs:				
Principal	-	24,945,047	29,084	24,974,131
Interest	-	235,340	31,119	266,459
Debt issuance costs	103,480	372,772	-	476,252
Capital outlay	3,018,835	-	12,391,253	15,410,088
<b>Total expenditures</b>	<b>4,863,355</b>	<b>29,797,769</b>	<b>13,992,963</b>	<b>48,654,087</b>
Revenues over (under) expenditures	(4,739,017)	(17,508,400)	(6,817,571)	(29,064,988)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,553	7,264	2,144,135	2,153,952
Transfers out	(8,450)	(23,684,418)	(911,472)	(24,604,340)
Bonds and notes issued	111,585	39,956,222	199,215	40,267,022
Bonds and notes premium	-	118,039	-	118,039
Loans issued	-	-	950,000	950,000
<b>Total other financing sources (uses)</b>	<b>105,688</b>	<b>16,397,107</b>	<b>2,381,878</b>	<b>18,884,673</b>
Net change in fund balances	(4,633,329)	(1,111,293)	(4,435,693)	(10,180,315)
Fund balances - beginning	11,076,054	6,407,173	11,452,622	28,935,849
Fund balances - ending	\$ 6,442,725	\$ 5,295,880	\$ 7,016,929	\$ 18,755,534

# Nonmajor Proprietary Funds

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## Nonmajor Proprietary Fund Types:

**Enterprise Funds** may be used to report any activity for which a fee is charged to external users for goods and services.

**Internal Service Funds** may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.



BUBBLER DRINKING FOUNTAIN CUSTOMER

**City of Portland, Oregon**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2010**

<b>ASSETS</b>	<b>Hydroelectric Power</b>	<b>Golf</b>	<b>Portland International Raceway</b>
Current assets (unrestricted):			
Cash and investments	\$ 97,963	\$ 1,623,525	\$ 708,158
Receivables:			
Accounts, net	-	59,671	-
Advances	-	-	-
Accrued interest	17,987	5,994	2,031
Prepaid expense	1,330	23,426	4,487
	<u>117,280</u>	<u>1,712,616</u>	<u>714,676</u>
Total current assets (unrestricted)			
Current assets (restricted):			
Cash and investment	13,945,180	640,222	-
Accrued interest receivables	53,681	-	-
	<u>13,998,861</u>	<u>640,222</u>	<u>-</u>
Total current assets (restricted)			
Total current assets	<u>14,116,141</u>	<u>2,352,838</u>	<u>714,676</u>
Noncurrent assets:			
Capital assets:			
Land	-	586,696	-
Construction in progress	-	147,893	-
Nondepreciable intangible assets	4,500	-	-
Buildings	-	6,199,790	-
Improvements to land	-	15,847,827	5,007,161
Equipment	-	1,285,359	109,684
Software	-	-	-
Infrastructure	44,123,225	-	-
Accumulated depreciation and amortization	(18,995,544)	(10,247,853)	(2,295,191)
	<u>25,132,181</u>	<u>13,819,712</u>	<u>2,821,654</u>
Capital assets, net of accumulated depreciation and amortization			
Prepaid expense	167,307	1,366,978	263,148
	<u>25,299,488</u>	<u>15,186,690</u>	<u>3,084,802</u>
Total noncurrent assets			
Total assets	<u>\$ 39,415,629</u>	<u>\$ 17,539,528</u>	<u>\$ 3,799,478</u>

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 2,725,659	\$ 9,506,708	\$ 7,921,714	\$ 3,685,799	\$ 26,269,526
1,584,151	-	-	-	1,643,822
-	-	60,000	-	60,000
12,951	30,283	31,900	2,764	103,910
-	-	-	-	29,243
<u>4,322,761</u>	<u>9,536,991</u>	<u>8,013,614</u>	<u>3,688,563</u>	<u>28,106,501</u>
-	11,129	-	-	14,596,531
-	-	-	-	53,681
-	11,129	-	-	14,650,212
<u>4,322,761</u>	<u>9,548,120</u>	<u>8,013,614</u>	<u>3,688,563</u>	<u>42,756,713</u>
229,259	10,578,071	4,528,031	1,563,333	17,485,390
-	-	2,059,854	5,416	2,213,163
-	-	-	-	4,500
-	39,835,205	95,008,430	1,768,170	142,811,595
-	301,900	786,704	1,520,801	23,464,393
-	350,455	2,867,517	-	4,613,015
118,575	98,580	164,086	-	381,241
-	-	-	-	44,123,225
(57,963)	(25,275,557)	(35,474,955)	(911,998)	(93,259,061)
289,871	25,888,654	69,939,667	3,945,722	141,837,461
<u>424,485</u>	<u>-</u>	<u>-</u>	<u>9,798</u>	<u>2,231,716</u>
<u>714,356</u>	<u>25,888,654</u>	<u>69,939,667</u>	<u>3,955,520</u>	<u>144,069,177</u>
\$ <u>5,037,117</u>	\$ <u>35,436,774</u>	\$ <u>77,953,281</u>	\$ <u>7,644,083</u>	\$ <u>186,825,890</u>

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Net Assets, Continued**  
**Nonmajor Enterprise Funds**  
**June 30, 2010**

	<u>Hydroelectric Power</u>	<u>Golf</u>	<u>Portland International Raceway</u>
<b>LIABILITIES</b>			
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 53,698	\$ 144,297	\$ 35,841
Compensated absences	22,668	158,639	37,338
Bonds payable	-	116,382	191,860
Accrued interest payable	-	51,057	8,651
Pollution remediation	-	-	-
	<u>76,366</u>	<u>470,375</u>	<u>273,690</u>
Current liabilities (payable from restricted assets):			
Bonds payable	1,931,056	640,222	-
Accrued interest payable	208,119	-	-
	<u>2,139,175</u>	<u>640,222</u>	<u>-</u>
Total current liabilities (restricted)	<u>2,139,175</u>	<u>640,222</u>	<u>-</u>
Total current liabilities	<u>2,215,541</u>	<u>1,110,597</u>	<u>273,690</u>
Noncurrent liabilities:			
Compensated absences	8,159	54,863	12,904
Bonds payable	13,303,467	3,401,351	1,716,790
Notes and loans payable	-	-	-
Accrued interest payable	36,055	295,360	56,858
Other postemployment benefits	3,678	79,886	22,116
Pollution remediation	-	-	-
	<u>13,351,359</u>	<u>3,831,460</u>	<u>1,808,668</u>
Total noncurrent liabilities	<u>13,351,359</u>	<u>3,831,460</u>	<u>1,808,668</u>
Total liabilities	<u>15,566,900</u>	<u>4,942,057</u>	<u>2,082,358</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	10,138,391	11,628,711	1,291,653
Restricted for debt service	11,859,686	-	-
Unrestricted	1,850,652	968,760	425,467
	<u>23,848,729</u>	<u>12,597,471</u>	<u>1,717,120</u>
Total net assets	<u>\$ 23,848,729</u>	<u>\$ 12,597,471</u>	<u>\$ 1,717,120</u>

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 406,354	\$ 4,408	\$ 136,764	\$ 834,026	\$ 1,615,388
90,827	-	-	46,521	355,993
19,130	2,138,341	3,863,613	438	6,329,764
1,327	197,136	231,044	30	489,245
-	-	-	1,550,000	1,550,000
<u>517,638</u>	<u>2,339,885</u>	<u>4,231,421</u>	<u>2,431,015</u>	<u>10,340,390</u>
-	11,129	-	-	2,582,407
-	-	-	-	208,119
-	11,129	-	-	2,790,526
<u>517,638</u>	<u>2,351,014</u>	<u>4,231,421</u>	<u>2,431,015</u>	<u>13,130,916</u>
32,266	-	-	16,744	124,936
591,666	20,501,086	42,212,801	13,664	81,740,825
-	-	2,059,854	-	2,059,854
91,718	-	-	2,104	482,095
31,518	362	-	9,195	146,755
-	-	-	3,080,000	3,080,000
<u>747,168</u>	<u>20,501,448</u>	<u>44,272,655</u>	<u>3,121,707</u>	<u>87,634,465</u>
<u>1,264,806</u>	<u>22,852,462</u>	<u>48,504,076</u>	<u>5,552,722</u>	<u>100,765,381</u>
289,873	3,238,098	23,863,253	3,945,724	54,395,703
-	-	-	-	11,859,686
3,482,438	9,346,214	5,585,952	(1,854,363)	19,805,120
<u>\$ 3,772,311</u>	<u>\$ 12,584,312</u>	<u>\$ 29,449,205</u>	<u>\$ 2,091,361</u>	<u>\$ 86,060,509</u>

**City of Portland, Oregon**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2010**

<b>ASSETS</b>	<b>Health Insurance Operating</b>	<b>Facilities Services Operating</b>	<b>CityFleet Operating</b>
<b>Current assets (unrestricted):</b>			
Cash and investments	\$ 16,966,639	\$ 23,326,557	\$ 18,393,670
Receivables:			
Accounts, net	-	371,038	393,882
Accrued interest	1,840	90,656	56,640
Due from component unit	-	469,852	-
Internal loans	-	62,318	50,171
Inventories	-	-	1,141,149
Prepaid expense	8,109	33,766	53,414
	<u>16,976,588</u>	<u>24,354,187</u>	<u>20,088,926</u>
<b>Total current assets (unrestricted)</b>			
	<u>16,976,588</u>	<u>24,354,187</u>	<u>20,088,926</u>
<b>Current assets (restricted):</b>			
Cash and investments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total current assets</b>			
	<u>16,976,588</u>	<u>24,354,187</u>	<u>20,088,926</u>
<b>Noncurrent assets (unrestricted):</b>			
Capital assets:			
Land	-	7,726,182	-
Construction in progress	-	11,679,961	270,324
Buildings	-	140,147,887	440,818
Improvements to land	-	873,162	-
Equipment	-	624,569	57,930,869
Software	-	751,067	158,600
Infrastructure	-	-	-
Accumulated depreciation and amortization	-	(51,419,683)	(26,928,163)
	<u>-</u>	<u>110,383,145</u>	<u>31,872,448</u>
Capital assets net of accumulated depreciation and amortization	-	110,383,145	31,872,448
Prepaid expense	252,312	1,358,844	3,193,193
	<u>252,312</u>	<u>1,358,844</u>	<u>3,193,193</u>
<b>Total noncurrent assets (unrestricted)</b>			
	<u>252,312</u>	<u>111,741,989</u>	<u>35,065,641</u>
<b>Noncurrent assets (restricted)</b>			
Cash and investments	-	2,409,764	-
	<u>-</u>	<u>2,409,764</u>	<u>-</u>
<b>Total noncurrent assets</b>			
	<u>252,312</u>	<u>114,151,753</u>	<u>35,065,641</u>
<b>Total assets</b>	<u>\$ 17,228,900</u>	<u>\$ 138,505,940</u>	<u>\$ 55,154,567</u>

<u>Printing and Distribution Services Operating</u>	<u>Insurance and Claims Operating</u>	<u>Workers' Compensation Self Insurance Operating</u>	<u>Technology Services</u>	<u>Enterprise Business Solutions Services</u>	<u>Total</u>
\$ 1,996,497	\$ 22,587,808	\$ 19,052,220	\$ 38,696,703	\$ 4,577,072	\$ 145,597,166
142,422	70,760	-	1,161,073	-	2,139,175
5,809	75,290	65,060	90,508	13,986	399,789
36,775	-	-	225,298	-	731,925
-	-	-	64,996	-	177,485
-	-	-	421,307	-	1,562,456
13,323	260,232	7,289	360,935	10,620	747,688
<u>2,194,826</u>	<u>22,994,090</u>	<u>19,124,569</u>	<u>41,020,820</u>	<u>4,601,678</u>	<u>151,355,684</u>
-	-	-	8,410	-	8,410
<u>2,194,826</u>	<u>22,994,090</u>	<u>19,124,569</u>	<u>41,029,230</u>	<u>4,601,678</u>	<u>151,364,094</u>
-	-	-	-	-	7,726,182
-	-	-	6,276,278	150,662	18,377,225
-	-	-	920,064	-	141,508,769
-	-	-	-	-	873,162
5,425,797	-	-	25,170,519	-	89,151,754
315,338	91,468	6,445	5,813,771	35,887,386	43,024,075
-	-	-	11,993,542	-	11,993,542
<u>(4,715,454)</u>	<u>(53,805)</u>	<u>(1,516)</u>	<u>(28,889,701)</u>	<u>(7,177,477)</u>	<u>(119,185,799)</u>
1,025,681	37,663	4,929	21,284,473	28,860,571	193,468,910
<u>1,082,105</u>	<u>596,277</u>	<u>557,739</u>	<u>3,795,168</u>	<u>-</u>	<u>10,835,638</u>
<u>2,107,786</u>	<u>633,940</u>	<u>562,668</u>	<u>25,079,641</u>	<u>28,860,571</u>	<u>204,304,548</u>
-	-	-	-	-	2,409,764
<u>2,107,786</u>	<u>633,940</u>	<u>562,668</u>	<u>25,079,641</u>	<u>28,860,571</u>	<u>206,714,312</u>
\$ <u>4,302,612</u>	\$ <u>23,628,030</u>	\$ <u>19,687,237</u>	\$ <u>66,108,871</u>	\$ <u>33,462,249</u>	\$ <u>358,078,406</u>

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2010**

<b>LIABILITIES</b>	<b>Health Insurance Operating</b>	<b>Facilities Services Operating</b>	<b>CityFleet Operating</b>
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 1,519,539	\$ 2,130,006	\$ 897,132
Self insurance claims	3,701,957	-	-
Compensated absences	36,941	142,338	258,444
Bonds payable	11,370	4,367,813	143,904
Accrued interest payable	789	242,339	9,979
Other liabilities	-	400	-
<b>Total current liabilities (unrestricted)</b>	<b>5,270,596</b>	<b>6,882,896</b>	<b>1,309,459</b>
Noncurrent liabilities:			
Self insurance claims	-	-	-
Compensated absences	13,744	50,710	93,537
Bonds payable	351,687	37,545,025	4,450,810
Accrued interest payable	54,526	293,618	689,934
Other postemployment benefits	15,015	59,844	139,341
<b>Total noncurrent liabilities</b>	<b>434,972</b>	<b>37,949,197</b>	<b>5,373,622</b>
<b>Total liabilities</b>	<b>5,705,568</b>	<b>44,832,093</b>	<b>6,683,081</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	70,425,566	31,872,448
Unrestricted	11,523,332	23,248,281	16,599,038
<b>Total net assets</b>	<b>\$ 11,523,332</b>	<b>\$ 93,673,847</b>	<b>\$ 48,471,486</b>

<b>Printing and Distribution Services Operating</b>	<b>Insurance and Claims Operating</b>	<b>Workers' Compensation Self Insurance Operating</b>	<b>Technology Services</b>	<b>Enterprise Business Solutions Services</b>	<b>Total</b>
\$ 166,654	\$ 1,308,697	\$ 242,201	\$ 1,173,374	\$ 452,283	\$ 7,889,886
-	5,009,609	1,952,127	-	-	10,663,693
81,601	69,747	16,285	1,268,443	140,077	2,013,876
48,766	26,872	25,134	1,615,477	3,334,660	9,573,996
3,382	1,863	1,743	36,180	84,663	380,938
-	-	-	-	-	400
<u>300,403</u>	<u>6,416,788</u>	<u>2,237,490</u>	<u>4,093,474</u>	<u>4,011,683</u>	<u>30,522,789</u>
-	8,140,345	5,991,732	-	-	14,132,077
30,360	25,859	6,057	448,618	51,619	720,504
1,508,289	831,112	777,405	7,652,582	22,796,725	75,913,635
233,793	128,824	120,492	820,022	-	2,341,209
46,830	19,184	18,236	379,661	10,493	688,604
<u>1,819,272</u>	<u>9,145,324</u>	<u>6,913,922</u>	<u>9,300,883</u>	<u>22,858,837</u>	<u>93,796,029</u>
<u>2,119,675</u>	<u>15,562,112</u>	<u>9,151,412</u>	<u>13,394,357</u>	<u>26,870,520</u>	<u>124,318,818</u>
1,025,681	37,663	4,929	17,477,324	2,729,186	123,572,797
1,157,256	8,028,255	10,530,896	35,237,190	3,862,543	110,186,791
<u>\$ 2,182,937</u>	<u>\$ 8,065,918</u>	<u>\$ 10,535,825</u>	<u>\$ 52,714,514</u>	<u>\$ 6,591,729</u>	<u>\$ 233,759,588</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, 2010**

	<u>Hydroelectric Power</u>	<u>Golf</u>	<u>Portland International Raceway</u>
Operating revenues:			
Service charges and fees	\$ 53,734	\$ 6,280,943	\$ 342,808
Licenses and permits	-	-	-
Rents and reimbursements	-	406,264	1,360,574
Concessions	-	1,048,547	166,432
Parking fees	-	-	-
Power sales	3,564,145	-	-
Miscellaneous	-	18,858	5,683
<b>Total operating revenues</b>	<u>3,617,879</u>	<u>7,754,612</u>	<u>1,875,497</u>
Operating expenses:			
Salaries and wages	254,458	3,082,768	775,376
Operating supplies	241	686,471	201,421
Professional services	218,206	1,039,687	85,906
Utilities	-	188,919	80,756
Miscellaneous	142,580	1,991,048	386,658
Depreciation and amortization	607,392	769,380	168,344
<b>Total operating expenses</b>	<u>1,222,877</u>	<u>7,758,273</u>	<u>1,698,461</u>
<b>Operating income</b>	<u>2,395,002</u>	<u>(3,661)</u>	<u>177,036</u>
Nonoperating revenues (expenses):			
Investment earning (loss)	207,685	11,596	2,744
Interest expense	(884,772)	(233,814)	(123,303)
Debt issuance costs	-	-	-
Gain (loss) on sale of capital assets	-	4,118	-
<b>Total nonoperating revenues (expenses)</b>	<u>(677,087)</u>	<u>(218,100)</u>	<u>(120,559)</u>
<b>Income before contributions and transfers</b>	<u>1,717,915</u>	<u>(221,761)</u>	<u>56,477</u>
Transfers in	1,068	3,095	1,367
Transfers out	(293,492)	(28,535)	(7,493)
<b>Change in net assets</b>	<u>1,425,491</u>	<u>(247,201)</u>	<u>50,351</u>
<b>Total net assets - beginning, as previously reported</b>	<u>22,423,238</u>	<u>12,844,672</u>	<u>1,666,769</u>
Restatement (see Note I.D.14.)	-	-	-
<b>Total net assets - beginning, as restated</b>	<u>22,423,238</u>	<u>12,844,672</u>	<u>1,666,769</u>
<b>Total net assets - ending</b>	<u>\$ 23,848,729</u>	<u>\$ 12,597,471</u>	<u>\$ 1,717,120</u>

<b>Solid Waste Management</b>	<b>Parking Facilities</b>	<b>Spectator Facilities Operating</b>	<b>Environmental Remediation</b>	<b>Total</b>
\$ 1,708,617	\$ 651,604	\$ 1,895,019	\$ 6,158,862	\$ 17,091,587
2,331,097	-	-	-	2,331,097
-	392,601	5,547,422	382,452	8,089,313
-	-	-	-	1,214,979
-	10,068,286	1,355,191	-	11,423,477
-	-	-	-	3,564,145
15,607	203,864	48,419	225	292,656
<u>4,055,321</u>	<u>11,316,355</u>	<u>8,846,051</u>	<u>6,541,539</u>	<u>44,007,254</u>
1,551,720	101,766	-	598,319	6,364,407
526,201	34,439	-	-	1,448,773
1,357,425	3,663,460	785,097	3,113,943	10,263,724
-	5,202	-	-	274,877
329,636	3,189,888	1,454,376	5,222,005	12,716,191
7,905	1,423,796	3,210,890	68,963	6,256,670
<u>3,772,887</u>	<u>8,418,551</u>	<u>5,450,363</u>	<u>9,003,230</u>	<u>37,324,642</u>
<u>282,434</u>	<u>2,897,804</u>	<u>3,395,688</u>	<u>(2,461,691)</u>	<u>6,682,612</u>
13,615	12,967	31,186	(24,140)	255,653
(31,928)	(730,045)	(2,708,013)	(734)	(4,712,609)
-	(4,308)	(6,331)	-	(10,639)
-	-	-	-	4,118
<u>(18,313)</u>	<u>(721,386)</u>	<u>(2,683,158)</u>	<u>(24,874)</u>	<u>(4,463,477)</u>
264,121	2,176,418	712,530	(2,486,565)	2,219,135
1,681	3,535	2,443	2,718	15,907
(767,008)	(3,341,213)	(105,815)	(204)	(4,543,760)
<u>(501,206)</u>	<u>(1,161,260)</u>	<u>609,158</u>	<u>(2,484,051)</u>	<u>(2,308,718)</u>
4,205,000	13,745,572	28,840,047	4,575,412	88,300,710
68,517	-	-	-	68,517
<u>4,273,517</u>	<u>13,745,572</u>	<u>28,840,047</u>	<u>4,575,412</u>	<u>88,369,227</u>
<u>\$ 3,772,311</u>	<u>\$ 12,584,312</u>	<u>\$ 29,449,205</u>	<u>\$ 2,091,361</u>	<u>\$ 86,060,509</u>

**City of Portland, Oregon**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2010**

	<b>Health Insurance Operating</b>	<b>Facilities Services Operating</b>	<b>CityFleet Operating</b>	<b>Printing and Distribution Services Operating</b>
Operating revenues:				
Service charges and fees	\$ 39,630,865	\$ 24,187,896	\$ 24,901,606	\$ 6,643,354
Rents and reimbursements	-	768,524	-	-
Miscellaneous	1,101,776	559,919	150,137	63,582
<b>Total operating revenues</b>	<b>40,732,641</b>	<b>25,516,339</b>	<b>25,051,743</b>	<b>6,706,936</b>
Operating expenses:				
Salaries and wages	876,935	3,110,486	6,342,621	1,808,216
Operating supplies	3,051	626,810	8,115,789	622,338
Professional services	1,437,853	3,974,350	1,887,522	1,022,995
Utilities	-	3,012,165	29,915	-
Claims	37,042,329	-	-	-
Miscellaneous	2,509,815	11,474,405	2,240,583	3,422,589
Depreciation and amortization	-	3,021,005	4,843,258	422,425
<b>Total operating expenses</b>	<b>41,869,983</b>	<b>25,219,221</b>	<b>23,459,688</b>	<b>7,298,563</b>
Operating income (loss)	(1,137,342)	297,118	1,592,055	(591,627)
Nonoperating revenues(expenses):				
Investment earning (loss)	(113,950)	96,735	37,152	2,660
Interest expense	(18,980)	(1,576,527)	(240,169)	(81,387)
Debt issuance costs	-	(268)	-	-
Gain (loss) on sale of capital assets	-	-	(183,982)	16,287
<b>Total non-operating revenues (expenses)</b>	<b>(132,930)</b>	<b>(1,480,060)</b>	<b>(386,999)</b>	<b>(62,440)</b>
Income before transfers	(1,270,272)	(1,182,942)	1,205,056	(654,067)
Transfers in	-	4,550,142	310,333	3,569
Transfers out	(5,268)	(359,365)	(66,657)	(22,588)
<b>Change in net assets</b>	<b>(1,275,540)</b>	<b>3,007,835</b>	<b>1,448,732</b>	<b>(673,086)</b>
Total net assets - beginning, as previously reported	12,798,872	90,625,064	47,022,754	2,685,966
Restatement (see Note I.D.14.)	-	40,948	-	170,057
Total net assets - beginning, as restated	12,798,872	90,666,012	47,022,754	2,856,023
Total net assets - ending	<u>\$ 11,523,332</u>	<u>\$ 93,673,847</u>	<u>\$ 48,471,486</u>	<u>\$ 2,182,937</u>

<b>Insurance and Claims Operating</b>	<b>Workers' Compensation Self Insurance Operating</b>	<b>Technology Services</b>	<b>Enterprise Business Solutions Services</b>	<b>Total</b>
\$ 10,041,813	\$ 3,907,574	\$ 50,777,527	\$ 345,000	\$ 160,435,635
-	-	-	-	768,524
169,818	251,808	1,200,409	-	3,497,449
<u>10,211,631</u>	<u>4,159,382</u>	<u>51,977,936</u>	<u>345,000</u>	<u>164,701,608</u>
894,529	940,064	24,126,350	2,287,271	40,386,472
24,765	35,081	2,924,332	28,626	12,380,792
2,948,625	949,727	6,546,236	7,600,914	26,368,222
-	-	45,341	-	3,087,421
3,144,003	1,684,057	-	-	41,870,389
1,745,726	450,398	8,273,299	-	30,116,815
5,380	379	3,782,774	7,177,477	19,252,698
<u>8,763,028</u>	<u>4,059,706</u>	<u>45,698,332</u>	<u>17,094,288</u>	<u>173,462,809</u>
1,448,603	99,676	6,279,604	(16,749,288)	(8,761,201)
67,790	62,960	21,531	(10,352)	164,526
(44,846)	(41,946)	(477,517)	(838,112)	(3,319,484)
-	-	(13,764)	(33,497)	(47,529)
-	-	-	-	(167,695)
<u>22,944</u>	<u>21,014</u>	<u>(469,750)</u>	<u>(881,961)</u>	<u>(3,370,182)</u>
1,471,547	120,690	5,809,854	(17,631,249)	(12,131,383)
129,757	127,126	14,515,771	14,984,197	34,620,895
(12,447)	(11,643)	(5,899,857)	-	(6,377,825)
<u>1,588,857</u>	<u>236,173</u>	<u>14,425,768</u>	<u>(2,647,052)</u>	<u>16,111,687</u>
6,434,017	10,294,344	36,367,342	9,238,781	215,467,140
43,044	5,308	1,921,404	-	2,180,761
<u>6,477,061</u>	<u>10,299,652</u>	<u>38,288,746</u>	<u>9,238,781</u>	<u>217,647,901</u>
<u>\$ 8,065,918</u>	<u>\$ 10,535,825</u>	<u>\$ 52,714,514</u>	<u>\$ 6,591,729</u>	<u>\$ 233,759,588</u>

**City of Portland, Oregon**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2010**

	<u>Hydroelectric Power</u>	<u>Golf</u>	<u>Portland International Raceway</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 3,617,879	\$ 7,754,612	\$ 1,875,497
Receipts from interfund services provided	-	(57,786)	-
Payments to suppliers	6,672	(3,235,969)	(595,677)
Payments to employees	(256,741)	(3,030,408)	(752,082)
Payments for interfund services used	(521,966)	(765,932)	(168,344)
	<u>2,845,844</u>	<u>664,517</u>	<u>359,394</u>
Net cash provided (used) by operating activities			
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In	1,068	3,095	1,367
Transfers out	(293,492)	(28,535)	(7,493)
Net cash used by noncapital financing activities	<u>(292,424)</u>	<u>(25,440)</u>	<u>(6,126)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of bonds and notes	-	-	-
Sale of capital assets	-	6,919	-
Acquisition of capital assets	-	(145,102)	(5,000)
Principal paid on bonds, notes and capital leases	(1,841,320)	(714,635)	(179,940)
Interest paid on bonds, notes and capital leases	(887,818)	(199,618)	(115,016)
Debt issuance costs	-	-	-
	<u>(2,729,138)</u>	<u>(1,052,436)</u>	<u>(299,956)</u>
Net cash used by capital related financing activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	<u>335,172</u>	<u>20,599</u>	<u>5,064</u>
Net increase (decrease) in cash and cash equivalents	159,454	(392,760)	58,376
<b>CASH AND CASH EQUIVALENTS, July 1, 2009</b>	<u>13,883,689</u>	<u>2,656,507</u>	<u>649,782</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2010</b>	<u>\$ 14,043,143</u>	<u>\$ 2,263,747</u>	<u>\$ 708,158</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Assets:</b>			
Unrestricted cash and cash equivalents	\$ 97,963	\$ 1,623,525	\$ 708,158
Restricted cash and cash equivalents	<u>13,945,180</u>	<u>640,222</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 14,043,143</u>	<u>\$ 2,263,747</u>	<u>\$ 708,158</u>

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 3,379,673	\$ 37,212,687	\$ 9,058,642	\$ 6,541,539	\$ 69,440,529
-	-	-	-	(57,786)
(501,132)	(26,487,613)	(2,948,581)	(10,536,667)	(44,298,967)
(1,485,764)	(101,404)	-	(593,318)	(6,219,717)
<u>(1,751,447)</u>	<u>(6,528,218)</u>	<u>-</u>	<u>5,416</u>	<u>(9,730,491)</u>
<u>(358,670)</u>	<u>4,095,452</u>	<u>6,110,061</u>	<u>(4,583,030)</u>	<u>9,133,568</u>
1,681	3,535	2,443	2,718	15,907
<u>(767,008)</u>	<u>(3,341,213)</u>	<u>(105,815)</u>	<u>(204)</u>	<u>(4,543,760)</u>
<u>(765,327)</u>	<u>(3,337,678)</u>	<u>(103,372)</u>	<u>2,514</u>	<u>(4,527,853)</u>
-	-	2,059,853	4,630,000	6,689,853
-	-	-	-	6,919
-	-	(2,059,854)	(5,417)	(2,215,373)
(16,035)	(2,135,270)	(3,205,000)	(370)	(8,092,570)
(17,162)	(730,045)	(2,858,719)	(396)	(4,808,774)
<u>-</u>	<u>(4,308)</u>	<u>(6,331)</u>	<u>-</u>	<u>(10,639)</u>
<u>(33,197)</u>	<u>(2,869,623)</u>	<u>(6,070,051)</u>	<u>4,623,817</u>	<u>(8,430,584)</u>
<u>22,164</u>	<u>87,198</u>	<u>76,119</u>	<u>(20,396)</u>	<u>525,920</u>
(1,135,030)	(2,024,651)	12,757	22,905	(3,298,949)
<u>3,860,689</u>	<u>11,542,488</u>	<u>7,908,957</u>	<u>3,662,894</u>	<u>44,165,006</u>
<u>\$ 2,725,659</u>	<u>\$ 9,517,837</u>	<u>\$ 7,921,714</u>	<u>\$ 3,685,799</u>	<u>\$ 40,866,057</u>
\$ 2,725,659	\$ 9,506,708	\$ 7,921,714	\$ 3,685,799	\$ 26,269,526
-	11,129	-	-	14,596,531
<u>\$ 2,725,659</u>	<u>\$ 9,517,837</u>	<u>\$ 7,921,714</u>	<u>\$ 3,685,799</u>	<u>\$ 40,866,057</u>

Continued next page

**City of Portland, Oregon**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows, Continued**  
**For the Year Ended June 30, 2010**

	Hydroelectric Power	Golf	Portland International Raceway
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 2,395,002	\$ (3,661)	\$ 177,036
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization of capital assets	607,392	769,380	168,344
Change in assets and liabilities:			
Accounts and contracts receivable	-	(57,786)	-
Checks and accounts payable	(154,267)	(111,334)	(9,280)
Accrued compensated absences	(12,012)	(18,416)	4,143
Due from (to) other funds	-	-	-
Other assets	9,005	70,776	14,809
Accrued other postemployment benefits	724	15,558	4,342
	<u>\$ 2,845,844</u>	<u>\$ 664,517</u>	<u>\$ 359,394</u>
Net cash provided (used) by operating activities			
	<u>\$ 2,845,844</u>	<u>\$ 664,517</u>	<u>\$ 359,394</u>
 <b><u>Noncash information</u></b>			
Non-operating prepaid PERS amortization	\$ 8,616	\$ 70,402	\$ 13,553
Increase (decrease) in fair value of investments (classified as cash equivalents)	(3,853)	(26,068)	(6,764)

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Total</u>
\$ 282,434	2,897,804	\$ 3,395,688	\$ (2,461,691)	\$ 6,682,612
7,905	1,423,796	3,210,890	68,963	6,256,670
(675,648)	7,678	212,591	-	(513,165)
(39,317)	(212,381)	(709,108)	(2,195,303)	(3,430,990)
33,775	-	-	2,687	10,177
-	(21,807)	-	-	(21,807)
25,668	-	-	505	120,763
6,513	362	-	1,809	29,308
<u>\$ (358,670)</u>	<u>4,095,452</u>	<u>\$ 6,110,061</u>	<u>\$ (4,583,030)</u>	<u>\$ 9,133,568</u>
\$ 21,862	-	\$ -	505	114,938
(36,466)	(125,241)	(80,579)	(37,361)	(316,332)

**City of Portland, Oregon**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2010**

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating	Printing and Distribution Services Operating
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 39,940,612	\$ 777,577	\$ 207,588	\$ 1,010,461
Receipts from interfund services provided	792,029	24,055,074	24,813,868	5,702,647
Payments to suppliers	(6,439,367)	(15,927,577)	(9,648,986)	(3,952,572)
Payments to employees	(896,155)	(3,000,372)	(6,339,455)	(1,799,090)
Payments for interfund services used	(778,235)	(3,500,630)	(2,963,178)	(1,022,995)
Claims paid	(36,781,997)	-	-	-
Net cash provided (used) by operating activities	<u>(4,163,113)</u>	<u>2,404,072</u>	<u>6,069,837</u>	<u>(61,549)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	4,550,142	310,333	3,569
Transfers out	(5,268)	(359,365)	(66,657)	(22,588)
Net cash provided (used) by noncapital financing activities	<u>(5,268)</u>	<u>4,190,777</u>	<u>243,676</u>	<u>(19,019)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from sale of bonds and notes	-	50,000	-	-
Premium on bonds and notes issued	-	1,602	-	-
Sale of capital assets	-	-	957,812	16,287
Acquisition of capital assets	-	(2,296,531)	(6,466,220)	(73,679)
Principal paid on bonds, notes and capital leases	(9,531)	(4,011,328)	(120,616)	(40,874)
Interest paid on bonds, notes and capital leases	(10,202)	(1,817,971)	(129,061)	(43,730)
Bond issuance costs	-	(268)	-	-
Net cash provided (used) by capital related financing activities	<u>(19,733)</u>	<u>(8,074,496)</u>	<u>(5,758,085)</u>	<u>(141,996)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	30,655	218,070	118,617	9,914
Net increase (decrease) in cash and cash equivalents	<u>(4,157,459)</u>	<u>(1,261,577)</u>	<u>674,045</u>	<u>(212,650)</u>
<b>CASH AND CASH EQUIVALENTS, July 1, 2009</b>	<u>21,124,098</u>	<u>26,997,898</u>	<u>17,719,625</u>	<u>2,209,147</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2010</b>	<u>\$ 16,966,639</u>	<u>\$ 25,736,321</u>	<u>\$ 18,393,670</u>	<u>\$ 1,996,497</u>
<b>Reconciliation of cash and cash equivalents to the statement of net assets:</b>				
Unrestricted cash and cash equivalents	\$ 16,966,639	\$ 23,326,557	\$ 18,393,670	\$ 1,996,497
Restricted cash and cash equivalents	-	2,409,764	-	-
Total cash and cash equivalents	<u>\$ 16,966,639</u>	<u>\$ 25,736,321</u>	<u>\$ 18,393,670</u>	<u>\$ 1,996,497</u>

Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Enterprise Business Solutions Services	Total
\$ 107,866	\$ 251,773	\$ 5,758,172	\$ -	\$ 48,054,049
10,041,813	3,907,609	45,869,963	345,000	115,528,003
(849,326)	(562,664)	(16,854,621)	(3,228,335)	(57,463,448)
(1,028,673)	(905,242)	(23,912,652)	(2,103,762)	(39,985,401)
(2,695,870)	(759,633)	(6,091,685)	(4,395,834)	(22,208,060)
<u>(3,410,543)</u>	<u>(2,096,862)</u>	<u>-</u>	<u>-</u>	<u>(42,289,402)</u>
2,165,267	(165,019)	4,769,177	(9,382,931)	1,635,741
129,757	127,126	14,515,771	14,984,197	34,620,895
<u>(12,447)</u>	<u>(11,643)</u>	<u>(5,899,857)</u>	<u>-</u>	<u>(6,377,825)</u>
117,310	115,483	8,615,914	14,984,197	28,243,070
-	-	2,565,000	9,400,000	12,015,000
-	-	91,757	946,911	1,040,270
-	-	-	-	974,099
-	-	(2,341,669)	(150,662)	(11,328,761)
(22,523)	(21,068)	(4,028,355)	(12,933,363)	(21,187,658)
(24,102)	(22,542)	(410,783)	(1,002,076)	(3,460,467)
<u>-</u>	<u>-</u>	<u>(13,764)</u>	<u>(33,497)</u>	<u>(47,529)</u>
(46,625)	(43,610)	(4,137,814)	(3,772,687)	(21,995,046)
154,937	154,265	185,411	(23,335)	848,534
2,390,889	61,119	9,432,688	1,805,244	8,732,299
20,196,919	18,991,101	29,272,425	2,771,828	139,283,041
<u>\$ 22,587,808</u>	<u>\$ 19,052,220</u>	<u>\$ 38,705,113</u>	<u>\$ 4,577,072</u>	<u>\$ 148,015,340</u>
\$ 22,587,808	\$ 19,052,220	\$ 38,696,703	\$ 4,577,072	\$ 145,597,166
<u>-</u>	<u>-</u>	<u>8,410</u>	<u>-</u>	<u>2,418,174</u>
<u>\$ 22,587,808</u>	<u>\$ 19,052,220</u>	<u>\$ 38,705,113</u>	<u>\$ 4,577,072</u>	<u>\$ 148,015,340</u>

Continued next page

**City of Portland, Oregon  
Internal Service Funds  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2010**

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>CityFleet Operating</u>	<u>Printing and Distribution Services Operating</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (1,137,342)	\$ 297,118	\$ 1,592,055	\$ (591,627)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization of capital assets	-	3,021,005	4,843,258	422,425
Change in assets and liabilities:				
Accounts and contracts receivable	-	(210,015)	(177,340)	(20,199)
Inventories	-	-	122,481	-
Checks and accounts payable	(3,266,883)	(803,007)	(288,184)	55,581
Accrued compensated absences	(32,652)	2,365	(191,719)	(57,137)
Due from other funds	-	(11,143)	(25,599)	63,146
Prepays	10,176	95,809	167,025	56,855
Accrued claims	260,332	-	-	-
Other accrued liabilities	-	-	-	-
Other postemployment benefits	3,256	11,940	27,860	9,407
Net cash provided (used) by operating activities	<u>\$ (4,163,113)</u>	<u>\$ 2,404,072</u>	<u>\$ 6,069,837</u>	<u>\$ (61,549)</u>
<b>Noncash information:</b>				
Prepaid PERS amortization	\$ 12,995	\$ 69,984	\$ 164,456	\$ 55,731
Decrease in fair value of investments (classified as cash equivalents)	(212,078)	(272,178)	(182,343)	(21,964)

Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Enterprise Business Solutions Services	Total
\$ 1,448,603	\$ 99,676	\$ 6,279,604	\$ (16,749,288)	\$ (8,761,201)
5,380	379	3,782,774	7,177,477	19,252,698
(61,952)	-	(229,208)	-	(698,714)
-	-	414,888	-	537,369
1,173,920	112,909	(5,571,986)	5,371	(8,582,279)
(164,834)	3,352	(20,541)	177,282	(283,884)
-	-	(120,593)	-	(94,189)
27,072	27,852	155,724	(4,266)	536,247
(266,540)	(412,805)	-	-	(419,013)
-	-	-	-	-
<u>3,618</u>	<u>3,618</u>	<u>78,515</u>	<u>10,493</u>	<u>148,707</u>
<u>\$ 2,165,267</u>	<u>\$ (165,019)</u>	<u>\$ 4,769,177</u>	<u>\$ (9,382,931)</u>	<u>\$ 1,635,741</u>
\$ 30,709	\$ 28,725	\$ 195,460	\$ -	\$ 558,060
(211,697)	(193,564)	(321,827)	(32,422)	(1,448,073)



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# Fiduciary Funds

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## **Pension Trust Funds:**

### ***Fire and Police Disability and Retirement Fund***

This fund provides pension and benefits for members of the Fire Bureau and Police Bureau, their widows and children.

### ***Fire and Police Disability and Retirement Reserve Fund***

This fund is a reserve for the Fire and Police Disability and Retirement Fund in the event of an emergency.

### ***Fire and Police Supplemental Retirement Reserve Fund***

This fund is a reserve for supplemental retirement benefits to certain members of the Fire and Police Bureaus.

## **Agency Funds:**

### ***Trustee Fund***

This fund is a depository for monies paid to the City Treasurer primarily for payment of obligations, and to guarantee performance of future services.

### ***Multnomah County Business Income Tax Fund***

This fund accounts for revenues and expenses associated with collection and disbursement of Multnomah County business income taxes.

### ***Clearing Funds***

These funds account for transfers from other funds to pay City payroll, benefits, accounts payable, internal transactions and fire and police pension benefits.

**City of Portland**  
**Combining Statement of Fiduciary Net Assets**  
**Pension Trust Funds**  
**June 30, 2010**

	<b>Fire and Police Disability and Retirement</b>	<b>Fire and Police Disability and Retirement Reserve</b>	<b>Fire and Police Supplemental Retirement Reserve</b>	<b>Total</b>
<b>ASSETS</b>				
Current assets (unrestricted)				
Cash and investments	\$ 17,459,479	\$ 750,000	\$ 51,248	\$ 18,260,727
Receivables:				
Accounts, net	49,213	-	-	49,213
Accrued interest	185,259	-	170	185,429
Due from other funds	6,782,859	-	-	6,782,859
Prepaid expenses	350,647	-	646	351,293
<b>Total current assets</b>	<b>24,827,457</b>	<b>750,000</b>	<b>52,064</b>	<b>25,629,521</b>
Capital assets:				
Equipment	28,821	-	-	28,821
Computer software	282,065	-	-	282,065
Accumulated depreciation and amortization	(270,332)	-	-	(270,332)
<b>Net capital assets</b>	<b>40,554</b>	<b>-</b>	<b>-</b>	<b>40,554</b>
<b>Total assets</b>	<b>24,868,011</b>	<b>750,000</b>	<b>52,064</b>	<b>25,670,075</b>
<b>LIABILITIES</b>				
Accounts payable	8,099,222	-	90	8,099,312
Compensated absences	349,557	-	-	349,557
Accrued interest payable	74,613	-	-	74,613
Bonds payable	489,863	-	-	489,863
Other postemployment benefits	21,306	-	-	21,306
<b>Total liabilities</b>	<b>9,034,561</b>	<b>-</b>	<b>90</b>	<b>9,034,651</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	40,554	-	-	40,554
Held in trust for pension benefits	15,792,896	750,000	51,974	16,594,870
<b>Total net assets</b>	<b>\$ 15,833,450</b>	<b>\$ 750,000</b>	<b>\$ 51,974</b>	<b>\$ 16,635,424</b>

**City of Portland**  
**Combining Statement of Fiduciary Net Assets**  
**Agency Funds**  
**For the Year Ended June 30, 2010**

	<b>Multnomah County</b>			
	<b>Trustee</b>	<b>Business Income</b>		
	<b>Trustee</b>	<b>Tax</b>	<b>Clearing Funds</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 5,113,858	\$ 419,995	\$ 37,757,642	\$ 43,291,495
Receivables:				
Accounts, net	19,467	-	180,222	199,689
Accrued interest	1,764	5,995	-	7,759
	<u>5,135,089</u>	<u>425,990</u>	<u>37,937,864</u>	<u>43,498,943</u>
Total assets	<u>\$ 5,135,089</u>	<u>\$ 425,990</u>	<u>\$ 37,937,864</u>	<u>\$ 43,498,943</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 11,780,060	\$ 11,780,060
Salaries and withholding taxes	-	-	24,280,786	24,280,786
Other liabilities	5,135,089	425,990	1,877,018	7,438,097
	<u>5,135,089</u>	<u>425,990</u>	<u>37,937,864</u>	<u>43,498,943</u>
Total liabilities	<u>\$ 5,135,089</u>	<u>\$ 425,990</u>	<u>\$ 37,937,864</u>	<u>\$ 43,498,943</u>

**City of Portland**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**Pension Trust Funds**  
**June 30, 2010**

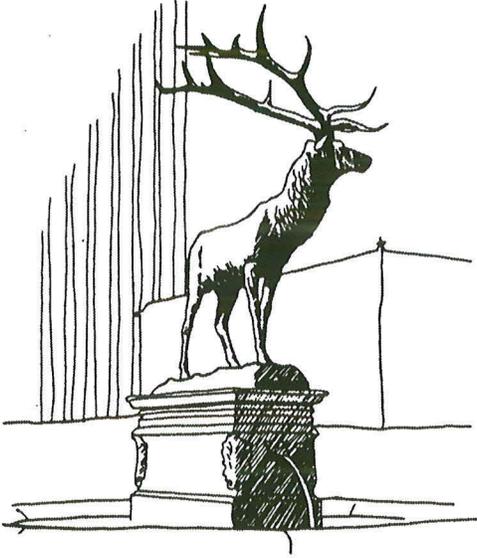
	<b>Fire and Police Disability and Retirement</b>	<b>Fire and Police Disability and Retirement Reserve</b>	<b>Fire and Police Supplemental Retirement Reserve</b>	<b>Total</b>
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 108,147,499	\$ -	\$ -	\$ 108,147,499
Plan member	12,421	-	-	12,421
Other	56,146	-	-	56,146
Total contributions	108,216,066	-	-	108,216,066
Investment earnings	381,516	-	739	382,255
Total additions	108,597,582	-	739	108,598,321
<b>DEDUCTIONS</b>				
Benefits and refunds paid to plan members and beneficiaries	100,443,531	-	7,752	100,451,283
Refunds	17,207	-	-	17,207
Administrative expenses	3,184,652	-	-	3,184,652
Total deductions	103,645,390	-	7,752	103,653,142
Change in net assets	4,952,192	-	(7,013)	4,945,179
Net assets - beginning, as previously reported	10,821,074	750,000	58,987	11,630,061
Prior period adjustment (See Note I.D.14.)	60,184	-	-	60,184
Net assets - beginning, as restated	10,881,258	750,000	58,987	11,690,245
Net assets - ending	\$ 15,833,450	\$ 750,000	\$ 51,974	\$ 16,635,424

**City of Portland, Oregon**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2010**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
<b>Trustee</b>				
Assets:				
Cash and investments	\$ 6,293,501	\$ 39,785,016	\$ 40,964,659	\$ 5,113,858
Receivables:				
Accounts, net	45,259	798,318	824,110	19,467
Accrued interest	8,341	11,204	17,781	1,764
Total assets	<u>\$ 6,347,101</u>	<u>\$ 40,594,538</u>	<u>\$ 41,806,550</u>	<u>\$ 5,135,089</u>
Liabilities:	<u>\$ 6,347,101</u>	<u>\$ 44,848,891</u>	<u>\$ 46,060,903</u>	<u>\$ 5,135,089</u>
<b>Multnomah Co. Business Income Tax</b>				
Assets:				
Cash and investments	\$ 779,448	\$ 51,553,778	\$ 51,913,231	\$ 419,995
Receivables:				
Accrued interest	17,099	24,228	35,332	5,995
Total assets	<u>\$ 796,547</u>	<u>\$ 51,578,006</u>	<u>\$ 51,948,563</u>	<u>\$ 425,990</u>
Liabilities:	<u>\$ 796,547</u>	<u>\$ 60,008,084</u>	<u>\$ 60,378,641</u>	<u>\$ 425,990</u>
<b>Clearing</b>				
Assets:				
Cash and investments	\$ 32,484,877	\$ 1,084,118,382	\$ 1,078,845,617	\$ 37,757,642
Receivables:				
Accounts, net	-	247,629,522	247,449,300	180,222
Total assets	<u>\$ 32,484,877</u>	<u>\$ 1,331,747,904</u>	<u>\$ 1,326,294,917</u>	<u>\$ 37,937,864</u>
Liabilities:				
Checks and accounts payable	\$ 3,974	\$ 243,500,548	\$ 231,724,462	\$ 11,780,060
Salaries, withholdings and taxes payable	28,242,803	1,047,304,036	1,051,266,053	24,280,786
Other liabilities	4,238,100	332,973,365	335,334,447	1,877,018
Total liabilities	<u>\$ 32,484,877</u>	<u>\$ 1,623,777,949</u>	<u>\$ 1,618,324,962</u>	<u>\$ 37,937,864</u>
<b>Total - All Agency Funds</b>				
Assets:				
Cash and investments	\$ 39,557,826	\$ 1,175,457,176	\$ 1,171,723,507	\$ 43,291,495
Receivables:				
Accounts, net	45,259	248,427,840	248,273,410	199,689
Accrued interest	25,440	35,432	53,113	7,759
Total assets	<u>\$ 39,628,525</u>	<u>\$ 1,423,920,448</u>	<u>\$ 1,420,050,030</u>	<u>\$ 43,498,943</u>
Liabilities:				
Checks and accounts payable	\$ 3,974	\$ 243,500,548	\$ 231,724,462	\$ 11,780,060
Salaries, withholdings and taxes payable	28,242,803	1,047,304,036	1,051,266,053	24,280,786
Other liabilities	11,381,748	437,830,340	441,773,991	7,438,097
Total liabilities	<u>\$ 39,628,525</u>	<u>\$ 1,728,634,924</u>	<u>\$ 1,724,764,506</u>	<u>\$ 43,498,943</u>

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

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David P. Thompson Fountain, 1900

# General Fund by Function Budget and Actual

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This fund accounts for City financial resources not included in other funds. Principal revenue sources are property taxes, licenses, permits, interfund service billings, and federal and state shared revenues. Primary expenditures are police protection, fire, rescue and emergency services, parks maintenance and recreation, and general administration.

**City of Portland, Oregon**  
**General Fund by Function**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 181,020,159	\$ 181,020,159	\$ 183,683,862	\$ 2,663,703
Prior year property taxes	3,933,572	3,933,572	4,927,242	993,670
Lodging taxes	15,674,351	15,674,351	14,224,430	(1,449,921)
<b>Total taxes</b>	<u>200,628,082</u>	<u>200,628,082</u>	<u>202,835,534</u>	<u>2,207,452</u>
Licences and permits:				
Business licenses, net	56,230,090	56,230,090	59,803,972	3,573,882
Public utility licenses	51,755,883	53,325,761	54,753,844	1,428,083
Construction permits	1,367,800	967,800	1,020,832	53,032
Other permits	2,571,000	2,995,019	3,178,926	183,907
<b>Total licences and permits</b>	<u>111,924,773</u>	<u>113,518,670</u>	<u>118,757,574</u>	<u>5,238,904</u>
Intergovernmental:				
Federal cost sharing	-	-	53,413	53,413
State revenue sharing	12,276,689	12,276,689	12,136,934	(139,756)
State cost sharing	30,000	30,000	20,785	(9,215)
Multnomah County cost sharing	1,931,712	1,731,076	1,495,290	(235,786)
Local revenue sharing	4,659,614	4,659,614	3,547,152	(1,112,462)
Local cost sharing	8,676,250	12,388,185	11,520,170	(868,015)
City overhead charges	324,694	324,694	324,694	-
<b>Total intergovernmental</b>	<u>27,898,959</u>	<u>31,410,258</u>	<u>29,098,438</u>	<u>(2,311,820)</u>
Charges for services:				
Inspection fees	1,183,000	1,183,000	1,164,562	(18,438)
Rents and reimbursements	3,729,684	3,768,147	3,809,186	41,039
Parking fees	148,354	213,354	263,610	50,256
Concessions	132,057	25,007	603	(24,404)
Parks and recreation facilities fees	10,938,294	10,408,465	9,968,315	(440,150)
Other service charges	2,898,495	2,509,302	2,833,319	324,017
<b>Total service charges and fees</b>	<u>19,029,884</u>	<u>18,107,275</u>	<u>18,039,595</u>	<u>(67,680)</u>
Billings to other funds for services	<u>21,870,455</u>	<u>22,346,417</u>	<u>20,299,663</u>	<u>(2,046,754)</u>
Billings to other funds for overhead	<u>24,377,465</u>	<u>24,377,465</u>	<u>24,377,463</u>	<u>(2)</u>
Other:				
Loan repayments	15,000	15,000	1,121	(13,879)
Sales - other	176,000	650,050	996,366	346,316
Refunds	1,420,000	455,000	288,377	(166,623)
Donations	104,096	149,596	-	(149,596)
Investment earnings	30,000	-	276,890	276,890
Other interest income	2,590,342	2,618,918	882,144	(1,736,774)
Payment in lieu of taxes	1,175,317	1,175,317	700,819	(474,498)
Fines	657,150	657,150	216,652	(440,498)
Miscellaneous	720,184	1,365,802	1,191,276	(174,526)
<b>Total other</b>	<u>6,888,089</u>	<u>7,086,833</u>	<u>4,553,645</u>	<u>(2,533,188)</u>
<b>Total revenues</b>	<u>412,617,707</u>	<u>417,475,000</u>	<u>417,961,912</u>	<u>486,912</u>

Continued next page

**City of Portland, Oregon**  
**General Fund by Function, Continued**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Current:				
<b>Public Safety</b>				
Portland Police Bureau				
Personal services	111,762,905	119,743,683	118,959,248	784,435
Materials and services	43,554,819	43,330,081	41,799,782	1,530,299
Total Portland Police Bureau	<u>155,317,724</u>	<u>163,073,764</u>	<u>160,759,030</u>	<u>2,314,734</u>
Portland Fire and Rescue				
Personal services	78,381,356	78,870,344	76,452,712	2,417,632
Materials and services	10,708,013	10,770,218	9,893,994	876,224
Total Portland Fire and Rescue	<u>89,089,369</u>	<u>89,640,562</u>	<u>86,346,706</u>	<u>3,293,856</u>
Portland Office of Emergency Management				
Personal services	1,039,824	1,081,274	1,071,740	9,534
Materials and services	599,514	569,427	560,978	8,449
Total Portland Office of Emergency Management	<u>1,639,338</u>	<u>1,650,701</u>	<u>1,632,718</u>	<u>17,983</u>
Total Public Safety	<u>246,046,431</u>	<u>254,365,027</u>	<u>248,738,454</u>	<u>5,626,573</u>
<b>Parks, Recreation and Culture</b>				
Portland Parks and Recreation				
Personal services	36,124,148	37,524,059	37,290,365	233,694
Materials and services	20,604,903	21,027,851	19,813,767	1,214,084
Total Portland Parks and Recreation	<u>56,729,051</u>	<u>58,551,910</u>	<u>57,104,132</u>	<u>1,447,778</u>
<b>Special Appropriations</b>				
Materials and services	4,126,731	4,316,731	4,433,356	(116,625)
Total Special Appropriations	<u>4,126,731</u>	<u>4,316,731</u>	<u>4,433,356</u>	<u>(116,625)</u>
Total Parks, Recreation and Culture	<u>60,855,782</u>	<u>62,868,641</u>	<u>61,537,488</u>	<u>1,331,153</u>
<b>Community Development</b>				
Portland Housing Bureau				
Personal services	213,727	227,727	225,372	2,355
Materials and services	10,529,353	12,776,273	11,981,707	794,566
Total Portland Housing Bureau	<u>10,743,080</u>	<u>13,004,000</u>	<u>12,207,079</u>	<u>796,921</u>
Bureau of Planning and Sustainability				
Personal services	8,119,967	8,470,147	8,321,863	148,284
Materials and services	3,617,932	5,729,445	5,074,970	654,475
Total Bureau of Planning and Sustainability	<u>11,737,899</u>	<u>14,199,592</u>	<u>13,396,833</u>	<u>802,759</u>
Office of Cable Communications & Franchise Management				
Personal services	532,901	588,847	577,283	11,564
Materials and services	1,327,268	1,461,059	1,374,554	86,505
Total Office of Cable Communications and Franchise Management	<u>1,860,169</u>	<u>2,049,906</u>	<u>1,951,837</u>	<u>98,069</u>

Continued next page

**City of Portland, Oregon**  
**General Fund by Function, Continued**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b>				
Current, Continued:				
<b>Community Development, Continued:</b>				
Office of Neighborhood Involvement				
Personal services	3,031,277	3,303,929	3,264,598	39,331
Materials and services	3,406,718	3,495,035	4,068,978	(573,943)
Total Office of Neighborhood Involvement	<u>6,437,995</u>	<u>6,798,964</u>	<u>7,333,576</u>	<u>(534,612)</u>
<b>Special Appropriations</b>				
Materials and services	7,359,484	7,624,984	7,174,609	450,375
Total Special Appropriations	<u>7,359,484</u>	<u>7,624,984</u>	<u>7,174,609</u>	<u>450,375</u>
Total Community Development	<u>38,138,627</u>	<u>43,677,446</u>	<u>42,063,934</u>	<u>1,613,512</u>
<b>Legislative/ Admin/ Support Services</b>				
Office of the City Attorney				
Personal services	6,785,518	7,453,064	7,265,656	187,408
Materials and services	1,457,132	1,210,237	1,149,787	60,450
Total Office of the City Attorney	<u>8,242,650</u>	<u>8,663,301</u>	<u>8,415,443</u>	<u>247,858</u>
Office of the City Auditor				
Personal services	4,592,637	4,797,637	4,721,831	75,806
Materials and services	4,077,706	4,004,609	3,049,502	955,108
Total Office of the City Auditor	<u>8,670,343</u>	<u>8,802,246</u>	<u>7,771,333</u>	<u>1,030,913</u>
Office of Government Relations				
Personal services	727,350	747,350	708,354	38,996
Materials and services	484,550	463,554	448,529	15,025
Total Office of Government Relations	<u>1,211,900</u>	<u>1,210,904</u>	<u>1,156,883</u>	<u>54,021</u>
Office of Human Relations				
Personal services	408,516	408,516	393,195	15,321
Materials and services	186,136	280,922	273,036	7,886
Total Office of Human Relations	<u>594,652</u>	<u>689,438</u>	<u>666,231</u>	<u>23,207</u>
Office of Management and Finance				
Personal services	24,758,575	25,574,391	25,058,664	515,727
Materials and services	18,145,119	13,928,739	12,088,472	1,840,267
Total Office of Management and Finance	<u>42,903,694</u>	<u>39,503,130</u>	<u>37,147,136</u>	<u>2,355,994</u>
Office of the Mayor				
Personal services	1,930,817	2,061,807	2,055,958	5,849
Materials and services	720,435	1,213,009	915,356	297,653
Total Office of the Mayor	<u>2,651,252</u>	<u>3,274,816</u>	<u>2,971,314</u>	<u>303,502</u>
Commissioner of Public Affairs				
Personal services	1,025,738	1,002,738	951,377	51,361
Materials and services	1,026,652	2,708,402	832,468	1,875,934
Total Commissioner of Public Affairs	<u>2,052,390</u>	<u>3,711,140</u>	<u>1,783,845</u>	<u>1,927,295</u>

Continued next page

**City of Portland, Oregon**  
**General Fund by Function, Continued**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES, Continued</b>				
Current, Continued:				
<b>Legislative/ Admin/ Support Services, Continued:</b>				
Commissioner of Public Safety				
Personal services	598,140	598,140	582,081	16,059
Materials and services	138,950	138,330	140,871	(2,541)
Total Commissioner of Public Safety	<u>737,090</u>	<u>736,470</u>	<u>722,952</u>	<u>13,518</u>
Commissioner of Public Utilities				
Personal services	670,375	670,375	664,172	6,203
Materials and services	166,217	165,571	142,610	22,961
Total Commissioner of Public Utilities	<u>836,592</u>	<u>835,946</u>	<u>806,782</u>	<u>29,164</u>
Commissioner of Public Works				
Personal services	638,514	677,914	672,343	5,571
Materials and services	146,778	147,315	144,104	3,211
Total Commissioner of Public Works	<u>785,292</u>	<u>825,229</u>	<u>816,447</u>	<u>8,782</u>
<b>Special Appropriations</b>				
Materials and services	7,639,124	545,361	330,779	214,582
Total Special Appropriations	<u>7,639,124</u>	<u>545,361</u>	<u>330,779</u>	<u>214,582</u>
Total Legislative/ Admin/ Support Services	<u>76,324,979</u>	<u>68,797,981</u>	<u>62,589,145</u>	<u>6,208,836</u>
<b>Nondepartmental</b>				
General operating contingencies	2,253,188	2,920,277	-	2,920,277
Total Nondepartmental	<u>2,253,188</u>	<u>2,920,277</u>	<u>-</u>	<u>2,920,277</u>
Debt service and related costs:				
Principal	2,547,594	2,372,977	2,372,977	-
Interest	5,242,666	4,265,083	2,543,136	1,721,947
Total debt service and related costs	<u>7,790,260</u>	<u>6,638,060</u>	<u>4,916,113</u>	<u>1,721,947</u>
Capital outlay	1,776,280	5,649,357	3,369,952	2,279,405
<b>Total expenditures</b>	<u>433,185,547</u>	<u>444,916,789</u>	<u>423,215,086</u>	<u>21,701,703</u>
Revenues over(under) expenditures	<u>(20,567,840)</u>	<u>(27,441,789)</u>	<u>(5,253,174)</u>	<u>22,188,615</u>

Continued next page

**City of Portland, Oregon**  
**General Fund by Function, Continued**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Transportation Operating	-	800,000	800,000	-
Emergency Communication	-	91,902	91,902	-
Business License Surcharge	-	10,000	12,843	2,843
General Reserve	5,717,892	5,755,892	5,755,892	-
Housing Investment	235,000	235,000	-	(235,000)
Campaign Finance	177,819	177,819	177,819	-
Pension Debt Redemption	134,279	1,344,279	1,344,279	-
Sewer System Operating	12,809,321	12,809,321	12,809,321	-
Water	4,184,153	4,186,653	4,186,653	-
Hydroelectric Power Operating	290,000	290,000	290,000	-
Portland International Raceway	-	2,000	2,000	-
Solid Waste Management	737,294	772,294	757,406	(14,888)
Parking Facilities	241,213	241,213	241,213	-
Spectator Facilities Operating	15,815	15,815	15,815	-
Technology Services	16,000	28,000	26,980	(1,020)
	<u>24,558,786</u>	<u>26,760,188</u>	<u>26,512,123</u>	<u>(248,065)</u>
Total transfers from other funds				
Transfers to other funds:				
Transportation Operating	(12,272,298)	(13,000,930)	(12,709,028)	291,902
Emergency Communication	(11,053,675)	(11,031,112)	(11,031,112)	-
Development Services	(1,911,710)	(1,907,808)	(1,907,808)	-
Business License Surcharge	-	-	(75)	(75)
Portland Parks Memorial Trust	(25,000)	(25,000)	(25,000)	-
Police Special Revenue	-	(165,746)	(165,746)	-
Pension Debt Redemption	(1,311,392)	(1,311,392)	(1,311,392)	-
Governmental Bond Redemption	(1,443,056)	(1,443,056)	(1,314,721)	128,335
Parks Capital Construction and Maintenance	(1,064,970)	(1,064,970)	(1,064,970)	-
Sewer System Operating	-	(25,000)	(25,000)	-
Spectator Facilities Operating	(766,100)	-	-	-
Facilities Services Operating	(2,913,512)	(2,913,512)	(2,913,512)	-
Technology Services	(461,500)	(7,165,546)	(7,165,546)	-
Enterprise Business Solutions Services	(5,970,891)	(7,532,843)	(7,532,843)	-
	<u>(39,194,104)</u>	<u>(47,586,915)</u>	<u>(47,166,753)</u>	<u>420,162</u>
Total transfers to other funds				
Internal loan proceeds	-	-	8,436,460	8,436,460
Internal loan remittances	-	-	(16,943,120)	(16,943,120)
Sale of capital asset	-	-	6,787	6,787
	<u>(14,635,318)</u>	<u>(20,826,727)</u>	<u>(29,154,503)</u>	<u>(8,327,776)</u>
Total other financing sources (uses)				
Net change in fund balance	(35,203,158)	(48,268,516)	(34,407,677)	13,860,839
Fund balance -- beginning	35,203,158	48,268,516	69,120,652	20,852,136
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	<u>34,712,975</u>	<u>\$ 34,712,975</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			48,784,573	
Internal loans			8,506,660	
Unrealized gain on investments			(178,800)	
Resources not available for spending:				
Petty cash			47,000	
Fund balance - GAAP basis			<u>\$ 91,872,408</u>	



PORTLAND THEATER

# Special Revenue Funds Budget and Actual

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## **Assessment Collection Fund**

This fund accounts for programs related to local improvement projects to protect the City from unpaid assessments. Revenues are derived from the sale of bonds and real property.

## **Emergency Communication Fund**

This fund accounts for resources and expenditures related to emergency 911 services.

## **Development Services Fund**

This fund accounts for revenues derived from planning and permit fees and for operation expenditures.

## **Property Management License Fund**

This fund accounts for the activities of economic improvement districts. Revenues are derived from special assessments, administrative charges, interest on investments and collection fees.

## **Cable Fund**

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

## **Private for Hire Transportation Safety Fund**

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

## **Business License Surcharge Fund**

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

## **Convention and Tourism Fund**

This fund accounts for transient lodging tax revenues from hotel occupancy within the City. Expenditures are related to the promotion of convention business and tourism in the City.

## **General Reserve Fund**

This fund accounts for counter-cyclical and emergency reserves for the General Fund.

## **Special Finance and Resource Fund**

This fund serves as a staging area for bond proceeds to ensure proper presentation of City assets and liabilities. Bond proceeds are recorded in this fund and then transferred to the appropriate agency.

## **Transportation Reserve Fund**

This fund accounts for counter-cyclical and emergency reserves for the Office of Transportation.

## **Housing Investment Fund**

This fund accounts for financing housing projects administered by the Livable Housing Council.

## **Campaign Finance Fund**

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

## **Parks Local Option Levy Fund**

This fund was established to manage the five-year local option levy in support of Parks operation, maintenance and capital programs.

## **Children's Investment Fund**

This fund accounts for revenues and expenditures related to the Children's Levy, approved by Portland-area voters in November 2002. The Children's Investment Fund shall be expended only for purposes of early childhood programs, child abuse prevention and intervention, and after school and mentoring programs for children.

## **Grants Fund**

This fund accounts for the receipts and expenditures of federal as well as, state, local, and private sources.

## **Housing and Community Development Fund**

This fund accounts for receipts and expenditures of Federal Housing and Community Development programs.

## **HOME Grant Fund**

This fund accounts for federal entitlement grants received from the Home Investment Partnership Program. These funds are used for acquisition, rehabilitation and/or new construction of housing for low income and special needs persons.

## **Portland Parks Memorial Trust Fund**

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

## **Tax Increment Reimbursement Fund**

This fund was established to coincide with the creation of the Portland Housing Bureau to account for restricted tax increment financing that will now be received by the City to pay for certain functions that used to be done by the Portland Development Commission.

## **Police Special Revenue Fund**

This fund was established to account for restricted or committed law enforcement revenues. By law, the Police Bureau may only spend asset forfeiture proceeds on certain functions such as drug enforcement and education. Other donations received are restricted to specific programs for which the contributions were provided.

**City of Portland, Oregon  
Assessment Collection Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Assessments	\$ 250	\$ 250	\$ -	\$ (250)
Investment earnings	2,500	2,500	1,068	(1,432)
Other interest income	250	250	-	(250)
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	3,000	3,000	1,068	(1,932)
<b>EXPENDITURES</b>				
Current:				
Materials and services	411	411	411	-
General operating contingencies	81,593	81,593	-	81,593
Overhead charges - General Fund	153	153	153	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	82,157	82,157	564	81,593
Net change in fund balance	(79,157)	(79,157)	504	79,661
Fund balance - beginning	79,157	79,157	79,338	181
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	79,842	<u>\$ 79,842</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<hr/> (199)	
Fund balance - GAAP basis			<u>\$ 79,643</u>	

**City of Portland, Oregon**  
**Emergency Communication Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental:				
State revenue sharing	\$ 3,096,000	\$ 3,096,000	\$ 2,924,013	\$ (171,987)
Multnomah County cost sharing	325,205	325,205	-	(325,205)
Local cost sharing	3,115,403	3,115,403	3,430,596	315,193
Other service charges	200,000	200,000	194,601	(5,399)
Other:				
Donations	7,000	7,000	-	(7,000)
Investment earnings	-	-	79,443	79,443
Other interest income	50,000	91,415	-	(91,415)
Miscellaneous	3,000	3,000	-	(3,000)
<b>Total revenues</b>	<u>6,796,608</u>	<u>6,838,023</u>	<u>6,628,653</u>	<u>(209,370)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	13,193,782	13,869,742	13,130,840	738,902
Materials and services	6,540,000	9,020,231	7,022,274	1,997,957
General operating contingencies	1,585,695	7,742,400	-	7,742,400
Overhead charges - General Fund	595,924	595,924	595,924	-
Debt service and related costs:				
Principal	35,294	1,190,020	1,110,020	80,000
Interest	132,603	290,511	191,321	99,190
Debt issuance costs	-	60,000	26,587	33,413
Capital outlay	-	-	26,206	(26,206)
<b>Total expenditures</b>	<u>22,083,298</u>	<u>32,768,828</u>	<u>22,103,172</u>	<u>10,665,656</u>
Revenues over (under) expenditures	<u>(15,286,690)</u>	<u>(25,930,805)</u>	<u>(15,474,519)</u>	<u>10,456,286</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	11,053,675	11,031,112	11,031,112	-
General Reserve	2,760,000	2,760,000	2,760,000	-
Campaign Finance	7,798	7,798	7,798	-
<b>Total transfers from other funds</b>	<u>13,821,473</u>	<u>13,798,910</u>	<u>13,798,910</u>	<u>-</u>
Transfers to other funds:				
General	-	(91,902)	(91,902)	-
Pension Debt Redemption	(33,169)	(33,169)	(33,169)	-
Technology Services	-	(163,500)	(163,500)	-
<b>Total transfers to other funds</b>	<u>(33,169)</u>	<u>(288,571)</u>	<u>(288,571)</u>	<u>-</u>
Bonds and notes issued	-	8,855,000	8,210,000	(645,000)
Bonds and notes premium	-	-	615,944	615,944
Internal loan proceeds	-	-	1,431	1,431
Internal loan remittances	-	-	(27,638)	(27,638)
Sale of capital asset	-	-	26,206	26,206
<b>Total other financing sources (uses)</b>	<u>13,788,304</u>	<u>22,365,339</u>	<u>22,336,282</u>	<u>(29,057)</u>
Net change in fund balance	(1,498,386)	(3,565,466)	6,861,763	10,427,229
Fund balance - beginning	1,498,386	3,565,466	4,197,414	631,948
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	11,059,177	<u>\$ 11,059,177</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(24,907)	
Internal loans			26,207	
Reserve for petty cash			2,000	
<b>Fund balance - GAAP basis</b>			<u>\$ 11,062,477</u>	

**City of Portland, Oregon**  
**Development Services Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Construction permits	\$ 23,552,626	\$ 23,552,626	\$ 15,299,053	\$ (8,253,573)
Other permits	529,684	529,684	440,320	(89,364)
Service charges and fees:				
Inspection fees	2,132,691	2,132,691	1,236,683	(896,008)
Other service charges	7,486,251	7,486,251	4,772,160	(2,714,091)
Billings to other funds for services	578,786	1,062,287	895,627	(166,660)
Other:				
Assessments	1,281,811	1,281,811	1,641,967	360,156
Investment earnings	-	-	13,181	13,181
Other interest income	536,085	536,085	311,155	(224,930)
Miscellaneous	-	-	2,458	2,458
Total revenues	<u>36,097,934</u>	<u>36,581,435</u>	<u>24,612,604</u>	<u>(11,968,831)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	27,439,818	27,439,818	18,467,660	8,972,158
Materials and services	9,874,836	9,092,348	7,565,422	1,526,926
General operating contingencies	6,535,968	7,798,055	-	7,798,055
Overhead charges - General Fund	2,098,047	2,098,047	2,098,047	-
Debt service and related costs:				
Principal	177,129	301,222	301,222	-
Interest	665,496	541,403	322,306	219,097
Debt issuance costs	-	-	3,534	(3,534)
Total expenditures	<u>46,791,294</u>	<u>47,270,893</u>	<u>28,758,191</u>	<u>18,512,702</u>
Revenues over (under) expenditures	<u>(10,693,360)</u>	<u>(10,689,458)</u>	<u>(4,145,587)</u>	<u>6,543,871</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	1,911,710	1,907,808	1,907,808	-
Campaign Finance	20,309	20,309	20,309	-
Total transfers from other funds	<u>1,932,019</u>	<u>1,928,117</u>	<u>1,928,117</u>	<u>-</u>
Transfers to other fund:				
Pension Debt Redemption	<u>(166,467)</u>	<u>(166,467)</u>	<u>(166,467)</u>	<u>-</u>
Internal loan proceeds	-	-	1,500,000	1,500,000
Total other financing sources (uses)	<u>1,765,552</u>	<u>1,761,650</u>	<u>3,261,650</u>	<u>1,500,000</u>
Net change in fund balance	(8,927,808)	(8,927,808)	(883,937)	8,043,871
Fund balance - beginning	8,927,808	8,927,808	2,896,743	(6,031,065)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	2,012,806	<u>\$ 2,012,806</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(3,630)	
Internal loans			(1,500,000)	
Reserve for petty cash			4,400	
Fund balance - GAAP basis			<u>\$ 513,576</u>	

**City of Portland, Oregon**  
**Property Management License Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Business licenses, net	\$ 3,802,000	\$ 4,019,481	\$ 4,184,399	\$ 164,918
Other permits	445,000	445,000	474,101	29,101
Investment earnings	21,400	7,525	6,831	(694)
Other service charges	-	12,500	11,127	(1,373)
 Total revenues	<u>4,268,400</u>	<u>4,484,506</u>	<u>4,676,458</u>	<u>191,952</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	4,268,400	4,484,506	4,716,368	(231,862)
 Net change in fund balance	-	-	(39,910)	(39,910)
Fund balance - beginning	-	-	81,223	81,223
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	41,313	<u>\$ 41,313</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(712)</u>	
Fund balance - GAAP basis			<u>\$ 40,601</u>	

**City of Portland, Oregon**  
**Cable Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public utility licenses	\$ 1,256,827	\$ 1,256,827	\$ 4,550,257	\$ 3,293,430
Grant revenue	2,478,676	2,478,676	-	(2,478,676)
Billings to other funds for services	283,579	283,579	283,579	-
Other:				
Investment earnings	-	-	71,976	71,976
Other interest income	32,000	32,000	-	(32,000)
Miscellaneous	-	50,500	50,500	-
	<u>4,051,082</u>	<u>4,101,582</u>	<u>4,956,312</u>	<u>854,730</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	386,515	418,715	408,970	9,745
Materials and services	4,954,871	5,429,173	4,071,913	1,357,260
General operating contingencies	1,318,222	862,220	-	862,220
Overhead charges - General Fund	18,668	18,668	18,668	-
	<u>6,678,276</u>	<u>6,728,776</u>	<u>4,499,551</u>	<u>2,229,225</u>
Revenues over (under) expenditures	<u>(2,627,194)</u>	<u>(2,627,194)</u>	<u>456,761</u>	<u>3,083,955</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other fund:				
Campaign Finance	867	867	867	-
	<u>(2,626,327)</u>	<u>(2,626,327)</u>	<u>457,628</u>	<u>3,083,955</u>
Net change in fund balance				
Fund balance - beginning	3,424,337	3,424,337	5,837,979	2,413,642
Fund balance - ending	<u>\$ 798,010</u>	<u>\$ 798,010</u>	6,295,607	<u>\$ 5,497,597</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(9,369)	
Fund balance - GAAP basis			<u>\$ 6,286,238</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other permits	\$ 90,870	\$ -	\$ -	\$ -
Investment earnings	-	300	2,939	2,639
Other interest income	2,490	2,490	-	(2,490)
<b>Total revenues</b>	<u>93,360</u>	<u>2,790</u>	<u>2,939</u>	<u>149</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	83,803	-	-	-
General operating contingencies	8,168	8,168	-	8,168
Overhead charges - General Fund	1,389	1,389	1,389	-
<b>Total expenditures</b>	<u>93,360</u>	<u>9,557</u>	<u>1,389</u>	<u>8,168</u>
Net change in fund balance	-	(6,767)	1,550	8,317
Fund balance - beginning	-	139,074	218,265	79,191
Fund balance - ending	<u>\$ -</u>	<u>\$ 132,307</u>	219,815	<u>\$ 87,508</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(549)	
Fund balance - GAAP basis			<u>\$ 219,266</u>	

**City of Portland, Oregon  
 Business License Surcharge Fund  
 Schedule of Revenues and Expenditures - Budget and Actual  
 For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 30	\$ 31	\$ 1
<b>EXPENDITURES</b>				
Current:				
Materials and services	-	11	11	-
Revenues over (under) expenditures	-	19	20	1
<b>OTHER FINANCING USES</b>				
Transfer to other fund:				
General	-	(10,000)	(12,843)	(2,843)
Net change in fund balance	-	(9,981)	(12,823)	(2,842)
Fund balance - beginning	-	12,747	12,823	76
Fund balance - ending	\$ -	\$ 2,766	-	\$ (2,766)
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			-	
Fund balance - GAAP basis			\$ -	

**City of Portland, Oregon**  
**Convention and Tourism Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Lodging taxes	\$ 3,284,270	\$ 2,834,270	\$ 2,287,477	\$ (546,793)
Investment earnings	-	-	7,312	7,312
Other interest income	21,533	7,533	-	(7,533)
Total revenues	<u>3,305,803</u>	<u>2,841,803</u>	<u>2,294,789</u>	<u>(547,014)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	3,291,541	3,295,250	2,981,990	313,260
General operating contingencies	45,775	45,775	-	45,775
Overhead charges - General Fund	13,831	13,831	13,829	2
Total expenditures	<u>3,351,147</u>	<u>3,354,856</u>	<u>2,995,819</u>	<u>359,037</u>
Revenues over (under) expenditures	<u>(45,344)</u>	<u>(513,053)</u>	<u>(701,030)</u>	<u>(187,977)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other fund:				
Campaign Finance	735	735	735	-
Net change in fund balance	(44,609)	(512,318)	(700,295)	(187,977)
Fund balance - beginning	100,398	1,009,958	1,007,330	(2,628)
Fund balance - ending	<u>\$ 55,789</u>	<u>\$ 497,640</u>	307,035	<u>\$ (190,605)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(831)	
Fund balance - GAAP basis			<u>\$ 306,204</u>	

**City of Portland, Oregon  
General Reserve Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 836,819	\$ 836,819
Other interest income	1,268,981	1,268,981	-	(1,268,981)
Total revenues	<u>1,268,981</u>	<u>1,268,981</u>	<u>836,819</u>	<u>(432,162)</u>
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	49,081,603	49,043,603	-	49,043,603
Revenues over (under) expenditures	<u>(47,812,622)</u>	<u>(47,774,622)</u>	<u>836,819</u>	<u>48,611,441</u>
<b>OTHER FINANCING USES</b>				
Transfers to other funds:				
General	(5,717,892)	(5,755,892)	(5,755,892)	-
Emergency Communication	(2,760,000)	(2,760,000)	(2,760,000)	-
Technology Services	(7,158,500)	(7,158,500)	(7,158,500)	-
Total other financing uses	<u>(15,636,392)</u>	<u>(15,674,392)</u>	<u>(15,674,392)</u>	<u>-</u>
Net change in fund balance	(63,449,014)	(63,449,014)	(14,837,573)	48,611,441
Fund balance - beginning	63,449,014	63,449,014	63,622,146	173,132
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	48,784,573	<u>\$ 48,784,573</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
General Reserve Fund budgeted as separate fund - to General Fund			<u>(48,784,573)</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Special Finance and Resource Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 1,328	\$ 1,328
<b>EXPENDITURES</b>				
Current:				
Materials and services	144,935,887	144,935,887	88,928,161	56,007,726
Debt service and related costs:				
Debt issuance costs	3,433,436	3,353,436	416,405	2,937,031
Total expenditures	<u>148,369,323</u>	<u>148,289,323</u>	<u>89,344,566</u>	<u>58,944,757</u>
Revenues over (under) expenditures	<u>(148,369,323)</u>	<u>(148,289,323)</u>	<u>(89,343,238)</u>	<u>58,946,085</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	148,369,323	148,369,323	89,539,612	(58,829,711)
Bonds and notes discount	-	(80,000)	(73,870)	6,130
Total other financing sources (uses)	<u>148,369,323</u>	<u>148,289,323</u>	<u>89,465,742</u>	<u>(58,823,581)</u>
Net change in fund balance	-	-	122,504	122,504
Fund balance - beginning	-	-	60,932	60,932
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	183,436	<u>\$ 183,436</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(595)	
Fund balance - GAAP basis			<u>\$ 182,841</u>	

**City of Portland, Oregon**  
**Transportation Reserve Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 35,000	\$ 35,000	\$ 15,414	\$ (19,586)
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	2,517,889	3,012,889	-	3,012,889
Revenues over (under) expenditures	(2,482,889)	(2,977,889)	15,414	2,993,303
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
General	850,000	1,345,000	1,345,000	-
Internal loan remittances	-	-	(2,494,354)	(2,494,354)
Total other financing sources (uses)	850,000	1,345,000	(1,149,354)	(2,494,354)
Net change in fund balance	(1,632,889)	(1,632,889)	(1,133,940)	498,949
Fund balance - beginning	1,632,889	1,632,889	1,137,878	(495,011)
Fund balance - ending	\$ <u>          -</u>	\$ <u>          -</u>	\$ 3,938	\$ <u>          3,938</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Internal loans			2,494,354	
Transportation Reserve Fund budgeted as separate fund - to Transportation Operating Fund			(2,498,292)	
Fund balance - GAAP basis			\$ <u>          -</u>	

**City of Portland, Oregon**  
**Housing Investment Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental:				
Multnomah County cost sharing	\$ -	\$ 37,000	\$ 44,398	\$ 7,398
Local cost sharing	-	10,000	-	(10,000)
Local revenue sharing	490,100	490,100	935,100	445,000
Other:				
Loan repayments	8,757,599	8,757,599	5,503,820	(3,253,779)
Investment earnings	-	-	37,137	37,137
Other interest income	170,000	170,000	-	(170,000)
Miscellaneous	-	250,000	761,477	511,477
Total revenues	<u>9,417,699</u>	<u>9,714,699</u>	<u>7,281,932</u>	<u>(2,432,767)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	412,023	422,023	296,416	125,607
Materials and services	8,857,596	15,824,711	7,490,875	8,333,836
Debt service and related costs:				
Principal	8,000,000	8,000,000	5,204,808	2,795,192
Interest	150,000	150,000	2,053	147,947
Debt issuance costs	-	-	140	(140)
Total expenditures	<u>17,419,619</u>	<u>24,396,734</u>	<u>12,994,292</u>	<u>11,402,442</u>
Revenues over (under) expenditures	<u>(8,001,920)</u>	<u>(14,682,035)</u>	<u>(5,712,360)</u>	<u>8,969,675</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Tax Increment Reimbursement	(50,000)	(50,000)	(344,143)	(294,143)
Governmental Bond Redemption	(757,599)	(877,599)	(876,812)	787
Total transfers to other funds	<u>(807,599)</u>	<u>(927,599)</u>	<u>(1,220,955)</u>	<u>(293,356)</u>
Bonds and notes issued	8,000,000	8,000,000	5,035,871	(2,964,129)
Loans issued	-	6,471,000	2,471,000	(4,000,000)
Total other financing sources (uses)	<u>7,192,401</u>	<u>13,543,401</u>	<u>6,285,916</u>	<u>(7,257,485)</u>
Net change in fund balance	(809,519)	(1,138,634)	573,556	1,712,190
Fund balance - beginning	<u>809,519</u>	<u>1,138,634</u>	<u>2,514,567</u>	<u>1,375,933</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>3,088,123</u>	<u>\$ 3,088,123</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(7,820)	
Loans receivable			120,053	
Fund balance - GAAP basis			<u>\$ 3,200,356</u>	

**City of Portland, Oregon**  
**Campaign Finance Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 50,000	\$ 50,000	\$ 11,119	\$ (38,881)
Miscellaneous	-	-	51	51
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>11,170</u>	<u>(38,830)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	808,247	808,247	203,931	604,316
Overhead charges - General Fund	6,752	6,752	6,752	-
Total expenditures	<u>814,999</u>	<u>814,999</u>	<u>210,683</u>	<u>604,316</u>
Revenues over (under) expenditures	<u>(764,999)</u>	<u>(764,999)</u>	<u>(199,513)</u>	<u>565,486</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers to other funds:				
General	(177,819)	(177,819)	(177,819)	-
Transportation Operating	(69,601)	(69,601)	(69,601)	-
Emergency Communication	(7,798)	(7,798)	(7,798)	-
Development Services	(20,309)	(20,309)	(20,309)	-
Cable	(867)	(867)	(867)	-
Convention and Tourism	(735)	(735)	(735)	-
BFRES Facilities GO Bond Construction	(2,553)	(2,553)	(2,553)	-
Local Improvement District Construction	(7,264)	(7,264)	(7,264)	-
Parks Capital Construction and Maintenance	(8,533)	(8,533)	(8,533)	-
Sewer System Operating	(119,037)	(119,037)	(119,037)	-
Water	(50,630)	(50,630)	(50,630)	-
Hydroelectric Power Operating	(1,068)	(1,068)	(1,068)	-
Golf	(3,095)	(3,095)	(3,095)	-
Portland International Raceway	(1,367)	(1,367)	(1,367)	-
Solid Waste Management	(1,681)	(1,681)	(1,681)	-
Parking Facilities	(3,535)	(3,535)	(3,535)	-
Spectator Facilities Operating	(2,443)	(2,443)	(2,443)	-
Environmental Remediation	(2,718)	(2,718)	(2,718)	-
Facilities Services Operating	(13,870)	(13,870)	(13,870)	-
CityFleet Operating	(10,333)	(10,333)	(10,333)	-
Printing and Distribution Services Operating	(3,569)	(3,569)	(3,569)	-
Insurance and Claims Operating	(4,757)	(4,757)	(4,757)	-
Workers Compensation Self Insurance Operating	(2,126)	(2,126)	(2,126)	-
Technology Services	(28,225)	(28,225)	(28,225)	-
Fire and Police Disability and Retirement	(2,068)	(2,068)	(2,068)	-
Total other financing sources	<u>(546,001)</u>	<u>(546,001)</u>	<u>(546,001)</u>	<u>-</u>
Net change in fund balance	(1,311,000)	(1,311,000)	(745,514)	565,486
Fund balance - beginning	<u>1,311,000</u>	<u>1,311,000</u>	<u>1,279,841</u>	<u>(31,159)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>534,327</u>	<u>\$ 534,327</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,335)	
Fund balance - GAAP basis			<u>\$ 532,992</u>	

**City of Portland, Oregon**  
**Parks Local Option Levy Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Prior year property taxes	\$ 137,819	\$ 137,819	\$ 143,262	\$ 5,443
Investment earnings	-	-	94,761	94,761
Other interest income	94,879	94,879	-	(94,879)
<b>Total revenues</b>	<u>232,698</u>	<u>232,698</u>	<u>238,023</u>	<u>5,325</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	397,095	409,315	400,221	9,094
Materials and services	531,397	536,626	450,606	86,020
General operating contingencies	4,802,059	4,784,610	-	4,784,610
Overhead charges - General Fund	52,006	52,006	52,006	-
Capital outlay	1,050,000	-	-	-
<b>Total expenditures</b>	<u>6,832,557</u>	<u>5,782,557</u>	<u>902,833</u>	<u>4,879,724</u>
Revenues over (under) expenditures	<u>(6,599,859)</u>	<u>(5,549,859)</u>	<u>(664,810)</u>	<u>4,885,049</u>
<b>OTHER FINANCING USES</b>				
Transfers to other fund:				
Parks Capital Construction and Maintenance	-	(1,050,000)	(734,550)	315,450
Net change in fund balance	(6,599,859)	(6,599,859)	(1,399,360)	5,200,499
Fund balance - beginning	6,599,859	6,599,859	7,473,642	873,783
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	6,074,282	<u>\$ 6,074,282</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(15,031)	
Fund balance - GAAP basis			<u>\$ 6,059,251</u>	

**City of Portland, Oregon  
Children's Investment Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 12,954,226	\$ 12,954,226	\$ 13,491,876	\$ 537,650
Prior year property taxes	175,612	175,612	147,866	(27,746)
Investment earnings	-	-	119,053	119,053
<b>Total revenues</b>	<u>13,129,838</u>	<u>13,129,838</u>	<u>13,758,795</u>	<u>628,957</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	398,966	415,966	410,112	5,854
Materials and services	14,967,163	14,950,163	13,047,928	1,902,235
General operating contingencies	980,000	980,000	-	980,000
Overhead charges - General Fund	25,000	25,000	25,000	-
<b>Total expenditures</b>	<u>16,371,129</u>	<u>16,371,129</u>	<u>13,483,040</u>	<u>2,888,089</u>
Net change in fund balance	(3,241,291)	(3,241,291)	275,755	3,517,046
Fund balance - beginning	4,551,687	4,551,687	6,451,195	1,899,508
Fund balance - ending	<u>\$ 1,310,396</u>	<u>\$ 1,310,396</u>	<u>\$ 6,726,950</u>	<u>\$ 5,416,554</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(22,661)	
Fund balance - GAAP basis			<u>\$ 6,704,289</u>	

**City of Portland, Oregon  
Grants Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grant revenue	\$ 64,248,091	\$ 169,626,327	\$ 61,141,872	\$ (108,484,455)
Other:				
Investment earnings	-	-	63,130	63,130
Total revenues	<u>64,248,091</u>	<u>169,626,327</u>	<u>61,205,002</u>	<u>(108,421,325)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	8,624,331	18,162,810	8,911,925	9,250,885
Materials and services	29,450,205	55,693,148	30,193,658	25,499,490
Capital outlay	26,173,555	95,770,369	48,194,042	47,576,327
Total expenditures	<u>64,248,091</u>	<u>169,626,327</u>	<u>87,299,625</u>	<u>82,326,702</u>
Revenues over (under) expenditures	-	-	(26,094,623)	(26,094,623)
<b>OTHER FINANCING SOURCES (USES)</b>				
Internal loan proceeds	-	-	44,617,927	44,617,927
Internal loan remittances	-	-	(9,599,157)	(9,599,157)
Total other financing sources (uses)	-	-	<u>35,018,770</u>	<u>35,018,770</u>
Net change in fund balance	-	-	8,924,147	8,924,147
Fund balance - beginning	-	-	(26,092,167)	(26,092,167)
Fund balance (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	(17,168,020)	<u>\$ (17,168,020)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Internal loans			<u>(35,018,770)</u>	
Fund balance (deficit) - GAAP basis			<u>\$ (52,186,791)</u>	

**City of Portland, Oregon**  
**Housing and Community Development Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grant revenue	\$ 13,386,586	\$ 11,850,760	\$ 10,675,831	\$ (1,174,929)
Other:				
Assessments	-	-	8,822	8,822
Other interest income	-	-	12,118	12,118
Total revenues	<u>13,386,586</u>	<u>11,850,760</u>	<u>10,696,771</u>	<u>(1,153,989)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,353,619	1,353,619	1,239,070	114,549
Materials and services	11,797,967	10,253,141	9,172,720	1,080,421
Debt service and related costs:				
Interest		9,000	3,856	5,144
Total expenditures	<u>13,151,586</u>	<u>11,615,760</u>	<u>10,415,646</u>	<u>1,200,114</u>
Revenues over (under) expenditures	<u>235,000</u>	<u>235,000</u>	<u>281,125</u>	<u>46,125</u>
<b>OTHER FINANCING USES</b>				
Transfer to other fund:				
General	(235,000)	(235,000)	-	235,000
Internal loan proceeds	-	-	2,450,618	2,450,618
Internal loan remittances	-	-	(2,066,379)	(2,066,379)
Total other financing sources (uses)	<u>(235,000)</u>	<u>(235,000)</u>	<u>384,239</u>	<u>619,239</u>
Net change in fund balance	-	-	665,364	665,364
Fund balance - beginning	-	-	911,074	911,074
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,576,438	<u>\$ 1,576,438</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Internal loans			(384,239)	
Fund balance - GAAP basis			<u>\$ 1,192,199</u>	

**City of Portland, Oregon  
HOME Grant Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Grant revenue	\$ 5,043,210	\$ 8,886,315	\$ 6,815,466	\$ (2,070,849)
<b>EXPENDITURES</b>				
Current:				
Personal services	375,529	375,529	368,931	6,598
Materials and services	4,667,681	8,510,786	5,980,965	2,529,821
Total expenditures	<u>5,043,210</u>	<u>8,886,315</u>	<u>6,349,896</u>	<u>2,536,419</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>465,570</u>	<u>465,570</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Internal loan proceeds	-	-	1,867,649	1,867,649
Internal loan remittances	-	-	(1,867,649)	(1,867,649)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>465,570</u>	<u>465,570</u>
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>(351,530)</u>	<u>(351,530)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>114,040</u>	<u>\$ 114,040</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 114,040</u>	

**City of Portland, Oregon**  
**Portland Parks Memorial Trust Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

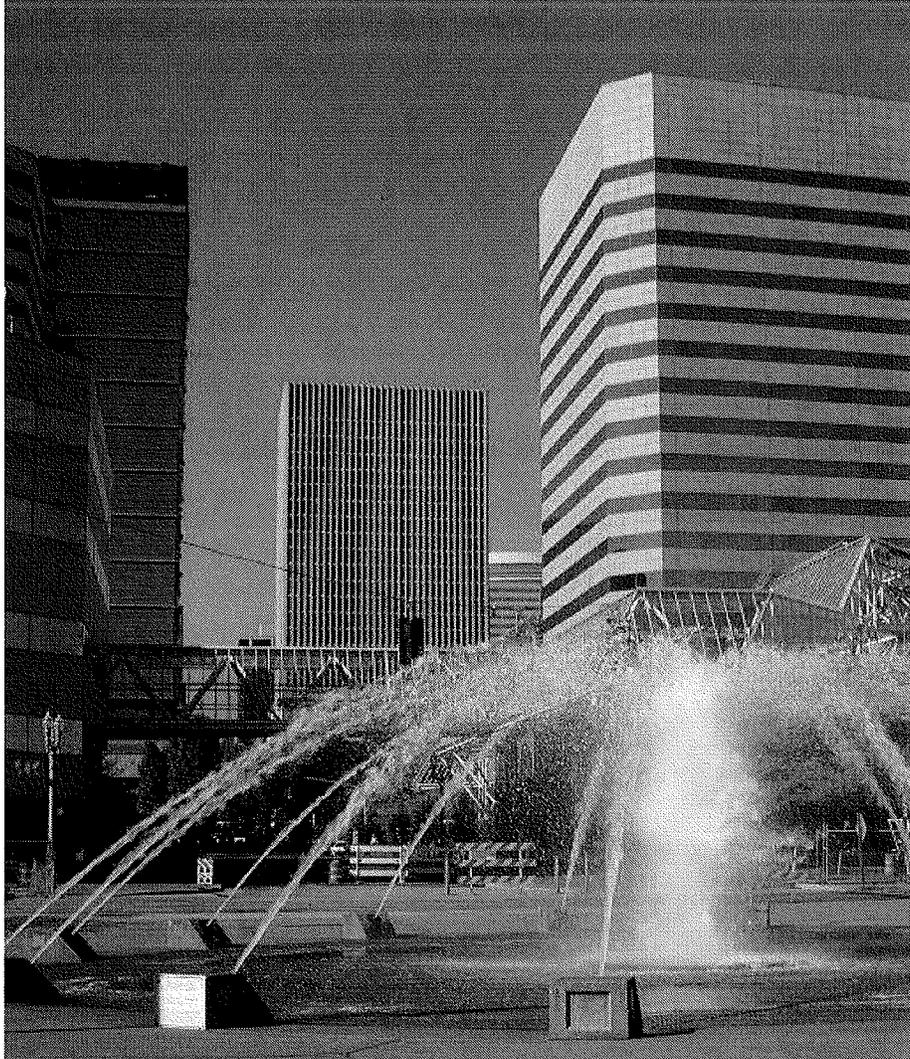
	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Other permits	\$ 20,000	\$ 20,000	\$ 23,650	\$ 3,650
Service charges and fees:				
Rents and reimbursements	-	-	45,271	45,271
Parks and recreation facilities fees	107,200	107,200	232,822	125,622
Other service charges	-	-	150	150
Other:				
Donations	485,470	772,943	507,892	(265,051)
Investment earnings	-	-	27,921	27,921
Other interest income	45,010	45,010	-	(45,010)
<b>Total revenues</b>	<u>657,680</u>	<u>945,153</u>	<u>837,706</u>	<u>(107,447)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	276,740	454,356	300,272	154,084
Materials and services	1,277,239	1,561,522	524,195	1,037,327
General operating contingencies	921,157	768,441	-	768,441
Capital outlay	-	91,180	-	91,180
<b>Total expenditures</b>	<u>2,475,136</u>	<u>2,875,499</u>	<u>824,467</u>	<u>2,051,032</u>
Revenues over (under) expenditures	<u>(1,817,456)</u>	<u>(1,930,346)</u>	<u>13,239</u>	<u>1,943,585</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	25,000	25,000	25,000	-
Transportation Operating	-	26,283	26,283	-
Technology Services	-	12,300	12,300	-
<b>Total transfers from other funds</b>	<u>25,000</u>	<u>63,583</u>	<u>63,583</u>	<u>-</u>
Transfers to other fund:				
Parks Capital Construction and Maintenance	-	(20,082)	(20,082)	-
<b>Total other financing sources (uses)</b>	<u>25,000</u>	<u>43,501</u>	<u>43,501</u>	<u>-</u>
Net change in fund balance	(1,792,456)	(1,886,845)	56,740	1,943,585
Fund balance - beginning	1,792,456	1,886,845	2,123,517	236,672
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	2,180,257	<u>\$ 2,180,257</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(5,232)	
Fund balance - GAAP basis			<u>\$ 2,175,025</u>	

**City of Portland, Oregon**  
**Tax Increment Reimbursement Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing	\$ 814,874	\$ 814,874	\$ 849,999	\$ 35,125
Investment earnings	-	-	(1,132)	(1,132)
Total revenues	<u>814,874</u>	<u>814,874</u>	<u>848,867</u>	<u>33,993</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	181,632	296,632	277,055	19,577
Materials and services	683,242	568,242	568,122	120
Total expenditures	<u>864,874</u>	<u>864,874</u>	<u>845,177</u>	<u>19,697</u>
Revenues over (under) expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>3,690</u>	<u>53,690</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other fund:				
Housing Investment	<u>50,000</u>	<u>50,000</u>	<u>344,143</u>	<u>294,143</u>
Net change in fund balance	-	-	347,833	347,833
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>347,833</u>	<u>\$ 347,833</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 347,833</u>	

**City of Portland, Oregon**  
**Police Special Revenue Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Federal cost sharing	\$ 5,000	\$ 880,000	\$ 1,041,406	\$ 161,406
State cost sharing	130,000	-	-	-
Donations	216,000	216,000	280,786	64,786
Investment earnings	-	2,700	5,173	2,473
	<hr/>		<hr/>	
Total revenues	351,000	1,098,700	1,327,365	228,665
<hr/>				
<b>EXPENDITURES</b>				
Current:				
Materials and services	935,500	1,096,246	499,649	596,597
	<hr/>		<hr/>	
Revenues over (under) expenditures	(584,500)	2,454	827,716	825,262
<hr/>				
<b>OTHER FINANCING SOURCES</b>				
Transfers from other fund:				
General	-	165,746	165,746	-
	<hr/>		<hr/>	
Net change in fund balance	(584,500)	168,200	993,462	825,262
Fund balance - beginning	584,500	584,500	15,328	(569,172)
	<hr/>		<hr/>	
Fund balance - ending	\$ -	\$ 752,700	1,008,790	\$ 256,090
<hr/>				
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(2,622)	
	<hr/>		<hr/>	
Fund balance - GAAP basis			\$ 1,006,168	



CITY FOUNTAIN

# Debt Service Funds

## Budget and Actual

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### **River District Urban Renewal Area Debt Redemption Fund**

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

### **Bonded Debt Interest and Sinking Fund**

This fund accounts for payment of principal and interest on general obligation bonded debt.

### **Downtown Waterfront Renewal Bond Sinking Fund**

This fund accounts for payment of principal and interest on urban renewal bonds. Revenue is derived from sequestered tax on property within the urban renewal area.

### **Interstate Corridor Debt Service Fund**

This fund accounts for payment of principal and interest on bonds to be issued for activities associated with the Interstate Corridor Urban Renewal Area.

### **Pension Debt Redemption Fund**

This fund accounts for resources and expenditures to pay principal and interest on the City's pension obligation bonds.

### **South Park Block Redemption Fund**

This fund accounts for payment of principal and interest on urban renewal and redevelopment bonds. Revenue is derived from taxes on property within the South Park Blocks Urban Renewal Project Area.

### **Airport Way Debt Service Fund**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Willamette Industrial Urban Renewal Area Debt Service Fund**

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

### **Governmental Bond Redemption Fund**

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

**City of Portland, Oregon**  
**River District Urban Renewal Area Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 22,214,479	\$ 24,764,479	\$ 27,230,215	\$ 2,465,736
Prior year property taxes	330,000	330,000	576,333	246,333
Other:				
Investment earnings	163,680	163,680	173,646	9,966
Other interest income	-	-	30	30
Total revenues	<u>22,708,159</u>	<u>25,258,159</u>	<u>27,980,224</u>	<u>2,722,065</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	19,942,852	23,136,125	21,020,000	2,116,125
Interest	2,765,307	2,765,307	2,223,937	541,370
Total expenditures	<u>22,708,159</u>	<u>25,901,432</u>	<u>23,243,937</u>	<u>2,657,495</u>
Revenues over (under) expenditures	<u>-</u>	<u>(643,273)</u>	<u>4,736,287</u>	<u>5,379,560</u>
<b>OTHER FINANCING SOURCES</b>				
Bonds and notes issued	<u>6,309,624</u>	<u>6,309,624</u>	<u>-</u>	<u>(6,309,624)</u>
Net change in fund balance	6,309,624	5,666,351	4,736,287	(930,064)
Fund balance - beginning	<u>4,734,950</u>	<u>5,378,223</u>	<u>5,378,224</u>	<u>1</u>
Fund balance - ending	<u>\$ 11,044,574</u>	<u>\$ 11,044,574</u>	10,114,511	<u>\$ (930,063)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(24,037)</u>	
Fund balance - GAAP basis			<u>\$ 10,090,474</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 8,974,646	\$ 8,974,646	\$ 9,055,912	\$ 81,266
Prior year property taxes	100,000	100,000	214,991	114,991
Other:				
Investment earnings	50,000	50,000	40,960	(9,040)
Other interest income	-	-	57	57
Total revenues	<u>9,124,646</u>	<u>9,124,646</u>	<u>9,311,920</u>	<u>187,274</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	5,815,000	5,815,000	6,130,000	(315,000)
Interest	3,309,646	3,318,646	3,233,015	85,631
Total expenditures	<u>9,124,646</u>	<u>9,133,646</u>	<u>9,363,015</u>	<u>(229,369)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(9,000)</u>	<u>(51,095)</u>	<u>(42,095)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
BFRES Facilities GO Bond Construction	-	9,000	8,450	(550)
Bonds and notes issued	-	-	34,324,244	34,324,244
Bonds and notes premium	-	-	2,237,604	2,237,604
Payments to refunded loan and bond escrow agent	-	-	(36,320,000)	(36,320,000)
Total other financing sources (uses)	<u>-</u>	<u>9,000</u>	<u>250,298</u>	<u>241,298</u>
Net change in fund balance	-	-	199,203	199,203
Fund balance - beginning	-	-	485,187	485,187
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	684,390	<u>\$ 684,390</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,258)	
Fund balance - GAAP basis			<u>\$ 683,132</u>	

**City of Portland, Oregon**  
**Downtown Waterfront Renewal Bond Sinking Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 10,204,558	\$ 10,204,558	\$ 10,114,429	\$ (90,129)
Prior year property taxes	312,000	312,000	337,237	25,237
Other:				
Investment earnings	124,068	124,068	132,250	8,182
Other interest income	-	-	60	60
	<u>10,640,626</u>	<u>10,640,626</u>	<u>10,583,976</u>	<u>(56,650)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	445,462	844,919	440,000	404,919
Debt service and related costs:				
Principal	4,650,000	4,650,000	4,650,000	-
Interest	5,545,164	5,545,164	5,545,164	-
	<u>10,640,626</u>	<u>11,040,083</u>	<u>10,635,164</u>	<u>404,919</u>
Net change in fund balance	-	(399,457)	(51,188)	348,269
Fund balance - beginning	<u>6,546,500</u>	<u>6,945,957</u>	<u>6,945,956</u>	<u>(1)</u>
Fund balance - ending	<u>\$ 6,546,500</u>	<u>\$ 6,546,500</u>	6,894,768	<u>\$ 348,268</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(16,630)</u>	
Fund balance - GAAP basis			<u>\$ 6,878,138</u>	

**City of Portland, Oregon**  
**Interstate Corridor Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 10,723,376	\$ 10,723,376	\$ 11,652,974	\$ 929,598
Prior year property taxes	127,000	127,000	250,006	123,006
Other:				
Investment earnings	53,709	53,709	45,846	(7,863)
Other interest income	-	-	15	15
<b>Total revenues</b>	<u>10,904,085</u>	<u>10,904,085</u>	<u>11,948,841</u>	<u>1,044,756</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	8,147,213	8,358,620	6,535,000	1,823,620
Interest	2,756,872	2,756,872	1,424,611	1,332,261
<b>Total expenditures</b>	<u>10,904,085</u>	<u>11,115,492</u>	<u>7,959,611</u>	<u>3,155,881</u>
Revenues over (under) expenditures	-	(211,407)	3,989,230	4,200,637
<b>OTHER FINANCING SOURCES</b>				
Bonds and notes issued	4,342,075	4,342,075	-	(4,342,075)
Net change in fund balance	4,342,075	4,130,668	3,989,230	(141,438)
Fund balance - beginning	-	211,407	212,670	1,263
Fund balance - ending	<u>\$ 4,342,075</u>	<u>\$ 4,342,075</u>	4,201,900	<u>\$ (140,175)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(9,977)	
Fund balance - GAAP basis			<u>\$ 4,191,923</u>	

**City of Portland, Oregon**  
**Pension Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Investment earnings	\$ 90,000	\$ 50,000	\$ 55,025	\$ 5,025
Other interest income	-	-	82	82
Miscellaneous	580,277	580,277	384,883	(195,394)
<b>Total revenues</b>	<u>670,277</u>	<u>630,277</u>	<u>439,990</u>	<u>(190,287)</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	719,034	1,222,769	1,222,768	1
Interest	2,791,483	2,335,368	1,308,365	1,027,003
Debt issuance costs	414,367	417,217	403,640	13,577
<b>Total expenditures</b>	<u>3,924,884</u>	<u>3,975,354</u>	<u>2,934,773</u>	<u>1,040,581</u>
Revenues over (under) expenditures	<u>(3,254,607)</u>	<u>(3,345,077)</u>	<u>(2,494,783)</u>	<u>850,294</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	1,311,392	1,311,392	1,311,392	-
Transportation Operating	641,141	641,141	641,141	-
Emergency Communication	33,169	33,169	33,169	-
Development Services	166,467	166,467	166,467	-
Local Improvement District Construction	11,874	11,874	11,874	-
Parks Capital Construction and Maintenance	16,072	16,072	16,072	-
Sewer System Operating	455,649	455,649	455,649	-
Water	473,241	473,241	473,241	-
Hydroelectric Power Operating	3,492	3,492	3,492	-
Golf	28,535	28,535	28,535	-
Portland International Raceway	5,493	5,493	5,493	-
Solid Waste Management	8,860	8,860	8,860	-
Environmental Remediation	204	204	204	-
Health Insurance Operating	5,268	5,268	5,268	-
Facilities Services Operating	28,365	28,365	28,365	-
CityFleet Operating	66,657	66,657	66,657	-
Printing and Distribution Services Operating	22,588	22,588	22,588	-
Insurance and Claims Operating	12,447	12,447	12,447	-
Workers' Compensation Self Insurance Operating	11,643	11,643	11,643	-
Technology Services	79,223	79,223	79,223	-
Fire and Police Disability and Retirement	7,106	7,106	7,106	-
<b>Total transfers from other funds</b>	<u>3,388,886</u>	<u>3,388,886</u>	<u>3,388,886</u>	<u>-</u>

Continued next page

**City of Portland, Oregon**  
**Pension Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES), Continued:</b>				
Transfers to other funds:				
General	-	(1,920,000)	(1,920,000)	-
Technology Services	(134,279)	(1,344,279)	(1,344,279)	-
Total transfers to other funds	<u>(134,279)</u>	<u>(3,264,279)</u>	<u>(3,264,279)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,254,607</u>	<u>124,607</u>	<u>124,607</u>	<u>-</u>
Net change in fund balance	-	(3,220,470)	(2,370,176)	850,294
Fund balance - beginning	-	3,220,470	3,196,487	(23,983)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	826,311	<u>\$ 826,311</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(2,037)</u>	
Fund balance - GAAP basis			<u>\$ 824,274</u>	

**City of Portland, Oregon**  
**South Park Block Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 7,158,437	\$ 7,158,437	\$ 7,086,689	\$ (71,748)
Prior year property taxes	157,000	157,000	209,495	52,495
Other:				
Investment earnings	203,678	203,678	143,598	(60,080)
Other interest income	-	-	43	43
	<u>7,519,115</u>	<u>7,519,115</u>	<u>7,439,825</u>	<u>(79,290)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	361,284	652,443	310,000	342,443
Debt service and related costs:				
Principal	3,416,027	3,416,027	3,145,000	271,027
Interest	3,741,804	3,741,804	4,012,830	(271,026)
	<u>7,519,115</u>	<u>7,810,274</u>	<u>7,467,830</u>	<u>342,444</u>
Net change in fund balance	-	(291,159)	(28,005)	263,154
Fund balance - beginning	<u>8,373,346</u>	<u>8,664,505</u>	<u>8,666,971</u>	<u>2,466</u>
Fund balance - ending	<u>\$ 8,373,346</u>	<u>\$ 8,373,346</u>	8,638,966	<u>\$ 265,620</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(21,194)	
Fund balance - GAAP basis			<u>\$ 8,617,772</u>	

**City of Portland, Oregon**  
**Airport Way Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 5,376,009	\$ 5,376,009	\$ 5,328,302	\$ (47,707)
Prior year property taxes	121,000	121,000	137,071	16,071
Other:				
Investment earnings	27,341	27,341	43,876	16,535
Other interest income	-	-	35	35
	<u>5,524,350</u>	<u>5,524,350</u>	<u>5,509,284</u>	<u>(15,066)</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	3,350,000	3,350,000	3,350,000	-
Interest	2,174,350	2,174,350	2,174,350	-
	<u>5,524,350</u>	<u>5,524,350</u>	<u>5,524,350</u>	<u>-</u>
Net change in fund balance	-	-	(15,066)	(15,066)
Fund balance - beginning	<u>839,000</u>	<u>839,000</u>	<u>1,609,408</u>	<u>770,408</u>
Fund balance - ending	<u>\$ 839,000</u>	<u>\$ 839,000</u>	1,594,342	<u>\$ 755,342</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(3,702)</u>	
Fund balance - GAAP basis			<u>\$ 1,590,640</u>	

**City of Portland, Oregon  
Gas Tax Bond Redemption Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Investment earnings	\$ -	\$ -	\$ 90	\$ 90
Other interest income	-	-	5	5
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>95</u>	<u>95</u>
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	4,717	4,717	-	4,717
Debt service and related costs:				
Principal	854,420	854,420	870,000	(15,580)
Interest	279,038	279,038	221,364	57,674
Debt issuance costs	-	-	928	(928)
<b>Total expenditures</b>	<u>1,138,175</u>	<u>1,138,175</u>	<u>1,092,292</u>	<u>45,883</u>
Revenues over (under) expenditures	<u>(1,138,175)</u>	<u>(1,138,175)</u>	<u>(1,092,197)</u>	<u>45,978</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer from other fund:				
Transportation Operating	1,133,458	1,133,458	1,091,364	(42,094)
Net change in fund balance	(4,717)	(4,717)	(833)	3,884
Fund balance - beginning	4,717	4,717	5,365	648
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	4,532	<u>\$ 4,532</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			<u>\$ 4,532</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 8,451,942	\$ 8,451,942	\$ 8,849,998	\$ 398,056
Prior year property taxes	120,000	120,000	200,645	80,645
Investment earnings	42,431	42,431	33,720	(8,711)
<b>Total revenues</b>	<u>8,614,373</u>	<u>8,614,373</u>	<u>9,084,363</u>	<u>469,990</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	6,766,373	6,940,283	8,000,000	(1,059,717)
Interest	1,848,000	1,848,000	111,753	1,736,247
<b>Total expenditures</b>	<u>8,614,373</u>	<u>8,788,283</u>	<u>8,111,753</u>	<u>676,530</u>
Revenues over (under) expenditures	<u>-</u>	<u>(173,910)</u>	<u>972,610</u>	<u>1,146,520</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	-	-	24,750,614	24,750,614
Payment to refunded bond escrow agent	-	-	(21,718,022)	(21,718,022)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>3,032,592</u>	<u>3,032,592</u>
Net change in fund balance	<u>-</u>	<u>(173,910)</u>	<u>4,005,202</u>	<u>4,179,112</u>
Fund balance - beginning	<u>-</u>	<u>173,910</u>	<u>173,911</u>	<u>1</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>4,179,113</u>	<u>\$ 4,179,113</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(10,058)</u>	
Fund balance - GAAP basis			<u>\$ 4,169,055</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 4,826,947	\$ 4,826,947	\$ 5,532,284	\$ 705,337
Prior year property taxes	89,000	89,000	128,476	39,476
Investment earnings	24,334	24,334	24,324	(10)
	<u>4,940,281</u>	<u>4,940,281</u>	<u>5,685,084</u>	<u>744,803</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	3,239,085	3,892,572	4,000,000	(107,428)
Interest	1,701,196	1,701,196	144,429	1,556,767
	<u>4,940,281</u>	<u>5,593,768</u>	<u>4,144,429</u>	<u>1,449,339</u>
Net change in fund balance	-	(653,487)	1,540,655	2,194,142
Fund balance - beginning	-	653,487	653,488	1
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	2,194,143	<u>\$ 2,194,143</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(5,230)	
Fund balance - GAAP basis			<u>\$ 2,188,913</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Assessments	\$ 4,172,590	\$ 4,172,590	\$ 5,229,873	\$ 1,057,283
Investment earnings	406,207	406,207	195,157	(211,050)
Other interest income	3,044,258	3,044,258	2,669,753	(374,505)
	<u>7,623,055</u>	<u>7,623,055</u>	<u>8,094,783</u>	<u>471,728</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	3,930,000	3,930,000	3,460,000	470,000
Interest	2,540,261	2,540,261	2,078,650	461,611
	<u>6,470,261</u>	<u>6,470,261</u>	<u>5,538,650</u>	<u>931,611</u>
Revenues over (under) expenditures	<u>1,152,794</u>	<u>1,152,794</u>	<u>2,556,133</u>	<u>1,403,339</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	-	-	1,450	1,450
Internal loan remittances	-	-	(1,500,000)	(1,500,000)
	<u>-</u>	<u>-</u>	<u>(1,498,550)</u>	<u>(1,498,550)</u>
Net change in fund balance	1,152,794	1,152,794	1,057,583	(95,211)
Fund balance - beginning	14,255,842	14,255,842	13,961,657	(294,185)
Fund balance - ending	<u>\$ 15,408,636</u>	<u>\$ 15,408,636</u>	15,019,240	<u>\$ (389,396)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(36,050)	
Internal loan distribution			1,500,000	
Fund balance - GAAP basis			<u>\$ 16,483,190</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 10,595,561	\$ 10,595,561	\$ 10,491,314	\$ (104,247)
Prior year property taxes	154,000	154,000	260,940	106,940
Other:				
Investment earnings	53,210	53,210	58,867	5,657
Other interest income	-	-	36	36
	<u>10,802,771</u>	<u>10,802,771</u>	<u>10,811,157</u>	<u>8,386</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	6,192,109	7,749,552	6,480,000	1,269,552
Interest	4,610,662	4,610,662	3,019,749	1,590,913
	<u>10,802,771</u>	<u>12,360,214</u>	<u>9,499,749</u>	<u>2,860,465</u>
Net change in fund balance	-	(1,557,443)	1,311,408	2,868,851
Fund balance - beginning	-	1,557,443	1,560,332	2,889
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	2,871,740	<u>\$ 2,871,740</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(6,667)	
Fund balance - GAAP basis			<u>\$ 2,865,073</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 9,024,189	\$ 9,024,189	\$ 11,297,345	\$ 2,273,156
Prior year property taxes	35,000	35,000	176,140	141,140
Investment earnings	44,843	44,843	45,588	745
	<u>9,104,032</u>	<u>9,104,032</u>	<u>11,519,073</u>	<u>2,415,041</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	4,401,514	4,561,347	8,000,000	(3,438,653)
Interest	4,702,518	4,702,518	502,652	4,199,866
	<u>9,104,032</u>	<u>9,263,865</u>	<u>8,502,652</u>	<u>761,213</u>
Net change in fund balance	-	(159,833)	3,016,421	3,176,254
Fund balance - beginning	-	159,833	159,835	2
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	3,176,256	<u>\$ 3,176,256</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(7,489)</u>	
Fund balance - GAAP basis			<u>\$ 3,168,767</u>	

**City of Portland, Oregon**  
**Special Projects Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local revenue sharing	\$ 6,202,573	\$ 6,202,573	\$ 6,202,573	\$ -
Other:				
Assessments	212,320	212,320	78,036	(134,284)
Investment earnings	-	-	338	338
Other interest income	-	-	138,334	138,334
Miscellaneous	-	-	-	-
	<u>6,414,893</u>	<u>6,414,893</u>	<u>6,419,281</u>	<u>4,388</u>
Total revenues				
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	1,709,640	1,709,640	1,709,639	1
Interest	4,705,253	4,705,253	4,705,253	-
	<u>6,414,893</u>	<u>6,414,893</u>	<u>6,414,892</u>	<u>1</u>
Total expenditures				
Net change in fund balance	-	-	4,389	4,389
Fund balance - beginning	-	-	17,660	17,660
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	22,049	<u>\$ 22,049</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(55)	
Fund balance - GAAP basis			<u>\$ 21,994</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 2,734,034	\$ 2,734,034	\$ 2,843,679	\$ 109,645
Prior year property taxes	34,000	34,000	62,684	28,684
Other:				
Investment earnings	13,702	13,702	10,498	(3,204)
Total revenues	<u>2,781,736</u>	<u>2,781,736</u>	<u>2,916,861</u>	<u>135,125</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	2,115,381	2,171,889	2,590,000	(418,111)
Interest	666,355	666,355	66,446	599,909
Total expenditures	<u>2,781,736</u>	<u>2,838,244</u>	<u>2,656,446</u>	<u>181,798</u>
Net change in fund balance	-	(56,508)	260,415	316,923
Fund balance - beginning	-	56,508	59,034	2,526
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	\$ 319,449	<u>\$ 319,449</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(670)	
Fund balance - GAAP basis			<u>\$ 318,779</u>	

**City of Portland, Oregon**  
**Willamette Industrial Urban Renewal Area Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 701,317	\$ 701,317	\$ 772,355	\$ 71,038
Prior year property taxes	2,000	2,000	13,700	11,700
Investment earnings	3,481	3,481	4,051	570
	<u>706,798</u>	<u>706,798</u>	<u>790,106</u>	<u>83,308</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	706,298	731,188	730,000	1,188
Interest	500	500	21	479
	<u>706,798</u>	<u>731,688</u>	<u>730,021</u>	<u>1,667</u>
Net change in fund balance	-	(24,890)	60,085	84,975
Fund balance - beginning	-	24,890	22,365	(2,525)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	82,450	<u>\$ 82,450</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(172)</u>	
Fund balance - GAAP basis			<u>\$ 82,278</u>	

**City of Portland, Oregon**  
**Governmental Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Investment earnings	\$ -	\$ -	\$ 26	\$ 26
Other interest income	-	-	347	347
Miscellaneous	5,200,000	5,200,000	1,999,844	(3,200,156)
<b>Total revenues</b>	<u>5,200,000</u>	<u>5,200,000</u>	<u>2,000,217</u>	<u>(3,199,783)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	-	120,000	40,879	79,121
Debt service and related costs:				
Principal	7,025,000	7,025,000	3,785,918	3,239,082
Interest	1,471,055	1,471,055	1,346,463	124,592
Debt issuance costs	-	-	27,667	(27,667)
<b>Total expenditures</b>	<u>8,496,055</u>	<u>8,616,055</u>	<u>5,200,927</u>	<u>3,415,128</u>
Revenues over (under) expenditures	<u>(3,296,055)</u>	<u>(3,416,055)</u>	<u>(3,200,710)</u>	<u>215,345</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	1,443,056	1,443,056	1,314,721	(128,335)
Housing Investment	757,599	877,599	876,812	(787)
Parks Capital Construction and Maintenance	895,400	895,400	896,142	742
<b>Total transfers from other funds</b>	<u>3,096,055</u>	<u>3,216,055</u>	<u>3,087,675</u>	<u>(128,380)</u>
Bonds and notes issued	200,000	200,000	5,130,000	4,930,000
Bonds and notes premium	-	-	147,182	147,182
Payments to refunded loan and bond escrow agent	-	-	(5,205,000)	(5,205,000)
<b>Total other financing sources (uses)</b>	<u>3,296,055</u>	<u>3,416,055</u>	<u>3,159,857</u>	<u>(256,198)</u>
Net change in fund balance	-	-	(40,853)	(40,853)
Fund balance - beginning	-	-	70,413	70,413
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	29,560	<u>\$ 29,560</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			<u>\$ 29,560</u>	

# Capital Projects Funds Budget and Actual

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## ***Bureau of Fire, Rescue and Emergency Services Facilities GO Bond Construction Fund***

This fund accounts for revenues and expenditures associated with bond funded capital projects for seismic and operational station upgrades, renovation and replacement of certain existing facilities, and building new fire, rescue and emergency facilities.

## ***Local Improvement District Construction Fund***

This fund accounts for financing and construction of improvements paid for, wholly or in part, from special assessments levied against benefited properties.

## ***Parks Capital Construction and Maintenance Fund***

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

**City of Portland, Oregon**  
**BFRES Facilities GO Bond Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Sales - other	\$ 440,000	\$ -	\$ -	\$ -
Investment earnings	169,706	169,706	124,338	(45,368)
Total revenues	<u>609,706</u>	<u>169,706</u>	<u>124,338</u>	<u>(45,368)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	-	-	377	(377)
Materials and services	905,605	2,215,665	898,917	1,316,748
General operating contingencies	4,596,157	4,630,088	-	4,630,088
Overhead charges - General Fund	109,875	109,875	109,875	-
Debt service and related costs:				
Debt issuance costs	-	111,585	103,480	8,105
Capital outlay	2,249,573	4,159,658	3,750,706	408,952
Total expenditures	<u>7,861,210</u>	<u>11,226,871</u>	<u>4,863,355</u>	<u>6,363,516</u>
Revenues over (under) expenditures	<u>(7,251,504)</u>	<u>(11,057,165)</u>	<u>(4,739,017)</u>	<u>6,318,148</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other fund:				
Campaign Finance	2,553	2,553	2,553	-
Transfers to other fund:				
Bonded Debt Interest and Sinking	-	(9,000)	(8,450)	550
Bonds and notes issued	-	111,585	111,585	-
Total other financing sources (uses)	<u>2,553</u>	<u>105,138</u>	<u>105,688</u>	<u>550</u>
Net change in fund balance	(7,248,951)	(10,952,027)	(4,633,329)	6,318,698
Fund balance - beginning	<u>7,248,951</u>	<u>10,952,027</u>	<u>11,076,054</u>	<u>124,027</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	6,442,725	<u>\$ 6,442,725</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			<u>\$ 6,442,725</u>	

**City of Portland, Oregon**  
**Local Improvement District Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Other service charges	\$ 806,320	\$ 806,320	\$ 956,048	\$ 149,728
Other:				
Assessments	3,360,900	10,460,900	10,451,003	(9,897)
Investment earnings	150,000	150,000	111,608	(38,392)
Other interest income	336,090	595,000	832,132	237,132
<b>Total revenues</b>	<u>4,653,310</u>	<u>12,012,220</u>	<u>12,350,791</u>	<u>338,571</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	1,474,678	1,474,866	1,241,315	233,551
General operating contingencies	4,785,700	4,785,700	-	4,785,700
Overhead charges - General Fund	151,591	151,591	151,591	-
Debt service and related costs:				
Principal	21,524,519	24,947,370	24,945,047	2,323
Interest	349,568	340,717	235,340	105,377
Debt issuance costs	60,000	403,100	372,772	30,328
<b>Total expenditures</b>	<u>28,346,056</u>	<u>32,103,344</u>	<u>26,946,065</u>	<u>5,157,279</u>
Revenues over (under) expenditures	<u>(23,692,746)</u>	<u>(20,091,124)</u>	<u>(14,595,274)</u>	<u>5,495,850</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other fund:				
Campaign Finance	7,264	7,264	7,264	-
Transfers to other funds:				
Transportation Operating	(22,292,000)	(25,807,000)	(23,672,544)	2,134,456
Pension Debt Redemption	(11,874)	(11,874)	(11,874)	-
Sewer System Construction	(1,300,000)	(2,814,000)	(2,813,864)	136
Water Construction	-	(37,845)	(37,840)	5
<b>Total transfers to other funds</b>	<u>(23,603,874)</u>	<u>(28,670,719)</u>	<u>(26,536,122)</u>	<u>2,134,597</u>
Bonds and notes issued	42,189,100	42,277,577	39,956,222	(2,321,355)
Bonds and notes premium	-	118,100	118,039	(61)
<b>Total other financing sources (uses)</b>	<u>18,592,490</u>	<u>13,732,222</u>	<u>13,545,403</u>	<u>(186,819)</u>
Net change in fund balance	(5,100,256)	(6,358,902)	(1,049,871)	5,309,031
Fund balance - beginning	5,100,256	6,358,902	6,358,902	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	5,309,031	<u>\$ 5,309,031</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(13,151)	
Fund balance - GAAP basis			<u>\$ 5,295,880</u>	

**City of Portland, Oregon**  
**Parks Capital Construction and Maintenance Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other permits	\$ -	\$ -	\$ 305,000	\$ 305,000
Intergovernmental:				
Local cost sharing	15,244,430	8,905,911	4,414,530	(4,491,381)
Grant revenue	-	-	28,819	28,819
Service charges and fees:				
Public works and utility charges	5,264,329	1,414,329	1,464,345	50,016
Rents and reimbursements	30,000	30,000	78,613	48,613
Parks and recreation facilities fees	-	-	260	260
Other service charges	-	-	700	700
Billings to other funds for services	-	40,000	33,073	(6,927)
Other:				
Assessments	-	150,000	225,510	75,510
Loan repayments	275,000	275,000	-	(275,000)
Donations	1,962,709	573,500	599,073	25,573
Investment earnings	-	-	85,302	85,302
Other interest income	350,000	350,000	34,765	(315,235)
Miscellaneous	50,000	50,000	-	(50,000)
<b>Total revenues</b>	<u>23,176,468</u>	<u>11,788,740</u>	<u>7,269,990</u>	<u>(4,518,750)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,023,940	1,469,940	1,301,036	168,904
Materials and services	2,508,342	4,629,753	3,862,993	766,760
General operating contingencies	1,857,471	2,882,471	-	2,882,471
Overhead charges - General Fund	344,480	344,480	344,480	-
Debt service and related costs:				
Principal	17,102	29,084	29,084	-
Interest	64,255	52,273	31,119	21,154
Capital outlay	24,702,467	15,840,730	9,402,849	6,437,881
<b>Total expenditures</b>	<u>30,518,057</u>	<u>25,248,731</u>	<u>14,971,561</u>	<u>10,277,170</u>
Revenues over (under) expenditures	<u>(7,341,589)</u>	<u>(13,459,991)</u>	<u>(7,701,571)</u>	<u>5,758,420</u>

Continued next page

**City of Portland, Oregon**  
**Parks Capital Construction and Maintenance Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	1,064,970	1,064,970	1,064,970	-
Campaign Finance	8,533	8,533	8,533	-
Parks Local Option Levy	-	1,050,000	734,550	(315,450)
Portland Parks Memorial Trust	-	20,082	20,082	-
Sewer System Operating	-	235,000	235,000	-
Water	-	50,000	50,000	-
Facilities Services Operating	-	31,000	31,000	-
Total transfers from other funds	<u>1,073,503</u>	<u>2,459,585</u>	<u>2,144,135</u>	<u>(315,450)</u>
Transfers to other funds:				
Pension Debt Redemption	(16,072)	(16,072)	(16,072)	-
Governmental Bond Redemption	(895,400)	(895,400)	(895,400)	-
Total transfers to other funds	<u>(911,472)</u>	<u>(911,472)</u>	<u>(911,472)</u>	<u>-</u>
Bonds and notes issued	-	-	199,215	199,215
Loans issued	-	-	950,000	950,000
Total other financing sources (uses)	<u>162,031</u>	<u>1,548,113</u>	<u>2,381,878</u>	<u>833,765</u>
Net change in fund balance	(7,179,558)	(11,911,878)	(5,319,693)	6,592,185
Fund balance - beginning	<u>7,179,558</u>	<u>11,911,878</u>	<u>11,371,833</u>	<u>(540,045)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	6,052,140	<u>\$ 6,052,140</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(13,809)	
Loans receivable			978,598	
Fund balance - GAAP basis			<u>\$ 7,016,929</u>	

# Permanent Fund Budget and Actual

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## ***Parks Endowment Fund***

This fund accounts for gifts, donations, and endowments of a permanent nature. The principal is invested and earnings are available to support Parks and Recreation programs and activities. Any income not used under the terms and conditions of the original donation shall apply to increase the trust reserve.

**City of Portland, Oregon**  
**Parks Endowment Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

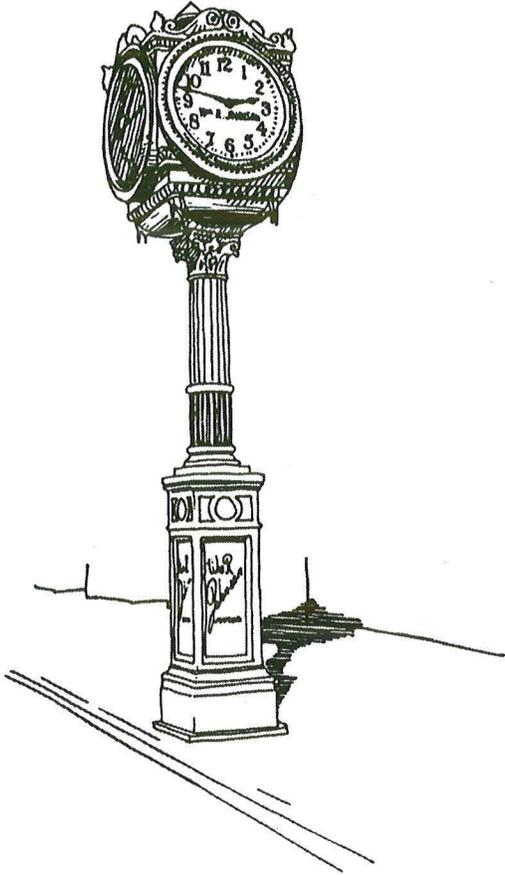
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>REVENUES</b>				
Investment earnings	\$ 4,310	\$ 4,310	\$ 2,459	\$ (1,851)
<b>EXPENDITURES</b>				
Current:				
Materials and services	13,987	13,987	2,400	11,587
Net change in fund balance	(9,677)	(9,677)	59	9,736
Fund balance - beginning	187,677	187,667	182,940	(4,727)
Fund balance - ending	\$ 178,000	\$ 177,990	182,999	\$ 5,009
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			(458)	
Fund balance - GAAP basis			\$ 182,541	



PROMENADE IN BLOOM

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

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Johnson Street Clock, 1880

# Enterprise Funds Budget and Actual

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## ***Sewage Disposal Fund***

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

## ***Water Fund***

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

## ***Hydroelectric Power Fund***

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

## ***Golf Fund***

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

## ***Portland International Raceway Fund***

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

## ***Solid Waste Management Fund***

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

## ***Parking Facilities Fund***

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

## ***Spectator Facilities Operating Fund***

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

## ***Environmental Remediation Fund***

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

# Enterprise Funds Budget and Actual

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

## **ENTERPRISE FUNDS:**

### SEWAGE DISPOSAL FUND:

- Sewer System Operating Fund
- Sewer System Debt Redemption Fund
- Sewer System Construction Fund
- Sewer System Rate Stabilization Fund

### WATER FUND:

- Water Fund
- Water Bond Sinking Fund
- Water Construction Fund

### HYDROELECTRIC POWER FUND:

- Hydroelectric Power Operating Fund
- Hydroelectric Power Bond Redemption Fund
- Hydroelectric Power Renewal and Replacement Fund

### GOLF FUND:

- Golf Fund
- Golf Revenue Bond Redemption Fund

### PORTLAND INTERNATIONAL RACEWAY FUND

### SOLID WASTE MANAGEMENT FUND

### PARKING FACILITIES FUND

### SPECTATOR FACILITIES OPERATING FUND

### ENVIRONMENTAL REMEDIATION FUND

**City of Portland, Oregon**  
**Sewer System Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Construction permits	\$ 675,000	\$ 675,000	\$ 415,180	\$ (259,820)
Other permits	825,000	825,000	626,984	(198,016)
Intergovernmental:				
State cost sharing	-	-	364,219	364,219
Local cost sharing	-	-	520,452	520,452
Service charges and fees:				
Public works and utility charges	236,589,193	236,589,193	218,056,117	(18,533,076)
Rents and reimbursements	60,000	60,000	123,566	63,566
Other service charges	125,000	125,000	202,042	77,042
Billings to other funds for services	3,758,580	4,019,020	1,234,141	(2,784,879)
Other:				
Sales - other	870,000	970,000	533,147	(436,853)
Refunds	20,000	20,000	333,520	313,520
Investment earnings	250,000	250,000	220,380	(29,620)
Other interest income	50,000	50,000	249,213	199,213
Fines	50,000	50,000	325	(49,675)
Miscellaneous	75,000	75,000	2,157,146	2,082,146
<b>Total revenues</b>	<u>243,347,773</u>	<u>243,708,213</u>	<u>225,036,432</u>	<u>(18,671,781)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	50,580,181	52,635,327	51,854,569	780,758
Materials and services	81,034,211	99,153,826	91,045,015	8,108,811
General operating contingencies	17,295,543	24,040,279	-	24,040,279
Overhead charges - General Fund	5,516,602	5,516,602	5,516,602	-
Debt service and related costs:				
Principal	569,837	909,503	909,275	228
Interest	12,821,591	12,481,925	882,359	11,599,566
Debt issuance costs	120,000	120,000	106,988	13,012
Capital outlay	207,586,469	229,360,995	139,312,626	90,048,369
<b>Total expenditures</b>	<u>375,524,434</u>	<u>424,218,457</u>	<u>289,627,434</u>	<u>134,591,023</u>
<b>Revenues over (under) expenditures</b>	<u>(132,176,661)</u>	<u>(180,510,244)</u>	<u>(64,591,002)</u>	<u>115,919,242</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	-	25,000	25,000	-
Transportation Operating	215,000	192,997	-	(192,997)
Campaign Finance	119,037	119,037	119,037	-
Grants	-	-	-	-
Sewer System Construction	248,650,594	285,350,594	193,359,174	(91,991,420)
Sewer System Rate Stabilization	5,000,000	16,000,000	9,750,000	(6,250,000)
Water	92,000	81,185	-	(81,185)
<b>Total transfers from other funds</b>	<u>254,076,631</u>	<u>301,768,813</u>	<u>203,253,211</u>	<u>(98,515,602)</u>

Continued next page

**City of Portland, Oregon**  
**Sewer System Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES), Continued:</b>				
Transfers to other funds:				
General	(12,809,321)	(12,809,321)	(12,809,321)	-
Campaign Finance	-	-	-	-
Pension Debt Redemption	(455,649)	(455,649)	(455,649)	-
Parks Capital Construction and Maintenance	-	(235,000)	(235,000)	-
Sewer System Construction	(2,000,000)	(2,000,000)	(2,000,000)	-
Sewer System Debt Redemption	(120,000,000)	(120,400,000)	(119,778,177)	621,823
Sewer System Rate Stabilization	(5,000,000)	(5,000,000)	-	5,000,000
Water	-	-	-	-
Environmental Remediation	(5,235,000)	(5,810,000)	-	5,810,000
Total transfers to other funds	<u>(145,499,970)</u>	<u>(146,709,970)</u>	<u>(135,278,147)</u>	<u>11,431,823</u>
Loans issued	600,000	600,000	1,431,827	831,827
Internal loan proceeds	-	-	1,268,155	1,268,155
Internal loan remittances	-	-	(1,769,095)	(1,769,095)
Sale of capital asset	-	-	116,235	116,235
Total other financing sources (uses)	<u>109,176,661</u>	<u>155,658,843</u>	<u>69,022,186</u>	<u>(86,636,657)</u>
Net change in fund balance	(23,000,000)	(24,851,401)	4,431,184	29,282,585
Fund balance - beginning	<u>23,200,000</u>	<u>25,051,401</u>	<u>37,539,065</u>	<u>12,487,664</u>
Fund balance - ending	<u>\$ 200,000</u>	<u>\$ 200,000</u>	41,970,249	<u>\$ 41,770,249</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Debt redemption fund budgeted as separate fund			2,875,607	
Construction fund budgeted as separate fund			48,417,070	
Rate stabilization fund budgeted as separate fund			38,090,996	
Unrealized gain (loss) on investments			(270,388)	
Capital assets (net of accumulated depreciation)			2,621,506,845	
Prepaid expenses			21,827,822	
Petty cash			7,500	
Inventories			1,140,815	
Allowance for uncollectible accounts			(9,531,612)	
Compensated absences			(3,518,061)	
Notes and loans payable			(180,295,473)	
Bonds payable			(1,381,606,651)	
Interest payable			(12,518,595)	
Internal loan receivable			22,200,940	
Pollution remediation payable			(45,000)	
Other postemployment benefits			(901,537)	
Fund balance - GAAP basis			<u>\$ 1,209,350,527</u>	

**City of Portland, Oregon**  
**Sewer System Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Investment earnings	\$ 200,000	\$ 200,000	\$ 24,451	\$ (175,549)
Other interest income	-	-	572	572
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>25,023</u>	<u>(174,977)</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	53,823,685	53,823,685	53,631,317	192,368
Interest	66,345,651	66,745,651	66,292,621	453,030
Total expenditures	<u>120,169,336</u>	<u>120,569,336</u>	<u>119,923,938</u>	<u>645,398</u>
Revenues over (under) expenditures	<u>(119,969,336)</u>	<u>(120,369,336)</u>	<u>(119,898,915)</u>	<u>470,421</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer from other fund:				
Sewer System Operating	120,000,000	120,400,000	119,778,177	(621,823)
Bonds and notes issued	<u>32,000,000</u>	<u>32,000,000</u>	<u>-</u>	<u>(32,000,000)</u>
Total other financing sources	<u>152,000,000</u>	<u>152,400,000</u>	<u>119,778,177</u>	<u>(32,621,823)</u>
Net change in fund balance	32,030,664	32,030,664	(120,738)	(32,151,402)
Fund balance - beginning	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,996,345</u>	<u>96,345</u>
Fund balance - ending	<u>\$ 34,930,664</u>	<u>\$ 34,930,664</u>	<u>2,875,607</u>	<u>\$ (32,055,057)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Debt Redemption Fund budgeted as separate fund - to Sewer System Operating Fund			<u>(2,875,607)</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Sewer System Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
State cost sharing	\$ 2,500,000	\$ 2,500,000	\$ -	\$ (2,500,000)
Public works and utility charges	850,000	850,000	316,377	(533,623)
Investment earnings	2,500,000	2,500,000	694,355	(1,805,645)
Miscellaneous	-	-	3,022,508	3,022,508
Total revenues	<u>5,850,000</u>	<u>5,850,000</u>	<u>4,033,240</u>	<u>(1,816,760)</u>
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	193,349,406	219,313,406	-	219,313,406
Debt service and related costs:				
Debt issuance costs	1,600,000	6,000,000	17,162	5,982,838
Total expenditures	<u>194,949,406</u>	<u>225,313,406</u>	<u>17,162</u>	<u>225,296,244</u>
Revenues over (under) expenditures	<u>(189,099,406)</u>	<u>(219,463,406)</u>	<u>4,016,078</u>	<u>223,479,484</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Local Improvement District Construction	1,300,000	2,814,000	2,813,864	(136)
Sewer System Operating	2,000,000	2,000,000	2,000,000	-
Total transfers from other funds	3,300,000	4,814,000	4,813,864	(136)
Transfers to other fund:				
Sewer System Operating	(248,650,594)	(285,350,594)	(193,359,174)	91,991,420
Bonds and notes issued	384,450,000	450,000,000	160,000,000	(290,000,000)
Total other financing sources (uses)	<u>139,099,406</u>	<u>169,463,406</u>	<u>(28,545,310)</u>	<u>(198,008,716)</u>
Net change in fund balance	(50,000,000)	(50,000,000)	(24,529,232)	25,470,768
Fund balance - beginning	50,000,000	50,000,000	72,946,302	22,946,302
Fund balance - ending	\$ <u>-</u>	\$ <u>-</u>	48,417,070	\$ <u>48,417,070</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Construction Fund budgeted as separate fund - to Sewer System Operating Fund			<u>(48,417,070)</u>	
Fund balance - GAAP basis			\$ <u>-</u>	

**City of Portland, Oregon**  
**Sewer System Rate Stabilization Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Investment earnings	\$ 750,000	\$ 750,000	\$ 925,943	\$ 175,943
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	67,850,000	56,850,000	-	56,850,000
Revenues over (under) expenditures	(67,100,000)	(56,100,000)	925,943	57,025,943
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Sewer System Operating	5,000,000	5,000,000	-	(5,000,000)
Transfer to other fund:				
Sewer System Operating	(5,000,000)	(16,000,000)	(9,750,000)	6,250,000
Internal loan remittances	-	-	(21,700,000)	(21,700,000)
Total other financing sources (uses)	-	(11,000,000)	(31,450,000)	(20,450,000)
Net change in fund balance	(67,100,000)	(67,100,000)	(30,524,057)	36,575,943
Fund balance - beginning	67,100,000	67,100,000	68,615,053	1,515,053
Fund balance - ending	\$ -	\$ -	38,090,996	\$ 38,090,996
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Rate Stabilization Fund budgeted as separate fund - to Sewer System Operating Fund			(38,090,996)	
Fund balance - GAAP basis			\$ -	

**City of Portland, Oregon  
Water Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
State cost sharing	\$ -	\$ -	\$ 28,775	\$ 28,775
Local cost sharing	1,000	481,000	663,131	182,131
Service charges and fees:				
Public works and utility charges	106,051,452	106,051,452	104,849,882	(1,201,570)
Rents and reimbursements	550,000	550,000	573,540	23,540
Other service charges	1,700,000	1,700,000	2,490,670	790,670
Billings to other funds for services	2,807,676	4,098,895	3,719,770	(379,125)
Other :				
Sales - other	150,000	150,000	122,960	(27,040)
Refunds	100,000	100,000	86,971	(13,029)
Investment earnings	208,781	208,781	333,654	124,873
Other interest income	-	-	1,899	1,899
Miscellaneous	480,000	-	137,396	137,396
Total revenues	<u>112,048,909</u>	<u>113,340,128</u>	<u>113,008,648</u>	<u>(331,480)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	55,911,899	58,179,089	56,489,322	1,689,767
Materials and services	54,904,407	51,163,480	45,888,705	5,274,775
General operating contingencies	30,366,040	46,484,311	-	46,484,311
Overhead charges - General Fund	3,304,235	3,304,235	3,304,235	-
Debt service and related costs:				
Principal	503,556	856,336	856,336	-
Interest	2,705,516	2,352,736	916,274	1,436,462
Debt issuance costs	622,130	622,130	268,832	353,298
Capital outlay	36,803,322	23,408,322	24,024,615	(616,293)
Total expenditures	<u>185,121,105</u>	<u>186,370,639</u>	<u>131,748,319</u>	<u>54,622,320</u>
Revenues over (under) expenditures	<u>(73,072,196)</u>	<u>(73,030,511)</u>	<u>(18,739,671)</u>	<u>54,290,840</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Campaign Finance	50,630	50,630	50,630	-
Water Construction	83,493,420	83,493,420	74,881,414	(8,612,006)
Total transfers from other funds	<u>83,544,050</u>	<u>83,544,050</u>	<u>74,932,044</u>	<u>(8,612,006)</u>
Transfers to other funds:				
General	(4,184,153)	(4,186,653)	(4,186,653)	-
Pension Debt Redemption	(473,241)	(473,241)	(473,241)	-
Parks Capital Construction and Maintenance	-	(50,000)	(50,000)	-
Sewer System Operating	(92,000)	(81,185)	-	81,185
Water Bond Sinking	(23,324,600)	(23,324,600)	(23,324,601)	(1)
Water Construction	(9,029,335)	(9,229,335)	(9,310,519)	(81,184)
Total transfers to other funds	<u>(37,103,329)</u>	<u>(37,345,014)</u>	<u>(37,345,014)</u>	<u>-</u>
Internal loan proceeds	-	-	402,959	402,959
Internal loan remittances	-	-	(305,244)	(305,244)
Sale of capital asset	-	200,000	170,864	(29,136)
Total other financing sources (uses)	<u>46,440,721</u>	<u>46,399,036</u>	<u>37,855,609</u>	<u>(8,543,427)</u>
Net change in fund balance	(26,631,475)	(26,631,475)	19,115,938	45,747,413
Fund balance - beginning	26,631,475	26,631,475	30,653,419	4,021,944
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	49,769,357	<u>\$ 49,769,357</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund			10,321,463	
Water Construction Fund budgeted as separate fund			40,592,066	
Unrealized gain (loss) on investments			(224,542)	
Capital assets (net of accumulated depreciation)			663,427,776	
Prepaid expenses			22,670,560	
Petty cash			1,450	
Inventories			2,164,577	
Interfund loan payable			(97,715)	
Allowance for uncollectible accounts			(3,710,574)	
Compensated absences			(3,813,250)	
Bonds payable			(363,930,023)	
Interest payable			(8,734,819)	
Utility taxes payable			(1,378,862)	
Other post employment benefits			(1,110,681)	
Fund balance - GAAP basis			<u>\$ 405,946,783</u>	

**City of Portland, Oregon**  
**Water Bond Sinking Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Investment earnings	\$ 100,409	\$ 100,409	\$ 93,404	\$ (7,005)
Other interest income	-	-	19	19
<b>Total revenues</b>	<u>100,409</u>	<u>100,409</u>	<u>93,423</u>	<u>(6,986)</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	11,735,000	11,735,000	11,735,000	-
Interest	12,105,898	12,105,898	12,272,450	(166,552)
<b>Total expenditures</b>	<u>23,840,898</u>	<u>23,840,898</u>	<u>24,007,450</u>	<u>(166,552)</u>
Revenues over (under) expenditures	<u>(23,740,489)</u>	<u>(23,740,489)</u>	<u>(23,914,027)</u>	<u>(173,538)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds:				
Water	23,324,600	23,324,600	23,324,601	1
Water Construction	415,888	415,888	415,888	-
<b>Total transfers from other funds</b>	<u>23,740,488</u>	<u>23,740,488</u>	<u>23,740,489</u>	<u>1</u>
Bonds and notes issued	7,459,000	7,459,000	11,572,978	4,113,978
Payments to refunded loan and bond escrow agent	-	-	(6,580,000)	(6,580,000)
<b>Total other financing sources</b>	<u>31,199,488</u>	<u>31,199,488</u>	<u>28,733,467</u>	<u>(2,466,021)</u>
Net change in fund balance	7,458,999	7,458,999	4,819,440	(2,639,559)
Fund balance - beginning	5,398,544	5,398,544	5,502,023	103,479
Fund balance - ending	<u>\$ 12,857,543</u>	<u>\$ 12,857,543</u>	10,321,463	<u>\$ (2,536,080)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund - to Water Fund			(10,321,463)	
Fund balance - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Water Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public works and utility charges	\$ 2,000,000	\$ 2,000,000	\$ 1,006,196	\$ (993,804)
Other:				
Investment earnings	470,888	470,888	518,815	47,927
Other interest income	-	-	2,227	2,227
	<u>2,470,888</u>	<u>2,470,888</u>	<u>1,527,238</u>	<u>(943,650)</u>
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	12,586,396	12,624,241	-	12,624,241
Revenues over (under) expenditures	<u>(10,115,508)</u>	<u>(10,153,353)</u>	<u>1,527,238</u>	<u>11,680,591</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Local Improvement District Construction	-	37,845	37,840	(5)
Water	9,029,335	9,229,335	9,310,519	81,184
Total transfers from other funds	<u>9,029,335</u>	<u>9,267,180</u>	<u>9,348,359</u>	<u>81,179</u>
Transfers to other funds:				
Water	(83,493,420)	(83,493,420)	(74,881,414)	8,612,006
Water Bond Sinking	(415,888)	(415,888)	(415,888)	-
Total transfers to other funds	<u>(83,909,308)</u>	<u>(83,909,308)</u>	<u>(75,297,302)</u>	<u>8,612,006</u>
Bonds and notes issued	87,896,000	87,896,000	61,867,022	(26,028,978)
Bonds and notes premium	-	-	1,951,293	1,951,293
Sale of capital asset	200,000	-	-	-
Total other financing sources (uses)	<u>13,216,027</u>	<u>13,253,872</u>	<u>(2,130,628)</u>	<u>(15,384,500)</u>
Net change in fund balance	3,100,519	3,100,519	(603,390)	(3,703,909)
Fund balance - beginning	34,560,297	34,560,297	41,195,456	6,635,159
Fund balance - ending	\$ <u>37,660,816</u>	\$ <u>37,660,816</u>	40,592,066	\$ <u>2,931,250</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Construction Fund budgeted as separate fund - to Water Fund			(40,592,066)	
Fund balance - GAAP basis			\$ <u>-</u>	

**City of Portland, Oregon**  
**Hydroelectric Power Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Billings to other funds for services	\$ 62,400	\$ 62,400	\$ 53,734	\$ (8,666)
Other:				
Sales - other	657,700	657,700	654,633	(3,067)
Refunds	1,000	1,000	-	(1,000)
Investment earnings	4,000	4,000	2,441	(1,559)
Total revenues	<u>725,100</u>	<u>725,100</u>	<u>710,808</u>	<u>(14,292)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	284,047	284,047	257,130	26,917
Materials and services	574,445	574,680	275,393	299,287
General operating contingencies	233,110	232,875	-	232,875
Overhead charges - General Fund	85,634	85,634	85,634	-
Debt service and related costs:				
Principal	3,716	6,320	6,320	-
Interest	13,962	11,358	6,762	4,596
Total expenditures	<u>1,194,914</u>	<u>1,194,914</u>	<u>631,239</u>	<u>563,675</u>
Revenues over (under) expenditures	<u>(469,814)</u>	<u>(469,814)</u>	<u>79,569</u>	<u>549,383</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Campaign Finance	1,068	1,068	1,068	-
Hydroelectric Power Renewal and Replacement	300,000	300,000	53,698	(246,302)
Total transfers from other funds:	<u>301,068</u>	<u>301,068</u>	<u>54,766</u>	<u>(246,302)</u>
Transfers to other funds:				
General	(290,000)	(290,000)	(290,000)	-
Pension Debt Redemption	(3,492)	(3,492)	(3,492)	-
Total transfers to other funds	<u>(293,492)</u>	<u>(293,492)</u>	<u>(293,492)</u>	<u>-</u>
Total other financing sources (uses)	<u>7,576</u>	<u>7,576</u>	<u>(238,726)</u>	<u>(246,302)</u>
Net change in fund balance	<u>(462,238)</u>	<u>(462,238)</u>	<u>(159,157)</u>	<u>303,081</u>
Fund balance - beginning	<u>462,238</u>	<u>462,238</u>	<u>497,786</u>	<u>35,548</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>338,629</u>	<u>\$ 338,629</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Bond Redemption Fund budgeted as separate fund			4,420,808	
Hydroelectric Renewal and Replacement Fund budgeted as separate fund			9,303,360	
Unrealized gain (loss) on investments			(354)	
Capital assets (net of accumulated depreciation)			25,132,181	
Prepaid expenses			167,307	
Compensated absences			(30,827)	
Bonds payable			(15,234,523)	
Interest payable			(244,174)	
Other postemployment benefits			(3,678)	
Fund balance - GAAP basis			<u>\$ 23,848,729</u>	

**City of Portland, Oregon**  
**Hydroelectric Power Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Sales - other	\$ 2,510,506	\$ 2,510,506	\$ 2,510,506	\$ -
Other interest income	35,800	35,800	55,538	19,738
Total revenues	<u>2,546,306</u>	<u>2,546,306</u>	<u>2,566,044</u>	<u>19,738</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	1,835,000	1,835,000	1,835,000	-
Interest	881,057	881,057	881,057	-
Total expenditures	<u>2,716,057</u>	<u>2,716,057</u>	<u>2,716,057</u>	<u>-</u>
Net change in fund balance	(169,751)	(169,751)	(150,013)	19,738
Fund balance - beginning	4,321,843	4,321,843	4,570,821	248,978
Fund balance - ending	<u>\$ 4,152,092</u>	<u>\$ 4,152,092</u>	4,420,808	<u>\$ 268,716</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Bond Redemption Fund budgeted as separate fund - to Hydroelectric Power Operating Fund			<u>(4,420,808)</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Hydroelectric Power Renewal and Replacement Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Sales - other	\$ 580,900	\$ 580,900	\$ 399,006	\$ (181,894)
Other interest income	77,000	77,000	153,559	76,559
	<u>657,900</u>	<u>657,900</u>	<u>552,565</u>	<u>(105,335)</u>
<b>EXPENDITURES</b>				
General operating contingencies	9,153,110	9,153,110	-	9,153,110
	<u>(8,495,210)</u>	<u>(8,495,210)</u>	<u>552,565</u>	<u>9,047,775</u>
<b>OTHER FINANCING USES</b>				
Transfers to other fund:				
Hydroelectric Power Operating	(300,000)	(300,000)	(53,698)	246,302
	<u>(8,795,210)</u>	<u>(8,795,210)</u>	498,867	9,294,077
Fund balance - beginning	8,795,210	8,795,210	8,804,493	9,283
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	9,303,360	<u>\$ 9,303,360</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Renewal and Replacement Fund budgeted as separate fund - to Hydroelectric Power Operating Fund			<u>(9,303,360)</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Golf Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Rents and reimbursements	\$ -	\$ -	\$ 406,264	\$ 406,264
Concessions	1,102,230	1,102,230	1,048,547	(53,683)
Parks and recreation facilities fees	7,533,527	7,533,527	5,841,769	(1,691,758)
Other service charges	-	-	436,458	436,458
Billings to other funds for services	-	2,716	2,716	-
Other:				
Sales - other	12,607	12,607	4,166	(8,441)
Investment earnings	63,000	63,000	28,988	(34,012)
Miscellaneous	10,000	10,000	14,693	4,693
<b>Total revenues</b>	<u>8,721,364</u>	<u>8,724,080</u>	<u>7,783,601</u>	<u>(940,479)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	2,837,169	3,165,889	3,016,006	149,883
Materials and services	3,924,666	3,954,666	3,825,133	129,533
General operating contingencies	1,797,612	1,641,608	-	1,641,608
Overhead charges - General Fund	225,313	225,313	225,313	-
Debt service and related costs:				
Principal	30,363	51,635	51,635	-
Interest	114,078	92,806	55,249	37,557
Capital outlay	250,000	50,000	-	50,000
<b>Total expenditures</b>	<u>9,179,201</u>	<u>9,181,917</u>	<u>7,173,336</u>	<u>2,008,581</u>
Revenues over (under) expenditures	<u>(457,837)</u>	<u>(457,837)</u>	<u>610,265</u>	<u>1,068,102</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Campaign Finance	3,095	3,095	3,095	-
Transfers to other funds:				
Pension Debt Redemption	(28,535)	(28,535)	(28,535)	-
Golf Revenue Bond Redemption	(786,370)	(786,370)	(786,370)	-
<b>Total transfers to other funds</b>	<u>(814,905)</u>	<u>(814,905)</u>	<u>(814,905)</u>	<u>-</u>
Sale of capital asset	-	-	6,919	6,919
<b>Total other financing sources (uses)</b>	<u>(811,810)</u>	<u>(811,810)</u>	<u>(804,891)</u>	<u>6,919</u>
Net change in fund balance	(1,269,647)	(1,269,647)	(194,626)	1,075,021
Fund balance - beginning	1,269,647	1,269,647	1,772,250	502,603
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,577,624	<u>\$ 1,577,624</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Golf Revenue Bond Redemption Fund budgeted as separate fund			636,605	
Unrealized gain (loss) on investments			(5,688)	
Capital asset (net of accumulated depreciation)			13,819,712	
Prepaid expenses			1,366,978	
Compensated absences			(213,502)	
Bonds payable			(4,157,955)	
Interest payable			(346,417)	
Other postemployment benefits			(79,886)	
Fund balance - GAAP basis			<u>\$ 12,597,471</u>	

**City of Portland, Oregon**  
**Golf Revenue Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ 15,000	\$ 15,000	\$ 8,676	\$ (6,324)
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	663,000	663,000	663,000	-
Interest	144,370	144,370	144,369	1
Total expenditures	<u>807,370</u>	<u>807,370</u>	<u>807,369</u>	<u>1</u>
Revenues over (under) expenditures	<u>(792,370)</u>	<u>(792,370)</u>	<u>(798,693)</u>	<u>(6,323)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer from other fund:				
Golf	786,370	786,370	786,370	-
Net change in fund balance	(6,000)	(6,000)	(12,323)	(6,323)
Fund balance - beginning	<u>640,000</u>	<u>640,000</u>	<u>648,928</u>	<u>8,928</u>
Fund balance - ending	<u>\$ 634,000</u>	<u>\$ 634,000</u>	636,605	<u>\$ 2,605</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Golf Revenue Bond Redemption Fund budgeted as separate fund - to Golf Fund				
			<u>(636,605)</u>	
Fund balance - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Portland International Raceway Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Rents and reimbursements	\$ 1,921,938	\$ 1,921,938	\$ 1,360,574	\$ (561,364)
Concessions	174,585	174,585	166,432	(8,153)
Parks and recreation facilities fees	-	-	333,308	333,308
Other service charges	-	-	9,500	9,500
Investment earnings	25,993	25,993	9,508	(16,485)
Miscellaneous	-	-	5,684	5,684
	<u>2,122,516</u>	<u>2,122,516</u>	<u>1,885,006</u>	<u>(237,510)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	778,180	841,416	753,338	88,078
Materials and services	779,628	773,628	698,766	74,862
General operating contingencies	681,498	617,262	-	617,262
Overhead charges - General Fund	55,977	55,977	55,977	-
Debt service and related costs:				
Principal	165,845	169,940	179,940	(10,000)
Interest	136,165	132,070	115,016	17,054
Capital outlay	-	5,000	5,000	-
	<u>2,597,293</u>	<u>2,595,293</u>	<u>1,808,037</u>	<u>787,256</u>
Revenues over (under) expenditures	<u>(474,777)</u>	<u>(472,777)</u>	<u>76,969</u>	<u>549,746</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Campaign Finance	1,367	1,367	1,367	-
Transfers to other funds:				
General	-	(2,000)	(2,000)	-
Pension Debt Redemption	(5,493)	(5,493)	(5,493)	-
	<u>(5,493)</u>	<u>(7,493)</u>	<u>(7,493)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,126)</u>	<u>(6,126)</u>	<u>(6,126)</u>	<u>-</u>
Net change in fund balance	(478,903)	(478,903)	70,843	549,746
Fund balance - beginning	478,903	478,903	609,771	130,868
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	680,614	<u>\$ 680,614</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,779)	
Capital asset (net of accumulated depreciation)			2,821,654	
Prepaid expenses			263,148	
Compensated absences			(50,242)	
Bonds payable			(1,908,650)	
Interest payable			(65,509)	
Other postemployment benefits			(22,116)	
Fund balance - GAAP basis			<u>\$ 1,717,120</u>	

**City of Portland, Oregon**  
**Solid Waste Management Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Public utility licenses	\$ 2,265,464	\$ 2,265,464	\$ 2,330,747	\$ 65,283
Other permits	17,500	17,500	350	(17,150)
Local revenue sharing	-	-	60,691	60,691
Service charges and fees:				
Public works and utility charges	1,473,877	1,473,877	1,504,536	30,659
Billings to other funds for services	98,740	98,740	124,390	25,650
Other:				
Donations	-	-	19,000	19,000
Investment earnings	-	-	50,081	50,081
Other interest income	60,633	60,633	-	(60,633)
Fines	7,500	7,500	1,200	(6,300)
Miscellaneous	6,000	6,000	14,402	8,402
Total revenues	<u>3,929,714</u>	<u>3,929,714</u>	<u>4,105,397</u>	<u>175,683</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,446,586	1,501,586	1,489,570	12,016
Materials and services	2,272,171	2,522,171	2,070,894	451,277
General operating contingencies	90,774	35,774	-	35,774
Overhead charges - General Fund	142,364	142,364	142,364	-
Debt service and related costs:				
Principal	9,429	16,034	16,034	-
Interest	35,425	28,820	17,156	11,664
Total expenditures	<u>3,996,749</u>	<u>4,246,749</u>	<u>3,736,018</u>	<u>510,731</u>
Revenues over (under) expenditures	<u>(67,035)</u>	<u>(317,035)</u>	<u>369,379</u>	<u>686,414</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Grants	1,681	1,681	1,681	-
Transfers to other funds:				
General	(737,294)	(772,294)	(757,406)	14,888
Campaign Finance	-	-	(742)	(742)
Pension Debt Redemption	(8,860)	(8,860)	(8,860)	-
Total transfers to other funds	<u>(746,154)</u>	<u>(781,154)</u>	<u>(767,008)</u>	<u>14,146</u>
Total other financing sources (uses)	<u>(744,473)</u>	<u>(779,473)</u>	<u>(765,327)</u>	<u>14,146</u>
Net change in fund balance	(811,508)	(1,096,508)	(395,948)	700,560
Fund balance - beginning	3,858,967	4,143,967	4,319,203	175,236
Fund balance - ending	<u>\$ 3,047,459</u>	<u>\$ 3,047,459</u>	3,923,255	<u>\$ 875,796</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(6,848)	
Capital assets (net of accumulated depreciation)			289,871	
Prepaid expenses			424,485	
Compensated absences			(123,093)	
Bonds payable			(610,796)	
Interest payable			(93,045)	
Other postemployment benefits			(31,518)	
Fund balance - GAAP basis			<u>\$ 3,772,311</u>	

**City of Portland, Oregon**  
**Parking Facilities Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

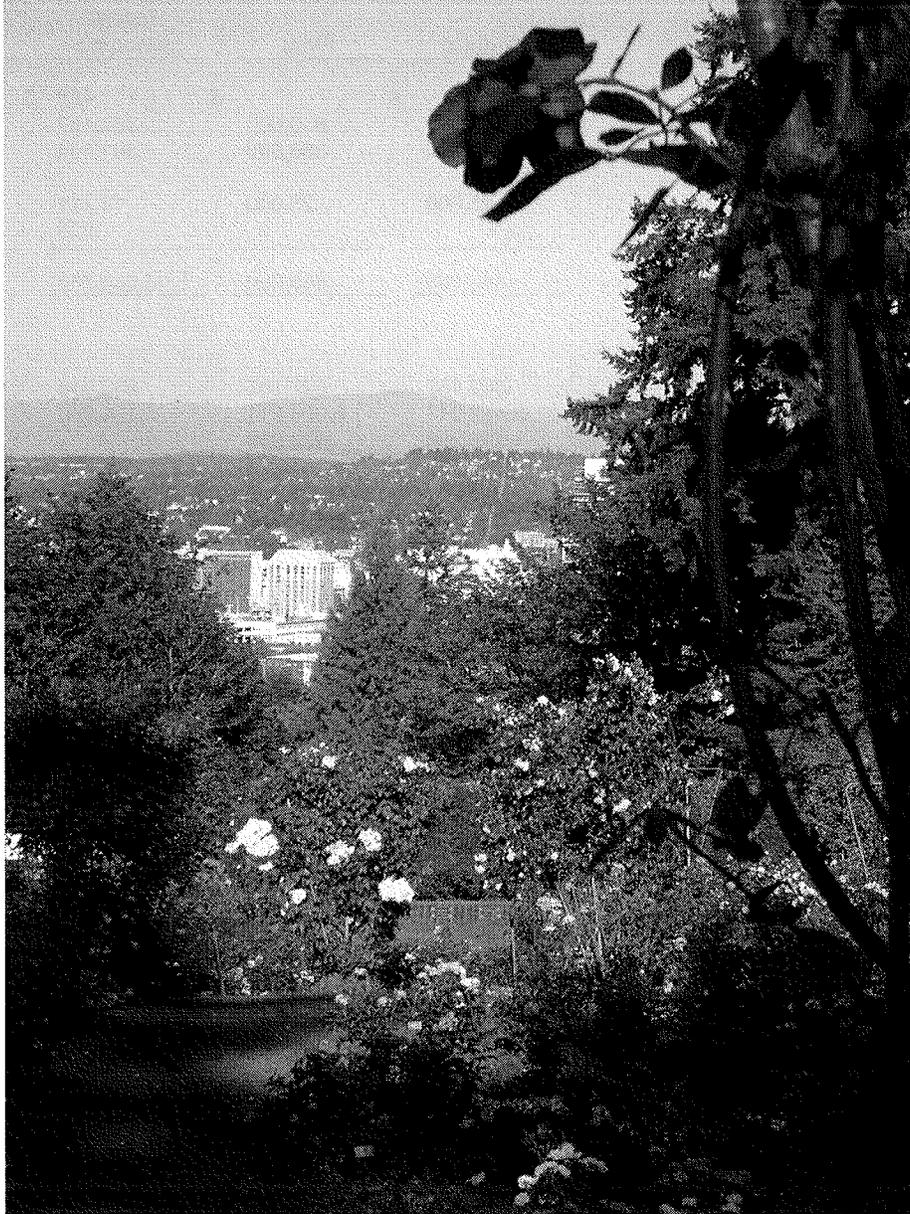
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing	\$ -	\$ -	\$ 69,342	\$ 69,342
Service charges and fees:				
Rents and reimbursements	700,000	700,000	392,601	(307,399)
Parking fees	11,000,000	11,000,000	10,068,286	(931,714)
Billings to other funds for services	772,108	780,108	582,712	(197,396)
Other:				
Sales - other	-	-	175,803	175,803
Investment earnings	350,000	350,000	138,208	(211,792)
Miscellaneous	3,000	3,000	28,056	25,056
	<u>12,825,108</u>	<u>12,833,108</u>	<u>11,455,008</u>	<u>(1,378,100)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	121,247	121,247	101,404	19,843
Materials and services	10,199,207	10,338,207	6,734,093	3,604,114
General operating contingencies	7,286,035	7,286,035	-	7,286,035
Overhead charges - General Fund	159,341	159,341	159,341	-
Debt service and related costs:				
Principal	1,920,000	1,854,000	2,130,000	(276,000)
Interest	1,155,275	1,090,275	735,315	354,960
Debt issuance costs	-	-	4,308	(4,308)
	<u>20,841,105</u>	<u>20,849,105</u>	<u>9,864,461</u>	<u>10,984,644</u>
Revenues over (under) expenditures	<u>(8,015,997)</u>	<u>(8,015,997)</u>	<u>1,590,547</u>	<u>9,606,544</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Campaign Finance	3,535	3,535	3,535	-
Transfers to other funds:				
General	(241,213)	(241,213)	(241,213)	-
Parking Facilities Debt Redemption	(3,100,000)	(3,100,000)	(3,100,000)	-
	<u>(3,341,213)</u>	<u>(3,341,213)</u>	<u>(3,341,213)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,337,678)</u>	<u>(3,337,678)</u>	<u>(3,337,678)</u>	<u>-</u>
Net change in fund balance	(11,353,675)	(11,353,675)	(1,747,131)	9,606,544
Fund balance - beginning	11,353,675	11,353,675	11,314,757	(38,918)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	9,567,626	<u>\$ 9,567,626</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(23,914)	
Capital assets (net of accumulated depreciation)			25,888,654	
Bonds payable			(22,650,556)	
Interest payable			(197,136)	
Other postemployment benefits			(362)	
Fund balance - GAAP basis			<u>\$ 12,584,312</u>	

**City of Portland, Oregon**  
**Spectator Facilities Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local cost sharing	\$ 1,895,020	\$ 1,895,020	\$ 1,895,019	\$ (1)
Service charges and fees:				
Rents and reimbursements	4,774,332	4,774,332	5,547,422	773,090
Parking fees	1,200,000	1,200,000	1,355,191	155,191
Other:				
Other service charges	1,000	1,000	-	(1,000)
Sales - other	-	-	48,420	48,420
Investment earnings	-	-	111,746	111,746
Other interest income	200,000	200,000	19	(199,981)
Total revenues	<u>8,070,352</u>	<u>8,070,352</u>	<u>8,957,817</u>	<u>887,465</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	5,102,376	3,481,419	2,195,962	1,285,457
General operating contingencies	3,727,604	4,527,461	-	4,527,461
Overhead charges - General Fund	43,512	43,512	43,512	-
Debt service and related costs:				
Principal	3,205,000	3,205,000	3,205,000	-
Interest	2,854,588	2,884,588	2,858,719	25,869
Debt issuance costs	-	25,000	6,331	18,669
Capital outlay	-	3,000,000	2,059,854	940,146
Total expenditures	<u>14,933,080</u>	<u>17,166,980</u>	<u>10,369,378</u>	<u>6,797,602</u>
Revenues over (under) expenditures	<u>(6,862,728)</u>	<u>(9,096,628)</u>	<u>(1,411,561)</u>	<u>7,685,067</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	766,100	-	-	-
Campaign Finance	2,443	2,443	2,443	-
Total transfers from other funds	<u>768,543</u>	<u>2,443</u>	<u>2,443</u>	<u>-</u>
Transfers to other funds:				
General	(15,815)	(15,815)	(15,815)	-
Transportation Operating	(90,000)	(90,000)	(90,000)	-
Total transfers to other funds	<u>(105,815)</u>	<u>(105,815)</u>	<u>(105,815)</u>	<u>-</u>
Bonds and notes issued	-	3,000,000	2,059,854	(940,146)
Total other financing sources (uses)	<u>662,728</u>	<u>2,896,628</u>	<u>1,956,482</u>	<u>(940,146)</u>
Net change in fund balance	(6,200,000)	(6,200,000)	544,921	6,744,921
Fund balance - beginning	6,200,000	6,200,000	7,351,833	1,151,833
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>7,896,754</u>	<u>\$ 7,896,754</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(19,904)	
Capital assets (net of accumulated depreciation)			69,939,667	
Bonds payable			(46,076,414)	
Notes and loan payable			(2,059,854)	
Interest payable			(231,044)	
Fund balance - GAAP basis			<u>\$ 29,449,205</u>	

**City of Portland, Oregon**  
**Environmental Remediation Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Public works and utility charges	\$ -	\$ -	\$ 5,797,458	\$ 5,797,458
Rents and reimbursements	500,000	500,000	382,452	(117,548)
Billings to other funds for services	360,000	360,000	361,404	1,404
Other:				
Investment earnings	25,000	25,000	13,221	(11,779)
Miscellaneous	-	-	225	225
Total revenues	<u>885,000</u>	<u>885,000</u>	<u>6,554,760</u>	<u>5,669,760</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	562,187	597,187	593,318	3,869
Materials and services	5,472,011	6,058,911	5,194,040	864,871
General operating contingencies	519,954	473,054	-	473,054
Overhead charges - General Fund	67,326	67,326	67,326	-
Debt service and related costs:				
Principal	218	370	370	-
Interest	818	666	396	270
Total expenditures	<u>6,622,514</u>	<u>7,197,514</u>	<u>5,855,450</u>	<u>1,342,064</u>
Revenues over (under) expenditures	<u>(5,737,514)</u>	<u>(6,312,514)</u>	<u>699,310</u>	<u>7,011,824</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Campaign Finance	2,718	2,718	2,718	-
Sewer System Operating	5,235,000	5,810,000	-	(5,810,000)
Total transfers from other funds	<u>5,237,718</u>	<u>5,812,718</u>	<u>2,718</u>	<u>(5,810,000)</u>
Transfer to other fund:				
Pension Debt Redemption	(204)	(204)	(204)	-
Total other financing sources (uses)	<u>5,237,514</u>	<u>5,812,514</u>	<u>2,514</u>	<u>(5,810,000)</u>
Net change in fund balance	(500,000)	(500,000)	701,824	1,201,824
Fund balance - beginning	<u>500,000</u>	<u>500,000</u>	<u>611,974</u>	<u>111,974</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,313,798</u>	<u>\$ 1,313,798</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(9,261)	
Capital assets (net of accumulated depreciation)			3,945,722	
Prepaid expenses			9,798	
Compensated absences			(63,265)	
Bonds payable			(14,102)	
Interest payable			(2,134)	
Pollution remediation long-term liability			(3,080,000)	
Other postemployment benefits			(9,195)	
Fund balance - GAAP basis			<u>\$ 2,091,361</u>	



ROSE GARDEN, WASHINGTON PARK

# **Internal Service Funds Budget and Actual**

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## ***Health Insurance Operating Fund***

This fund accounts for the City's self-insured health program with the exception of Portland Police Association employees.

## ***Facilities Services Operating Fund***

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

## ***CityFleet Operating Fund***

This fund accounts for automotive fleet services provided to City and County agencies.

## ***Printing and Distribution Services Operating Fund***

This fund accounts for reproduction and distribution services provided to City and County agencies.

## ***Insurance and Claims Operating Fund***

This fund accounts for the City's self-insured program for liability and tort risks.

## ***Workers' Compensation Self Insurance Operating Fund***

This fund accounts for the City's self-insured program for workers' compensation claims.

## ***Technology Services Fund***

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

## ***Enterprise Business Solutions Services Fund***

This fund is established to account for the City's financial system, including current support and future improvements, and to appropriately allocate expenditures of this system across City bureaus.

**City of Portland, Oregon**  
**Health Insurance Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Health care charges	\$ 35,997,671	\$ 35,997,671	\$ 38,872,168	\$ 2,874,497
Billings to other funds for services	-	-	758,697	758,697
Other:				
Other interest income	527,284	527,284	-	(527,284)
Investment earnings	-	-	98,128	98,128
Miscellaneous	3,396,416	3,896,416	1,101,776	(2,794,640)
Total revenues	<u>39,921,371</u>	<u>40,421,371</u>	<u>40,830,769</u>	<u>409,398</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	862,222	942,222	893,336	48,886
Materials and services	39,588,458	42,908,844	40,423,929	2,484,915
General operating contingencies	14,606,342	12,557,551	-	12,557,551
Overhead charges - General Fund	308,791	308,791	308,791	-
Debt service and related costs:				
Principal	5,604	9,531	9,531	-
Interest	21,056	17,129	10,198	6,931
Total expenditures	<u>55,392,473</u>	<u>56,744,068</u>	<u>41,645,785</u>	<u>15,098,283</u>
Revenues over (under) expenditures	<u>(15,471,102)</u>	<u>(16,322,697)</u>	<u>(815,016)</u>	<u>15,507,681</u>
<b>OTHER FINANCING USES</b>				
Transfer to other fund:				
Pension Debt Redemption	(5,268)	(5,268)	(5,268)	-
Net change in fund balance	(15,476,370)	(16,327,965)	(820,284)	15,507,681
Fund balance - beginning	15,476,370	16,327,965	16,525,785	197,820
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	15,705,501	<u>\$ 15,705,501</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(50,635)	
Prepaid expenses			252,312	
Nonbudgetary clearing payables			(197,817)	
Compensated absences			(50,685)	
Self insurance claims			(3,701,957)	
Bonds payable			(363,057)	
Interest payable			(55,315)	
Other postemployment benefits			(15,015)	
Fund balance - GAAP basis			<u>\$ 11,523,332</u>	

**City of Portland, Oregon**  
**Facilities Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Cost sharing revenues:				
Federal cost sharing	\$ -	\$ -	\$ 995,163	\$ 995,163
State cost sharing	-	-	201,736	201,736
Multnomah County cost sharing	-	-	2,836	2,836
Local cost sharing	229,334	229,334	542,748	313,414
Service charges and fees:				
Rents and reimbursements	2,496,712	2,496,712	768,524	(1,728,188)
Other service charges	-	-	1,955	1,955
Billings to other funds for services	27,340,415	27,714,704	24,066,218	(3,648,486)
Other:				
Sales - other	-	-	505,351	505,351
Investment earnings	250,000	250,000	368,880	118,880
Other interest income	-	-	33	33
Miscellaneous	-	-	54,568	54,568
 Total revenues	 <u>30,316,461</u>	 <u>30,690,750</u>	 <u>27,508,012</u>	 <u>(3,182,738)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	3,068,109	3,280,727	3,141,407	139,320
Materials and services	25,942,254	33,445,978	19,185,299	14,260,679
General operating contingencies	13,327,182	5,654,129	-	5,654,129
Overhead charges - General Fund	1,102,316	1,102,316	1,102,316	-
Debt service and related costs:				
Principal	3,940,183	3,961,328	3,961,328	-
Interest	1,875,709	1,854,564	1,817,971	36,593
Debt issuance costs	-	-	268	(268)
Capital outlay	6,537,449	6,537,449	981,436	5,556,013
 Total expenditures	 <u>55,793,202</u>	 <u>55,836,491</u>	 <u>30,190,025</u>	 <u>25,646,466</u>
 Revenues over (under) expenditures	 <u>(25,476,741)</u>	 <u>(25,145,741)</u>	 <u>(2,682,013)</u>	 <u>22,463,728</u>

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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	13,870	13,870	13,870	-
Grants	2,913,512	2,913,512	2,913,512	-
Total transfers from other funds	<u>2,927,382</u>	<u>2,927,382</u>	<u>2,927,382</u>	<u>-</u>
Transfers to other funds:				
General	-	(300,000)	(300,000)	-
Campaign Finance	-	(31,000)	(31,000)	-
Pension Debt Redemption	(28,365)	(28,365)	(28,365)	-
Total transfers to other funds	<u>(28,365)</u>	<u>(359,365)</u>	<u>(359,365)</u>	<u>-</u>
Bonds and notes issued	4,000,000	4,000,000	50,000	(3,950,000)
Bonds and notes premium	-	-	1,602	1,602
Payments to refunded loan and bond escrow agent	-	-	(50,000)	(50,000)
Internal loan proceeds	-	-	51,173	51,173
Internal loan remittances	-	-	(113,491)	(113,491)
Total other financing sources (uses)	<u>6,899,017</u>	<u>6,568,017</u>	<u>2,507,301</u>	<u>(4,060,716)</u>
Net change in fund balance	(18,577,724)	(18,577,724)	(174,712)	18,403,012
Fund balance - beginning	<u>18,577,724</u>	<u>18,577,724</u>	<u>24,853,983</u>	<u>6,276,259</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>24,679,271</u>	<u>\$ 24,679,271</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(64,667)	
Internal loans			62,318	
Capital assets (net of accumulated depreciation)			110,383,145	
Prepaid expenses			1,358,844	
Allowance for uncollectible accounts			(43,377)	
Compensated absences			(193,048)	
Bonds payable			(41,912,838)	
Interest payable			(535,957)	
Other postemployment benefits			(59,844)	
Fund balance - GAAP basis			<u>\$ 93,673,847</u>	

**City of Portland, Oregon  
CityFleet Operating Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Cost sharing revenues:				
Federal cost sharing	\$ -	\$ 70,000	\$ 80,156	\$ 10,156
State cost sharing	-	15,000	16,034	1,034
Local cost sharing	-	35,000	12,047	(22,953)
Other service charges	135,000	15,000	4,071	(10,929)
Billings to other funds for services	27,823,253	27,903,463	24,789,295	(3,114,168)
Other:				
Sales - other	560,000	60,000	18,493	(41,507)
Investment earnings	400,000	300,000	219,495	(80,505)
Miscellaneous	-	100,000	131,644	31,644
<b>Total revenues</b>	<u>28,918,253</u>	<u>28,498,463</u>	<u>25,271,235</u>	<u>(3,227,228)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	6,277,461	6,479,552	6,342,024	137,528
Materials and services	14,803,993	14,620,424	11,843,310	2,777,114
General operating contingencies	18,278,112	14,187,587	-	14,187,587
Overhead charges - General Fund	1,248,363	1,248,363	1,248,363	-
Debt service and related costs:				
Principal	70,927	120,617	120,617	-
Interest	266,480	216,790	129,059	87,731
Capital outlay	5,872,673	9,106,175	5,525,872	3,580,303
<b>Total expenditures</b>	<u>46,818,009</u>	<u>45,979,508</u>	<u>25,209,245</u>	<u>20,770,263</u>
<b>Revenues over (under) expenditures</b>	<u>(17,899,756)</u>	<u>(17,481,045)</u>	<u>61,990</u>	<u>17,543,035</u>

Continued next page

**City of Portland, Oregon**  
**CityFleet Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Campaign Finance	10,333	10,333	10,333	-
Facilities Services Operating	-	300,000	300,000	-
Total transfers from other funds	10,333	310,333	310,333	-
Transfer to other fund:				
Pension Debt Redemption	(66,657)	(66,657)	(66,657)	-
Internal loan proceeds	-	-	24,572	24,572
Internal loan remittances	-	-	(74,743)	(74,743)
Sale of capital asset	-	500,000	957,812	457,812
Total other financing sources (uses)	(56,324)	743,676	1,151,317	407,641
Net change in fund balance	(17,956,080)	(16,737,369)	1,213,307	17,950,676
Fund balance - beginning	17,956,080	16,737,369	16,830,181	92,812
Fund balance - ending	\$ -	\$ -	18,043,488	\$ 18,043,488
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(46,216)	
Internal loans			50,171	
Capital assets (net of accumulated depreciation)			31,872,448	
Prepaid expenses			3,193,193	
Petty cash			3,600	
Inventories			1,141,149	
Allowance for uncollectible accounts			(398)	
Compensated absences			(351,981)	
Bonds payable			(4,594,714)	
Interest payable			(699,913)	
Other postemployment benefits			(139,341)	
Fund balance - GAAP basis			\$ 48,471,486	

**City of Portland, Oregon**  
**Printing and Distribution Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Cost sharing revenues:				
State cost sharing	\$ 327,309	\$ 327,309	\$ 229,228	\$ (98,081)
Multnomah County cost sharing	464,352	464,352	427,832	(36,520)
Local cost sharing	109,257	270,135	261,763	(8,372)
Other service charges	-	82,000	85,030	3,030
Billings to other funds for services	6,670,133	6,797,116	5,639,501	(1,157,615)
Other:				
Sales - other	298,078	55,200	56,534	1,334
Investment earnings	24,500	24,500	24,624	124
Miscellaneous	-	6,795	7,048	253
<b>Total revenues</b>	<u>7,893,629</u>	<u>8,027,407</u>	<u>6,731,560</u>	<u>(1,295,847)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	2,031,212	1,979,212	1,800,215	178,997
Materials and services	5,010,172	5,141,109	4,640,157	500,952
General operating contingencies	1,722,639	1,777,480	-	1,777,480
Overhead charges - General Fund	427,765	427,765	427,765	-
Debt service and related costs:				
Principal	24,036	40,874	40,874	-
Interest	90,305	73,467	43,735	29,732
Capital outlay	399,250	599,250	62,558	536,692
<b>Total expenditures</b>	<u>9,705,379</u>	<u>10,039,157</u>	<u>7,015,304</u>	<u>3,023,853</u>
Revenues over (under) expenditures	<u>(1,811,750)</u>	<u>(2,011,750)</u>	<u>(283,744)</u>	<u>1,728,006</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Campaign Finance	3,569	3,569	3,569	-
Transfer to other fund:				
Pension Debt Redemption	(22,588)	(22,588)	(22,588)	-
Sale of capital asset	-	-	5,166	5,166
<b>Total other financing sources (uses)</b>	<u>(19,019)</u>	<u>(19,019)</u>	<u>(13,853)</u>	<u>5,166</u>
Net change in fund balance	(1,830,769)	(2,030,769)	(297,597)	1,733,172
Fund balance - beginning	1,830,769	2,030,769	2,330,785	300,016
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	2,033,188	<u>\$ 2,033,188</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(5,016)	
Capital assets (net of accumulated depreciation)			1,025,681	
Prepaid expenses			1,082,105	
Compensated absences			(111,961)	
Bonds payable			(1,557,055)	
Interest payable			(237,175)	
Other postemployment benefits			(46,830)	
Fund balance - GAAP basis			<u>\$ 2,182,937</u>	

**City of Portland, Oregon**  
**Insurance and Claims Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>REVENUES</b>				
Billings to other funds for services	\$ 10,165,343	\$ 10,041,813	\$ 10,041,813	\$ -
Other:				
Investment earnings	455,000	455,000	279,487	(175,513)
Miscellaneous	169,744	169,744	169,818	74
<b>Total revenues</b>	<u>10,790,087</u>	<u>10,666,557</u>	<u>10,491,118</u>	<u>(175,439)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,064,687	1,098,809	1,025,036	73,773
Materials and services	9,706,930	10,900,577	7,665,408	3,235,169
General operating contingencies	18,907,570	18,335,012	-	18,335,012
Overhead charges - General Fund	464,249	464,249	464,249	-
Debt service and related costs:				
Principal	13,244	22,523	22,523	-
Interest	49,761	40,482	24,100	16,382
Capital outlay	257,000	257,000	-	257,000
<b>Total expenditures</b>	<u>30,463,441</u>	<u>31,118,652</u>	<u>9,201,316</u>	<u>21,917,336</u>
Revenues over (under) expenditures	<u>(19,673,354)</u>	<u>(20,452,095)</u>	<u>1,289,802</u>	<u>21,741,897</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Campaign Finance	4,757	4,757	4,757	-
Technological Services	125,000	125,000	125,000	-
<b>Total transfers from other funds</b>	<u>129,757</u>	<u>129,757</u>	<u>129,757</u>	<u>-</u>
Transfer to other fund:				
Pension Debt Redemption	(12,447)	(12,447)	(12,447)	-
<b>Total other financing sources (uses)</b>	<u>117,310</u>	<u>117,310</u>	<u>117,310</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(19,556,044)</u>	<u>(20,334,785)</u>	<u>1,407,112</u>	<u>21,741,897</u>
Fund balance - beginning	19,556,044	20,334,785	20,334,785	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	21,741,897	<u>\$ 21,741,897</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(56,754)	
Capital assets			37,663	
Prepaid expenses			596,277	
Petty cash			250	
Compensated absences			(95,606)	
Self insurance claims			(13,149,954)	
Bonds payable			(857,984)	
Interest payable			(130,687)	
Other postemployment benefits			(19,184)	
<b>Fund balance - GAAP basis</b>			<u>\$ 8,065,918</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, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Billings to other funds for services	\$ 3,978,209	\$ 3,907,609	\$ 3,907,609	\$ -
Other:				
Refunds	89,914	89,914	(1,225)	(91,139)
Investment earnings	455,000	455,000	256,524	(198,476)
Miscellaneous	-	-	253,033	253,033
	4,523,123	4,452,523	4,415,941	(36,582)
<b>EXPENDITURES</b>				
Current:				
Personal services	928,993	957,757	904,369	53,388
Materials and services	3,352,862	3,911,989	3,263,638	648,351
General operating contingencies	18,072,229	17,962,559	-	17,962,559
Overhead charges - General Fund	268,464	268,464	268,464	-
Debt service and related costs:				
Principal	12,388	21,068	21,068	-
Interest	46,545	37,865	22,542	15,323
Capital outlay	257,000	257,000	-	257,000
	22,938,481	23,416,702	4,480,081	18,936,621
Revenues over (under) expenditures	(18,415,358)	(18,964,179)	(64,140)	18,900,039
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Campaign Finance	2,126	2,126	2,126	-
Technological Services	125,000	125,000	125,000	-
	127,126	127,126	127,126	-
Transfer to other fund:				
Pension Debt Redemption	(11,643)	(11,643)	(11,643)	-
	115,483	115,483	115,483	-
Net change in fund balance	(18,299,875)	(18,848,696)	51,343	18,900,039
Fund balance - beginning	18,299,875	18,848,696	18,848,696	-
Fund balance - ending	\$ -	\$ -	18,900,039	\$ 18,900,039
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(47,871)	
Capital assets			4,929	
Prepaid expenses			557,739	
Petty cash			30,200	
Compensated absences			(22,342)	
Self insurance claims			(7,943,859)	
Bonds payable			(802,539)	
Interest payable			(122,235)	
Other postemployment benefits			(18,236)	
Fund balance - GAAP basis			\$ 10,535,825	

**City of Portland, Oregon  
Technology Services Fund  
Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Cost sharing revenues:				
Federal cost sharing	\$ -	\$ -	\$ 410,038	\$ 410,038
State cost sharing	-	-	323,867	323,867
Multnomah County cost sharing	-	-	1,494,035	1,494,035
Local cost sharing	453,256	953,256	2,627,597	1,674,341
Service charges and fees:				
Rents and reimbursements	129,307	129,307	-	(129,307)
Other service charges	5,200,186	5,200,186	52,027	(5,148,159)
Billings to other funds for services	46,514,171	47,147,237	45,869,963	(1,277,274)
Other:				
Sales - other	2,000	2,000	777,344	775,344
Refunds	-	-	114,765	114,765
Investment earnings	1,000,000	1,000,000	343,241	(656,759)
Other interest income	-	-	107	107
Miscellaneous	346,700	346,700	35,218	(311,482)
Total revenues	<u>53,645,620</u>	<u>54,778,686</u>	<u>52,048,202</u>	<u>(2,730,484)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	24,581,349	24,989,215	24,084,522	904,693
Materials and services	39,386,586	30,951,604	16,940,901	14,010,703
General operating contingencies	17,885,002	26,961,239	-	26,961,239
Overhead charges - General Fund	2,103,422	2,103,422	2,103,422	-
Debt service and related costs:				
Principal	1,369,298	1,428,355	1,428,355	-
Interest	535,333	387,396	410,783	(23,387)
Debt issuance costs	-	-	13,764	(13,764)
Capital outlay	850,000	550,000	186,978	363,022
Total expenditures	<u>86,710,990</u>	<u>87,371,231</u>	<u>45,168,725</u>	<u>42,202,506</u>
Revenues over (under) expenditures	<u>(33,065,370)</u>	<u>(32,592,545)</u>	<u>6,879,477</u>	<u>39,472,022</u>

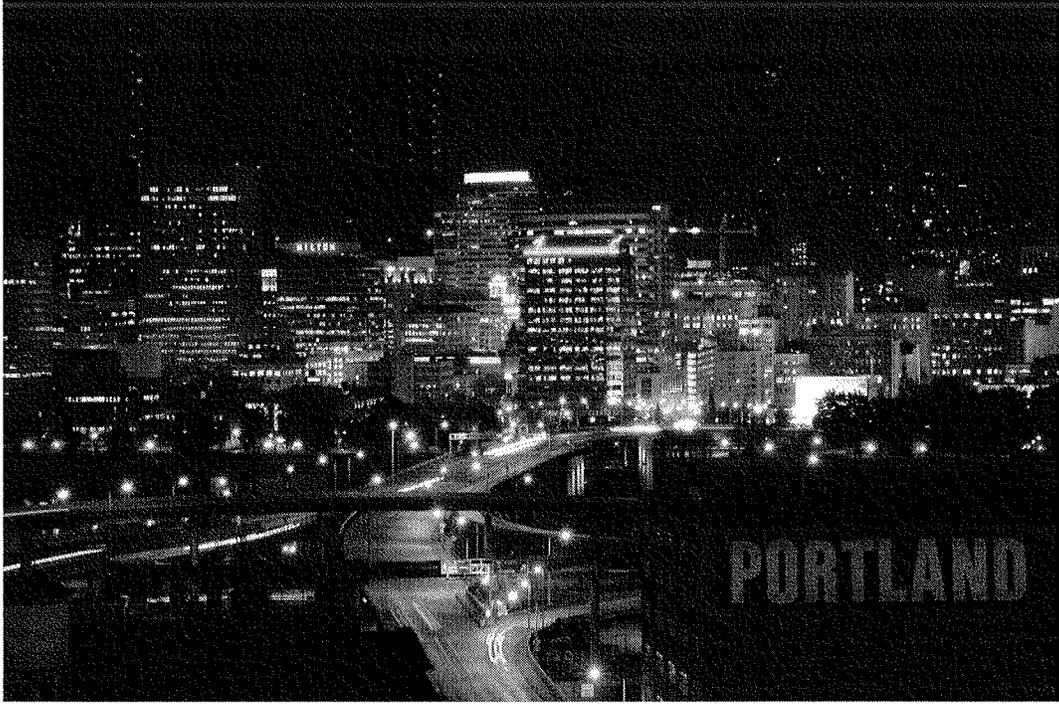
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**City of Portland, Oregon  
Technology Services Fund  
Schedule of Revenues and Expenditures - Budget and Actual, Continued  
For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	461,500	7,165,546	7,165,546	-
Emergency Communications	-	163,500	163,500	-
General Reserve	7,158,500	7,158,500	7,158,500	-
Campaign Finance	28,225	28,225	28,225	-
Total transfers from other funds	<u>7,648,225</u>	<u>14,515,771</u>	<u>14,515,771</u>	<u>-</u>
Transfers to other funds:				
General	(16,000)	(28,000)	(26,980)	1,020
Portland Parks Memorial Trust	-	(12,300)	(12,300)	-
Pension Debt Redemption	(79,223)	(79,223)	(79,223)	-
Insurance and Claims Operating	(125,000)	(125,000)	(125,000)	-
Workers' Compensation Self Insurance Operating	(125,000)	(125,000)	(125,000)	-
Enterprise Business Solutions Services	(4,527,200)	(5,531,354)	(5,531,354)	-
Total transfers to other funds	<u>(4,872,423)</u>	<u>(5,900,877)</u>	<u>(5,899,857)</u>	<u>1,020</u>
Bonds and notes Issued	12,380,000	-	2,565,000	2,565,000
Bonds and notes premium	-	-	91,757	91,757
Payments to refunded loan and bond escrow agent	-	-	(2,600,000)	(2,600,000)
Internal loan remittances	-	-	(64,996)	(64,996)
Total other financing sources (uses)	<u>15,155,802</u>	<u>8,614,894</u>	<u>8,607,675</u>	<u>(7,219)</u>
Net change in fund balance	(17,909,568)	(23,977,651)	15,487,152	39,464,803
Fund balance - beginning	17,909,568	23,977,651	23,977,651	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	39,464,803	<u>\$ 39,464,803</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(97,250)	
Internal loans			64,996	
Capitalized assets (net of accumulated depreciation)			21,284,473	
Prepaid expenses			3,795,168	
Petty cash			2,000	
Inventories			421,307	
Compensated absences			(1,717,061)	
Bonds payable			(9,268,059)	
Interest payable			(856,202)	
Other postemployment benefits			(379,661)	
Fund balance - GAAP basis			<u>\$ 52,714,514</u>	

**City of Portland, Oregon**  
**Enterprise Business Solutions Services Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Billings to other funds for services	\$ -	\$ 270,000	\$ 345,000	\$ 75,000
Other:				
Investment earnings	-	-	22,067	22,067
Other interest income	-	-	3	3
<b>Total revenues</b>	<b>-</b>	<b>270,000</b>	<b>367,070</b>	<b>97,070</b>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,618,183	2,285,383	2,101,062	184,321
Materials and services	4,434,893	8,970,996	7,778,636	1,192,360
General operating contingencies	2,485,125	1,787,985	-	1,787,985
Debt service and related costs:				
Principal	13,520,000	13,520,000	12,933,363	586,637
Interest	2,457,200	2,457,200	1,002,076	1,455,124
Debt issuance costs	50,000	50,000	33,497	16,503
<b>Total expenditures</b>	<b>24,565,401</b>	<b>29,071,564</b>	<b>23,848,634</b>	<b>5,222,930</b>
Revenues over (under) expenditures	(24,565,401)	(28,801,564)	(23,481,564)	5,320,000
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds:				
General	5,970,891	7,532,843	7,532,843	-
Pension Debt Redemption	-	1,920,000	1,920,000	-
Technology Services	4,527,200	5,531,354	5,531,354	-
<b>Total transfers from other funds</b>	<b>10,498,091</b>	<b>14,984,197</b>	<b>14,984,197</b>	<b>-</b>
Bonds and notes issued	11,500,000	11,500,000	9,400,000	(2,100,000)
Bonds and notes premium	-	-	946,911	946,911
<b>Total other financing sources</b>	<b>21,998,091</b>	<b>26,484,197</b>	<b>25,331,108</b>	<b>(1,153,089)</b>
Net change in fund balance	(2,567,310)	(2,317,367)	1,849,544	4,166,911
Fund balance - beginning	2,567,310	2,317,367	2,311,351	(6,016)
Fund balance - ending	\$ -	\$ -	4,160,895	\$ 4,160,895
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(11,500)	
Capitalized assets (net of accumulated depreciation)			28,860,571	
Compensated absences			(191,696)	
Bonds payable			(26,131,385)	
Interest payable			(84,663)	
Other postemployment benefits			(10,493)	
Fund balance - GAAP basis			<u>\$ 6,591,729</u>	



PORTLAND NIGHT SKYLINE

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

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## ***Pension Trust Funds:***

### ***Fire and Police Disability and Retirement Fund***

This fund provides pension and benefits for members of the Fire Bureau and Police Bureau, their widows and children.

### ***Fire and Police Disability and Retirement Reserve Fund***

This fund is a reserve for the Fire and Police Disability and Retirement Fund in the event of an emergency.

### ***Fire and Police Supplemental Retirement Reserve Fund***

This fund is a reserve for supplemental retirement benefits to certain members of the Fire and Police Bureaus.

**City of Portland, Oregon**  
**Fire and Police Disability and Retirement Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes:				
Current year property taxes	\$ 104,190,690	\$ 104,190,690	\$ 105,394,958	\$ 1,204,268
Prior year property taxes	1,800,000	1,800,000	2,683,001	883,001
Other service charges	-	-	36	36
Billings to other funds for services	7,200	7,200	7,200	-
Other:				
Investment earnings	460,000	460,000	525,196	65,196
Other interest income	-	-	82	82
Miscellaneous	95,000	95,000	68,531	(26,469)
Total revenues	<u>106,552,890</u>	<u>106,552,890</u>	<u>108,679,004</u>	<u>2,126,114</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,456,806	1,518,322	1,493,410	24,912
Materials and services	104,882,234	104,441,634	101,546,373	2,895,261
General operating contingencies	6,253,280	6,632,364	-	6,632,364
Overhead charges - General Fund	285,443	285,443	285,443	-
Debt service and related costs:				
Principal	36,662,562	36,667,859	27,842,859	8,825,000
Interest	468,976	463,679	653,463	(189,784)
Debt issuance costs	40,000	40,000	12,322	27,678
Capital outlay	-	-	1,525	(1,525)
Total expenditures	<u>150,049,301</u>	<u>150,049,301</u>	<u>131,835,395</u>	<u>18,213,906</u>
Revenues over (under) expenditures	<u>(43,496,411)</u>	<u>(43,496,411)</u>	<u>(23,156,391)</u>	<u>20,340,020</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Campaign Finance	2,068	2,068	2,068	-
Fire and Police Disability and Retirement Reserve	750,000	750,000	-	(750,000)
Total transfers from other funds	<u>752,068</u>	<u>752,068</u>	<u>2,068</u>	<u>(750,000)</u>
Transfer to other fund:				
Pension Debt Redemption	(7,106)	(7,106)	(7,106)	-
Total transfers to other funds	<u>(7,106)</u>	<u>(7,106)</u>	<u>(7,106)</u>	<u>-</u>

Continued next page

City of Portland, Oregon  
 Fire and Police Disability and Retirement Fund  
 Schedule of Revenues and Expenditures - Budget and Actual, Continued  
 For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING SOURCES (USES), Continued:</b>				
Bonds and notes issued	36,655,000	36,655,000	27,830,000	(8,825,000)
Bonds and notes premium	-	-	519,586	519,586
	<u>37,399,962</u>	<u>37,399,962</u>	<u>28,344,548</u>	<u>(9,055,414)</u>
Total other financing sources (uses)				
Net change in fund balance	(6,096,449)	(6,096,449)	5,188,157	11,284,606
Fund balance - beginning	6,096,449	6,096,449	6,402,885	306,436
Fund balance - ending	\$ -	\$ -	11,591,042	\$ 11,591,042
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(45,882)	
Due from other funds (contributions)			4,842,631	
Capital assets			40,554	
Prepaid expenses			340,444	
Compensated absences			(349,557)	
Bonds payable			(489,863)	
Interest payable			(74,613)	
Other postemployment benefits			(21,306)	
Fund balance - GAAP basis			<u>\$ 15,833,450</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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>OTHER FINANCING USES</b>				
Transfer to other fund:				
Fire and Police Disability and Retirement	\$ (750,000)	\$ (750,000)	\$ -	\$ 750,000
Fund balance - beginning	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Fund balance - ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	750,000	\$ <u><u>750,000</u></u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			\$ <u><u>750,000</u></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, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 739	\$ 739
Other interest income	1,000	1,000	-	(1,000)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>739</u>	<u>(261)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	8,160	8,160	7,752	408
Net change in fund balance	(7,160)	(7,160)	(7,013)	147
Fund balance - beginning	<u>59,089</u>	<u>59,089</u>	<u>58,987</u>	<u>(102)</u>
Fund balance - ending	<u>\$ 51,929</u>	<u>\$ 51,929</u>	51,974	<u>\$ 45</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 51,974</u>	

# Other Financial Schedules

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Schedule of Bond Principal Transactions  
Schedule of Bond Interest Transactions  
Schedule of Future Bond Principal Requirements  
Schedule of Future Bond Interest Requirements  
Schedule of Property Tax Transactions and Outstanding Balances  
Schedule of Property Taxes Receivable by Levy Year by Fund  
Schedule of Property Taxes Collections by Levy Year by Fund

OTHER FINANCIAL  
SCHEDULES

**City of Portland, Oregon  
Schedule of Bond Principal Transactions  
For the Year Ended June 30, 2010**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2009	Bonds Issued/Reclassified During Year	Called, Reclassified and Matured During Year	Outstanding June 30, 2010
<b>GENERAL OBLIGATION BONDS:</b>									
<b>Governmental Activities</b>									
Parks	2001A	**	07/01/2001	2001-2015	\$ 29,810,000	\$ 25,145,000	\$ -	\$ 25,145,000	\$ -
"	2010A	4.00	04/16/2010	2010-2015	19,960,000	-	19,960,000	-	19,960,000
Emergency Facilities	1999A	**	06/01/1999	1999-2019	24,500,000	14,920,000	-	14,920,000	-
"	2004A	3.00-4.25	01/28/2004	2004-2024	13,965,000	11,395,000	-	590,000	10,805,000
"	2008A	3.00-4.75	11/18/2008	2008-2028	15,360,000	15,360,000	-	280,000	15,080,000
"	2009A	1.75-4.00	07/10/2009	2010-2019	14,560,000	-	14,560,000	1,515,000	13,045,000
<b>Total General Obligation Bonds: Governmental Activities</b>					<b>118,155,000</b>	<b>66,820,000</b>	<b>34,520,000</b>	<b>42,450,000</b>	<b>58,890,000</b>
<b>Business-type Activities</b>									
Water	2004C	3.400	06/09/2004	2004-2010	7,640,000	3,135,000	-	1,545,000	1,590,000
<b>Total General Obligation Bonds: Business-type Activities</b>					<b>7,640,000</b>	<b>3,135,000</b>	<b>-</b>	<b>1,545,000</b>	<b>1,590,000</b>
<b>TOTAL GENERAL OBLIGATION BONDS</b>					<b>125,795,000</b>	<b>69,955,000</b>	<b>34,520,000</b>	<b>43,995,000</b>	<b>60,480,000</b>
<b>LIMITED TAX IMPROVEMENT BONDS:</b>									
<b>Governmental Activities</b>									
Limited Tax Improvement	2010A	2.000-4.125	04/20/2010	2010-2030	22,305,000	-	22,305,000	-	22,305,000
"	2003A	4.35	05/22/2003	2003-2023	21,430,000	9,050,000	-	995,000	8,055,000
"	2007A	4.00-5.00	06/28/2007	2007-2027	41,745,000	35,210,000	-	2,465,000	32,745,000
<b>TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities</b>					<b>85,480,000</b>	<b>44,260,000</b>	<b>22,305,000</b>	<b>3,460,000</b>	<b>63,105,000</b>
<b>URBAN RENEWAL &amp; REDEVELOPMENT BONDS:</b>									
<b>Governmental Activities</b>									
South Park Blocks	2000B	7.24-7.34	10/15/2000	2000-2013	16,560,000	6,620,000	-	1,955,000	4,665,000
"	2008A	4.772-6.081	07/01/2008	2008-2019	34,580,000	33,245,000	-	1,190,000	32,055,000
"	2008B	5.00	07/01/2008	2008-2024	32,020,000	32,020,000	-	-	32,020,000
Waterfront Renewal	2000A	5.10-5.75	10/31/2000	2001-2020	33,060,000	33,060,000	-	-	33,060,000
"	2000B	7.26	10/31/2000	2001-2013	24,970,000	13,180,000	-	2,995,000	10,185,000
"	2008A	4.17-6.30	04/23/2008	2008-2024	50,165,000	47,360,000	-	1,655,000	45,705,000
Airport Way	2002A	**	10/01/2002	2002-2010	13,500,000	3,230,000	-	3,230,000	-
"	2005A	4.00-5.00	09/29/2005	2005-2020	45,370,000	43,790,000	-	120,000	43,670,000
Oregon Convention Center	2000A	5.25-5.75	08/01/2000	2001-2020	32,900,000	32,900,000	-	-	32,900,000
"	2000B	7.60-7.75	08/01/2000	2001-2014	16,840,000	13,705,000	-	2,980,000	10,725,000
River District	2003A	3.25-5.00	06/20/2010	2004-2023	33,180,000	33,180,000	-	-	33,180,000
"	2003B	3.60-4.10	06/17/2003	2004-2015	28,760,000	14,455,000	-	2,570,000	11,885,000
Lents District	2010A	2.488-6.284	06/18/2010	2010-2024	21,240,000	-	21,240,000	-	21,240,000
"	2010B	4.250-5.00	06/18/2010	2010-2030	15,650,000	-	15,650,000	-	15,650,000
Interstate Corridor	2004A	3.50-5.25	12/09/2004	2005-2025	32,310,000	27,700,000	-	1,235,000	26,465,000
<b>TOTAL URBAN RENEWAL &amp; REDEVELOPMENT BONDS: Governmental Activities</b>					<b>431,105,000</b>	<b>334,445,000</b>	<b>36,890,000</b>	<b>17,930,000</b>	<b>353,405,000</b>

\* variable rate, see Note III.H. Long-term debt  
\*\* debt was paid off in fiscal year 2010

Continued next page

**City of Portland, Oregon  
Schedule of Bond Principal Transactions, Continued  
For the Year Ended June 30, 2010**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2009	Bonds Issued/ Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2010
<b>LIMITED TAX AND LIMITED TAX REVENUE BONDS:</b>									
<b>Governmental Activities</b>									
Pension	1999C	7.420-7.701	11/01/1999	2000-2022	\$ 84,291,994	\$ 74,195,745	\$ -	\$ 2,297,533	\$ 71,898,212
"	1999C	7.93	11/01/1999	2000-2029	30,090,303	30,090,303	-	-	30,090,303
"	1999D&E	*	11/01/1999	2000-2019	113,739,030	113,739,030	-	3,279,422	110,459,608
Capital Financing - Development Services Building	2008A	3.75-5.00	06/10/2008	2008-2018	17,725,000	16,100,000	-	1,520,000	14,580,000
Oregon Convention Center	2001A	5.00-5.125	02/13/2001	2201-2030	81,940,000	75,120,000	-	220,000	74,900,000
Deferred Interest	2001B	4.62-5.36	02/13/2001	2001-2022	18,058,888	18,058,888	-	1,319,780	16,739,108
System Development	2002A	**	04/01/2002	2002-2011	2,245,000	570,000	-	570,000	-
"	2010A	3.000	04/22/2010	2010-2011	290,000	-	290,000	-	290,000
Integrated Regional Network Enterprise (IRNE)	2002A	**	04/01/2002	2002-2013	7,795,000	3,540,000	-	3,540,000	-
"	2010A	3.000	04/22/2010	2010-2013	2,565,000	-	2,565,000	-	2,565,000
Emergency Operations Center Expansion (EOC)	2002A	**	04/01/2002	2002-2012	220,000	75,000	-	75,000	-
"	2010A	3.000	04/22/2010	2010-2012	50,000	-	50,000	-	50,000
EBS Project	2007A	4.25	04/24/2007	2007-2016	22,480,000	18,240,000	-	2,620,000	15,620,000
"	2009B	3.00-4.00	12/17/2009	2010-2017	9,400,000	-	9,400,000	-	9,400,000
Headwaters Apt Project	2005A	3.51-4.71	04/18/2005	2005-2035	10,480,000	10,155,000	-	190,000	9,965,000
"	2005B	4.70	04/18/2005	2005-2035	1,260,000	1,220,000	-	20,000	1,200,000
Housing Projects	2005C	4.30-4.45	06/21/2005	2005-2014	3,170,000	1,720,000	-	395,000	1,325,000
"	2005D	3.25-5.00	06/21/2005	2005-2025	6,975,000	6,975,000	-	-	6,975,000
Capital Improvement & Renovation	1998B	**	06/15/1998	1999-2018	8,499,490	1,565,000	-	1,565,000	-
"	1999B	**	11/01/1999	2001-2020	10,135,000	3,755,000	-	3,755,000	-
"	2010A	3.000-3.125	04/22/2010	2010-2020	4,840,000	-	4,840,000	-	4,840,000
Portland Center for Performing Arts	2001C	4.60-5.25	05/01/2001	2001-2021	2,100,000	1,480,000	-	90,000	1,390,000
Radio Shop	2003A	3.75-4.00	01/15/2003	2003-2009	930,000	410,000	-	95,000	315,000
Emergency Operations Center Expansion (EOC) 800MHz	2003A	3.75-4.00	01/15/2003	2003-2013	160,000	70,000	-	15,000	55,000
"	2003A	3.75-4.00	01/15/2003	2003-2013	2,635,000	1,155,000	-	270,000	885,000
"	2004A	5.00	03/25/2004	2004-2011	3,420,000	1,095,000	-	535,000	560,000
"	2004A	3.00-5.00	03/25/2004	2004-2016	21,096,000	14,714,000	-	1,840,000	12,874,000
"	2004A	3.00-5.00	03/25/2004	2004-2013	624,000	326,000	-	75,000	251,000
Portland Mall Revitalization	2007B	4.00-5.00	08/16/2008	2008-2017	16,860,000	13,920,000	-	1,495,000	12,425,000
North McAdams Investors	LOC	5.75	07/01/2007	2007-2016	2,500,000	2,323,350	-	79,859	2,243,491
CAD project	2009B	3.00-4.00	12/17/2009	2010-2017	8,210,000	-	8,210,000	1,050,000	7,160,000
Archives Space Project	2007C	4.00-4.50	12/17/2007	2008-2028	11,925,000	11,525,000	-	415,000	11,110,000
<b>Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities</b>					<b>506,709,705</b>	<b>422,137,316</b>	<b>25,355,000</b>	<b>27,326,594</b>	<b>420,165,722</b>
<b>Business-type Activities</b>									
Pension	1999C	7.420-7.701	11/01/1999	2000-2022	26,678,646	23,483,175	-	727,182	22,755,993
"	1999C	7.93	11/01/1999	2000-2029	9,523,661	9,523,661	-	-	9,523,661
"	1999D&E	*	11/01/1999	2000-2019	35,998,710	35,998,710	-	1,037,962	34,960,748
Central City Streetcar	2009A	2.50-4.00	05/21/2009	2009-2024	21,450,000	21,450,000	-	1,260,000	20,190,000
Portland International Raceway	LOC	6.14	10/25/2007	2008-2017	2,010,000	1,700,000	-	170,000	1,530,000
Arena	2005A	4.35	03/03/2005	2005-2011	10,555,000	3,520,000	-	1,930,000	1,590,000
"	2005B	3.50-5.00	03/03/2005	2005-2017	17,810,000	17,810,000	-	-	17,810,000
Civic Stadium	2001D	6.375-7.00	05/15/2001	2001-2023	35,000,000	27,330,000	-	1,275,000	26,055,000
<b>Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities</b>					<b>159,026,017</b>	<b>140,815,546</b>	<b>-</b>	<b>6,400,144</b>	<b>134,415,402</b>
<b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>					<b>665,735,722</b>	<b>562,952,862</b>	<b>25,355,000</b>	<b>33,726,738</b>	<b>554,581,124</b>

\* variable rate, see Note III.H. Long-term debt  
\*\* debt was paid off in fiscal year 2010

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**City of Portland, Oregon**  
**Schedule of Bond Principal Transactions, Continued**  
**For the Year Ended June 30, 2010**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2009	Bonds Issued/ Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2010
<b>REVENUE BONDS:</b>									
<b>Governmental Activities</b>									
	1998A	4.70-5.00	06/01/1998	1999-2018	\$ 3,070,000	\$ 1,720,000	\$ -	\$ 160,000	\$ 1,560,000
	2005A	3.15-3.75	03/17/2005	2005-2016	4,400,000	3,145,000	-	410,000	2,735,000
<b>Total Revenue Bonds: Governmental Activities</b>					<u>7,470,000</u>	<u>4,865,000</u>	<u>-</u>	<u>570,000</u>	<u>4,295,000</u>
<b>Business-type Activities</b>									
	2000A	5.00-5.50	05/06/2004	2001-2017	35,000,000	8,060,000	-	7,300,000	760,000
	2004A	4.50- 5.00	03/06/2004	2004-2015	29,900,000	19,855,000	-	2,445,000	17,410,000
	2004B	4.00-5.00	05/06/2004	2004-2023	61,900,000	50,870,000	-	2,380,000	48,490,000
	2006A	4.125-5.00	09/21/2006	2007-2031	68,970,000	65,855,000	-	1,680,000	64,175,000
	2006B	4.00-5.00	09/21/2006	2007-2020	44,000,000	42,725,000	-	1,240,000	41,485,000
	2008A	4.00-5.00	08/07/2008	2008-2033	79,680,000	79,680,000	-	1,725,000	77,955,000
	2010A	2.50-5.00	02/11/2010	2010-2035	73,440,000	-	73,440,000	-	73,440,000
	LOC	4.98-5.26	01/10/2003	2004-2013	6,333,333	2,854,000	-	663,000	2,191,000
	2003A	3.70-5.25	04/03/2003	2004-2023	88,370,000	46,445,000	-	8,955,000	37,490,000
	2004A	4.00-5.00	11/30/2004	2005-2024	163,500,000	142,190,000	-	5,990,000	136,200,000
	2004B	5.00	11/30/2004	2005-2017	93,080,000	88,400,000	-	1,685,000	86,715,000
	2005A	5.00	06/16/2005	2005-2020	144,850,000	144,850,000	-	-	144,850,000
	2006A	4.50-5.00	05/25/2006	2007-2031	177,845,000	166,325,000	-	4,395,000	161,930,000
	2006B	4.50-5.00	05/25/2006	2007-2031	87,135,000	81,585,000	-	2,120,000	79,465,000
	2007A	5.00	03/08/2007	2007-2015	193,510,000	160,620,000	-	17,310,000	143,310,000
	2008A	4.25-5.00	04/21/2008	2008-2033	333,015,000	325,315,000	-	10,670,000	314,645,000
	2008B	5.00	04/21/2008	2008-2033	195,700,000	194,890,000	-	1,335,000	193,555,000
	2006	5.523	04/05/2006	2006-2016	21,370,000	16,870,000	-	1,835,000	15,035,000
	2001A	4.00-4.25	08/15/2001	2002-2013	10,200,000	2,725,000	-	870,000	1,855,000
<b>Total Revenue Bonds: Business-type Activities</b>					<u>1,907,798,333</u>	<u>1,640,114,000</u>	<u>73,440,000</u>	<u>72,598,000</u>	<u>1,640,956,000</u>
<b>TOTAL REVENUE BONDS</b>					<u>1,915,268,333</u>	<u>1,644,979,000</u>	<u>73,440,000</u>	<u>73,168,000</u>	<u>1,645,251,000</u>
<b>TOTAL BONDED DEBT PRINCIPAL PRIMARY GOVERNMENT</b>					<u>3,223,384,055</u>	<u>2,656,591,862</u>	<u>192,510,000</u>	<u>172,279,738</u>	<u>2,676,822,124</u>
<b>Fiduciary Funds</b>									
	1999C	7.420-7.701	11/01/99	2000-2022	194,360	171,080	-	5,298	165,782
	1999C	7.93	11/01/99	2000-2029	69,382	69,382	-	-	69,382
	1999D&E	*	11/01/99	2000-2019	262,260	262,260	-	7,562	254,698
<b>Total Fiduciary Funds</b>					<u>526,002</u>	<u>502,722</u>	<u>-</u>	<u>12,860</u>	<u>489,862</u>
<b>TOTAL BONDED DEBT PRINCIPAL</b>					<u>\$ 3,223,910,057</u>	<u>\$ 2,657,094,584</u>	<u>\$ 192,510,000</u>	<u>\$ 172,292,598</u>	<u>\$ 2,677,311,986</u>
<b>SUMMARY</b>							<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Bonded Debt: Primary Government							\$ 899,860,722	\$ 1,776,961,402	\$ 2,676,822,124
Plus unamortized premiums							12,668,210	63,070,684	75,738,894
Less unamortized discounts							(124,332)	(1,624,328)	(1,748,660)
Less deferred loss on refunding							-	(2,218,088)	(2,218,088)
<b>NET BONDED DEBT</b>							<u>\$ 912,404,600</u>	<u>\$ 1,836,189,670</u>	<u>\$ 2,748,594,270</u>

\* variable rate, see Note III.H. Long-term debt  
\*\* debt was paid off in fiscal year 2010

**City of Portland, Oregon**  
**Schedule of Bond Interest Transactions**  
**For the Year Ended June 30, 2010**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2009	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2010
<b>GENERAL OBLIGATION BONDS:</b>							
<b>Governmental Activities</b>							
Parks	2001A	**	07/01/2001	\$ 4,322,413	\$ (3,215,947)	\$ 1,106,466	\$ -
"	2010A	4.00	04/06/2010	-	2,559,618	102,018	2,457,600
Emergency Facilities	1999A	**	06/01/1999	4,490,362	(4,344,894)	145,468	-
"	2004A	3.00-4.25	01/28/2004	3,968,314	-	433,424	3,534,890
"	2008A	3.00-4.75	12/04/2008	8,020,815	-	948,800	7,072,015
"	2009A	1.75-4.00	07/10/2009	-	2,841,228	437,153	2,404,075
<b>Total General Obligation Bonds: Governmental Activities</b>				<u>20,801,904</u>	<u>(2,159,995)</u>	<u>3,173,329</u>	<u>15,468,580</u>
<b>Business-type Activities</b>							
Water	2004C	3.400	06/09/2004	105,810	-	78,780	27,030
<b>Total General Obligation Bonds: Business-type Activities</b>				<u>105,810</u>	<u>-</u>	<u>78,780</u>	<u>27,030</u>
<b>TOTAL GENERAL OBLIGATION BONDS</b>				<u>20,907,714</u>	<u>(2,159,995)</u>	<u>3,252,109</u>	<u>15,495,610</u>
<b>LIMITED TAX IMPROVEMENT BONDS:</b>							
<b>Governmental Activities</b>							
Limited Tax Improvement	2010A	2.000-4.125	04/20/2010	-	10,530,261	-	10,530,261
"	2003A	4.35	05/22/2003	5,511,450	(571,372)	384,975	4,555,103
"	2007A	4.00-5.00	06/28/2007	21,847,800	(103,125)	1,693,675	20,051,000
<b>TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities</b>				<u>27,359,250</u>	<u>9,855,764</u>	<u>2,078,650</u>	<u>35,136,364</u>
<b>URBAN RENEWAL &amp; REDEVELOPMENT BONDS:</b>							
<b>Governmental Activities</b>							
South Park Blocks	2000B	7.24-7.34	10/15/2000	1,029,947	-	479,755	550,192
"	2008A	4.772-6.081	07/01/2008	12,863,770	-	1,932,074	10,931,696
"	2008B	5.00	07/01/2008	20,254,000	-	1,601,000	18,653,000
Waterfront Renewal	2000A	5.10-5.75	10/31/2000	15,306,716	-	1,868,274	13,440,442
"	2000B	7.26	10/31/2000	2,458,236	-	956,868	1,501,368
"	2008A	4.17-6.30	04/23/2008	29,084,530	-	2,722,022	26,362,508
Airport Way	2002A	**	10/01/2002	113,050	-	113,050	-
"	2005A	4.00-5.00	09/25/2005	14,277,250	-	2,061,300	12,215,950
Oregon Convention Center	2000A	5.25-5.75	08/01/2000	15,244,997	-	1,852,082	13,392,915
"	2000B	7.60-7.75	08/01/2000	2,785,405	-	1,044,580	1,740,825
River District	2003A	3.25-5.00	06/17/2003	16,824,713	-	1,617,405	15,207,308
"	2003B	3.60-4.10	06/17/2003	1,796,519	-	544,340	1,252,179
Lents District	2010A	2.488-6.284	06/16/2010	-	10,270,026	-	10,270,026
"	2010B	4.250-5.00	06/16/2010	-	13,447,597	-	13,447,597
Interstate Corridor	2004A	3.50-5.25	12/09/2004	12,821,656	-	1,296,356	11,525,300
<b>TOTAL URBAN RENEWAL &amp; REDEVELOPMENT BONDS: Governmental Activities</b>				<u>144,860,789</u>	<u>23,717,623</u>	<u>18,087,106</u>	<u>150,491,306</u>

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

\*\* debt was paid off in fiscal year 2008

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**City of Portland, Oregon**  
**Schedule of Bond Interest Transactions, Continued**  
**For the Year Ended June 30, 2010**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2009	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2010
<b>LIMITED TAX AND LIMITED TAX REVENUE BONDS:</b>							
<b>Governmental Activities</b>							
Pension	1999C	7.420-7.701	11/01/1999	\$ 67,048,702	\$ -	5,707,386	\$ 61,341,316
"	1999C	7.93	11/01/1999	207,310,559	-	-	207,310,559
"	1999D&f	*	11/01/1999	45,002,530	-	6,767,472	38,235,058
Capital Financing - Development Services Building	2008A	3.75-5.00	06/24/2008	3,709,150	-	680,275	3,028,875
Oregon Convention Center	2001A	5.00-5.125	02/13/2001	63,722,800	-	3,818,713	59,904,087
Deferred Interest	2001B	4.62-5.36	02/13/2001	21,416,112	-	680,220	20,735,892
System Development	2002A	**	04/01/2002	38,700	(8,748)	29,952	-
"	2010A	3.000	04/22/2010	-	8,193	-	8,193
Integrated Regional Network Enterprise (IRNE)	2002A	**	04/01/2002	373,350	(174,634)	198,716	-
"	2010A	3.000	04/22/2010	-	133,211	-	133,211
Emergency Operations Center Expansion (EOC)	2002A	**	04/01/2002	6,750	(2,633)	4,117	-
"	2010A	3.000	04/22/2010	-	2,163	-	2,163
EBS Project	2007A	4.25	04/24/2007	2,913,587	-	775,200	2,138,387
"	2010A	3.00-4.00	04/22/2010	-	2,125,401	160,401	1,965,000
Headwaters Apt Project	2005A	3.51-4.71	04/18/2005	8,044,496	-	490,259	7,554,237
"	2005B	4.70	04/18/2005	923,315	-	57,340	865,975
Housing Projects	2005C	4.30-4.45	06/21/2005	212,533	-	74,373	138,160
"	2005D	3.25-5.00	06/21/2005	3,089,738	-	282,425	2,807,313
Capital Improve & Renovation	1998B	**	06/15/1998	402,435	(327,822)	74,613	-
"	1999B	**	11/01/1999	1,406,485	(1,162,421)	244,064	-
"	2010A	3.000-3.125	04/22/2010	-	873,034	-	873,034
Portland Center for Performing Arts	2001C	4.60-5.25	05/01/2001	535,950	-	73,860	462,090
Radio Shop	2003A	3.75-4.00	01/15/2003	41,025	-	15,675	25,350
Emergency Operations Center Expansion (EOC)	2003A	3.75-4.00	01/15/2003	7,250	-	2,688	4,562
800MHZ	2003A	3.75-4.00	01/15/2003	115,025	-	44,138	70,887
"	2004A	5.00	03/25/2004	82,750	-	54,750	28,000
"	2004A	3.00-5.00	03/25/2004	2,222,300	-	581,250	1,641,050
"	2004A	3.00-5.00	03/25/2004	34,810	-	14,540	20,270
Portland Mall Revitalization	2007B	4.00-5.00	08/02/2007	2,772,475	-	590,900	2,181,575
North McAdams Investors	LOC	5.75	07/01/2007	866,950	-	132,461	734,489
CAD project	2009B	3.00-4.00	12/08/2009	-	1,211,450	127,100	1,084,350
Archives Space Project	2007C	4.00-4.50	10/11/2007	5,462,365	-	479,046	4,983,319
<b>Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities</b>				<b>437,762,142</b>	<b>2,677,194</b>	<b>22,161,934</b>	<b>418,277,402</b>
<b>Business-type Activities</b>							
Pension	1999C	7.420-7.701	11/01/1999	21,220,692	-	1,806,368	19,414,324
"	1999C	7.93	11/01/1999	65,613,080	-	-	65,613,080
"	1999D&f	*	11/01/1999	14,402,348	-	2,141,924	12,260,424
Central City Streetcar	2009A	2.50-4.00	05/21/2009	6,734,090	-	623,940	6,110,150
Portland International Raceway	LOC	6.14	10/25/2007	504,094	-	104,380	399,714
Arena	2005A	4.35	03/03/2005	222,285	-	153,120	69,165
"	2005B	3.50-5.00	03/03/2005	4,602,500	-	838,788	3,763,712
Civic Stadium	2001D	6.375-7.00	05/15/2001	15,846,620	-	1,862,680	13,983,940
<b>Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities</b>				<b>129,145,709</b>	<b>-</b>	<b>7,531,200</b>	<b>121,614,509</b>
<b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>				<b>566,907,851</b>	<b>2,677,194</b>	<b>29,693,134</b>	<b>539,891,911</b>

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

\*\* debt was paid off in fiscal year 2008

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**City of Portland, Oregon**  
**Schedule of Bond Interest Transactions, Continued**  
**For the Year Ended June 30, 2010**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2009	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2010
<b>REVENUE BONDS:</b>							
<b>Governmental Activities</b>							
Gas Tax	1998A	4.70-5.00	06/01/1998	\$ 451,585	\$ -	\$ 83,515	\$ 368,070
"	2005A	3.15-3.75	03/17/2005	455,103	-	106,523	348,580
<b>Total Revenue Bonds: Governmental Activities</b>				<u>906,688</u>	<u>-</u>	<u>190,038</u>	<u>716,650</u>
<b>Business-type Activities</b>							
Water	2000A	5.00-5.50	03/15/2000	2,036,223	(1,642,693)	374,530	19,000
"	2004A	4.50- 5.00	05/06/2004	3,353,087	-	870,950	2,482,137
"	2004B	4.00-5.00	05/06/2004	20,237,975	-	2,362,300	17,875,675
"	2006A	4.125-5.00	09/21/2006	38,753,268	-	2,870,588	35,882,680
"	2006B	4.00-5.00	09/21/2006	15,587,441	-	1,853,007	13,734,434
"	2008A	4.00-5.00	08/07/2008	55,225,197	-	3,672,319	51,552,878
"	2010A	2.50-5.00	02/11/2010	-	47,168,385	-	47,168,385
Golf	LOC	4.98-5.26	01/10/2003	374,662	-	144,369	230,293
Sewage Disposal	2003A	3.70-5.25	04/03/2003	17,104,950	-	2,354,138	14,750,812
"	2004A	4.00-5.00	11/30/2004	62,365,563	-	6,789,975	55,575,588
"	2004B	5.00	11/30/2004	30,989,400	-	4,403,150	26,586,250
"	2005A	5.00	06/16/2005	76,287,250	-	7,242,500	69,044,750
"	2006A	4.50-5.00	05/25/2006	102,703,875	-	7,833,494	94,870,381
"	2006B	4.50-5.00	05/25/2006	52,972,200	-	3,995,175	48,977,025
"	2007A	5.00	03/08/2007	30,226,000	-	8,031,000	22,195,000
"	2008A	4.25-5.00	04/21/2008	188,498,150	-	15,682,175	172,815,975
"	2008B	5.00	04/21/2008	133,515,250	-	9,744,500	123,770,750
Hydroelectric Power	2006	5.523	04/05/2006	3,818,602	-	881,057	2,937,545
Parking Facilities	2001A	4.00-4.25	08/15/2001	248,938	-	111,375	137,563
<b>Total Revenue Bonds: Business-type Activities</b>				<u>834,298,031</u>	<u>45,525,692</u>	<u>79,216,602</u>	<u>800,607,121</u>
<b>TOTAL REVENUE BONDS</b>				<u>835,204,719</u>	<u>45,525,692</u>	<u>79,406,640</u>	<u>801,323,771</u>
<b>TOTAL BONDED DEBT INTEREST PRIMARY GOVERNMENT</b>				<u>1,595,240,323</u>	<u>79,616,278</u>	<u>132,517,639</u>	<u>1,542,338,962</u>
<b>Fiduciary Funds</b>							
Allocation of Limited Tax Pension Obligation	1999C	7.420-7.701	11/01/1999	154,601	-	13,160	141,441
"	1999C	7.93	11/01/1999	478,015	-	-	478,015
"	1999D&E	*	11/01/1999	104,047	-	15,604	88,443
<b>Total Fiduciary Funds</b>				<u>736,663</u>	<u>-</u>	<u>28,764</u>	<u>707,899</u>
<b>TOTAL BONDED DEBT INTEREST</b>				<u>\$ 1,595,976,986</u>	<u>\$ 79,616,278</u>	<u>\$ 132,546,403</u>	<u>\$ 1,543,046,861</u>

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

\*\* debt was paid off in fiscal year 2008

City of Portland, Oregon  
 Schedule of Future Bond Principal Requirements  
 June 30, 2010

Fiscal Year Ending	General Obligation Bonds				Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Revenue Bonds			Subtotal Bonded Debt	Fiduciary Fund	Total Bonded Debt
	Water	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total			
2011	\$ 1,590,000	\$ 3,685,000	\$ 2,510,000	\$ 7,785,000	\$ 3,505,000	\$ 20,140,000	\$ 20,887,591	\$ 7,165,922	\$ 28,053,513	\$ 580,000	\$ 70,865,000	\$ 71,445,000	\$ 130,928,513	\$ 15,342	\$ 130,943,855
2012	-	3,835,000	2,585,000	6,420,000	3,505,000	21,150,000	22,430,139	7,871,910	30,302,049	600,000	73,789,000	74,389,000	135,766,049	18,009	135,784,058
2013	-	3,985,000	2,655,000	6,640,000	1,350,000	22,320,000	23,873,984	8,612,894	32,486,878	630,000	77,392,000	78,022,000	140,818,878	20,893	140,839,771
2014	-	4,145,000	2,725,000	6,870,000	1,310,000	23,580,000	24,705,261	9,438,874	34,144,135	650,000	79,905,000	80,555,000	146,459,135	23,997	146,483,132
2015	-	4,310,000	2,795,000	7,105,000	1,145,000	24,795,000	26,733,146	10,330,858	37,064,004	680,000	83,905,000	84,585,000	154,694,004	27,362	154,721,366
2016	-	-	2,880,000	2,880,000	-	26,100,000	28,923,065	11,289,842	40,212,907	695,000	90,290,000	90,985,000	160,177,907	31,034	160,208,941
2017	-	-	2,985,000	2,985,000	8,720,000	27,520,000	29,250,407	10,284,822	39,535,229	220,000	94,205,000	94,425,000	173,185,229	34,968	173,220,197
2018	-	-	3,115,000	3,115,000	-	29,035,000	30,543,400	8,942,802	32,486,202	240,000	97,910,000	98,150,000	162,786,202	39,252	162,825,454
2019	-	-	3,245,000	3,245,000	-	33,945,000	35,574,310	9,777,824	33,352,134	-	102,125,000	102,125,000	172,667,134	43,841	172,710,975
2020	-	-	1,660,000	1,660,000	5,885,000	32,480,000	26,114,505	10,689,133	36,803,638	-	106,240,000	106,240,000	183,068,638	48,841	183,117,479
2021	-	-	1,730,000	1,730,000	-	17,360,000	29,427,686	11,763,498	41,191,184	-	111,735,000	111,735,000	172,016,184	55,066	172,071,250
2022	-	-	1,800,000	1,800,000	-	18,335,000	32,831,925	12,958,373	45,790,298	-	108,740,000	108,740,000	174,665,298	61,875	174,727,173
2023	-	-	1,875,000	1,875,000	8,055,000	19,325,000	13,231,220	5,482,780	18,714,000	-	114,040,000	114,040,000	162,000,000	11,094	162,020,094
2024	-	-	1,980,000	1,980,000	-	19,480,000	13,459,427	3,270,242	16,729,669	-	51,085,000	51,085,000	89,274,669	10,675	89,285,344
2025	-	-	1,025,000	1,025,000	-	4,685,000	13,714,476	1,409,881	15,124,357	-	48,705,000	48,705,000	69,539,357	10,271	69,549,628
2026	-	-	1,070,000	1,070,000	-	2,390,000	13,250,794	1,356,480	14,607,274	-	37,950,000	37,950,000	56,017,274	9,882	56,027,156
2027	-	-	1,120,000	1,120,000	19,680,000	2,500,000	13,538,563	1,305,134	14,843,697	-	39,725,000	39,725,000	77,868,697	9,508	77,878,205
2028	-	-	1,175,000	1,175,000	-	2,625,000	13,862,881	1,255,858	15,118,739	-	41,580,000	41,580,000	60,498,739	9,149	60,507,888
2029	-	-	-	-	-	2,755,000	13,412,942	1,208,275	14,621,217	-	43,515,000	43,515,000	60,891,217	8,803	60,900,020
2030	-	-	-	-	9,950,000	2,885,000	10,095,000	-	10,095,000	-	45,525,000	45,525,000	68,455,000	-	68,455,000
2031	-	-	-	-	-	-	610,000	-	610,000	-	47,615,000	47,615,000	48,225,000	-	48,225,000
2032	-	-	-	-	-	-	640,000	-	640,000	-	31,475,000	31,475,000	32,115,000	-	32,115,000
2033	-	-	-	-	-	-	665,000	-	665,000	-	28,305,000	28,305,000	28,970,000	-	28,970,000
2034	-	-	-	-	-	-	700,000	-	700,000	-	9,710,000	9,710,000	10,410,000	-	10,410,000
2035	-	-	-	-	-	-	690,000	-	690,000	-	4,625,000	4,625,000	5,315,000	-	5,315,000
2036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Principal</b>	<b>\$ 1,590,000</b>	<b>\$ 19,960,000</b>	<b>\$ 38,930,000</b>	<b>\$ 60,480,000</b>	<b>\$ 63,105,000</b>	<b>\$ 353,405,000</b>	<b>\$ 420,165,722</b>	<b>\$ 134,415,402</b>	<b>\$ 554,581,124</b>	<b>\$ 4,295,000</b>	<b>\$ 1,640,956,000</b>	<b>\$ 1,645,251,000</b>	<b>\$ 2,676,822,124</b>	<b>\$ 489,862</b>	<b>\$ 2,677,311,986</b>

Fiscal Year Ending	2011	2012	2013	2014	2015	2016-2020	2021-2025	2026-2030	2031-2035	2036-2040					
	\$ 1,590,000	\$ 3,685,000	\$ 2,510,000	\$ 7,785,000	\$ 3,505,000	\$ 20,140,000	\$ 20,887,591	\$ 7,165,922	\$ 28,053,513	\$ 580,000	\$ 70,865,000	\$ 71,445,000	\$ 130,928,513	\$ 15,342	\$ 130,943,855
	-	3,835,000	2,585,000	6,420,000	3,505,000	21,150,000	22,430,139	7,871,910	30,302,049	600,000	73,789,000	74,389,000	135,766,049	18,009	135,784,058
	-	3,985,000	2,655,000	6,640,000	1,350,000	22,320,000	23,873,984	8,612,894	32,486,878	630,000	77,392,000	78,022,000	140,818,878	20,893	140,839,771
	-	4,145,000	2,725,000	6,870,000	1,310,000	23,580,000	24,705,261	9,438,874	34,144,135	650,000	79,905,000	80,555,000	146,459,135	23,997	146,483,132
	-	4,310,000	2,795,000	7,105,000	1,145,000	24,795,000	26,733,146	10,330,858	37,064,004	680,000	83,905,000	84,585,000	154,694,004	27,362	154,721,366
	-	-	13,885,000	13,885,000	14,605,000	149,080,000	131,405,687	50,984,423	182,390,110	1,155,000	490,770,000	491,925,000	851,885,110	197,936	852,083,046
	-	-	8,410,000	8,410,000	8,055,000	79,185,000	102,664,734	34,884,774	137,549,508	-	434,305,000	434,305,000	667,504,508	148,981	667,653,489
	-	-	3,365,000	3,365,000	29,630,000	13,155,000	64,160,180	5,125,747	69,285,927	-	208,295,000	208,295,000	323,730,927	37,342	323,768,269
	-	-	-	-	-	-	3,305,000	-	3,305,000	-	121,730,000	121,730,000	125,035,000	-	125,035,000
	<b>\$ 1,590,000</b>	<b>\$ 19,960,000</b>	<b>\$ 38,930,000</b>	<b>\$ 60,480,000</b>	<b>\$ 63,105,000</b>	<b>\$ 353,405,000</b>	<b>\$ 420,165,722</b>	<b>\$ 134,415,402</b>	<b>\$ 554,581,124</b>	<b>\$ 4,295,000</b>	<b>\$ 1,640,956,000</b>	<b>\$ 1,645,251,000</b>	<b>\$ 2,676,822,124</b>	<b>\$ 489,862</b>	<b>\$ 2,677,311,986</b>

**City of Portland, Oregon**  
**Schedule of Future Bond Interest Requirements**  
**June 30, 2010**

Fiscal Year Ending	General Obligation Bonds				Limited Tax Improvement	Urban Renewal and Redevelopment	Limited Tax and Limited Tax Revenue			Revenue Bonds			Subtotal Bonded Debt	Fiduciary Fund	Total Bonded Debt
	Water	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total			
2011	\$ 27,030	\$ 798,400	\$ 1,468,809	\$ 2,294,239	\$ 2,756,391	\$ 19,003,175	\$ 21,418,482	\$ 7,326,255	\$ 28,744,737	\$ 170,377	\$ 79,347,213	\$ 79,517,590	\$ 132,316,132	\$ 27,923	\$ 132,344,055
2012	-	651,000	1,393,508	2,044,508	2,576,730	17,979,178	20,645,208	6,977,548	27,622,756	149,628	75,167,645	75,317,273	125,540,445	27,009	125,567,454
2013	-	497,600	1,315,177	1,812,777	2,458,030	16,813,389	19,837,025	6,605,206	26,442,231	127,577	71,556,364	71,683,941	119,210,368	25,937	119,236,305
2014	-	338,200	1,251,040	1,589,240	2,431,030	15,565,789	19,017,457	6,151,340	25,168,797	103,863	67,703,619	67,807,482	112,562,338	24,694	112,587,032
2015	-	172,400	1,174,696	1,347,096	2,391,730	14,341,940	18,086,856	5,649,650	23,736,506	78,643	63,720,958	63,799,601	105,616,873	23,266	105,640,139
2016	-	-	1,080,572	1,080,572	2,357,380	13,043,108	17,198,750	5,097,804	22,296,554	51,562	59,542,819	59,594,381	98,371,995	21,638	98,393,633
2017	-	-	968,896	968,896	2,357,380	11,615,415	16,182,183	4,489,888	20,672,071	23,000	55,034,868	55,057,868	90,671,630	19,792	90,691,422
2018	-	-	851,321	851,321	1,921,380	10,104,210	14,885,183	3,904,818	18,790,001	12,000	50,386,244	50,398,244	82,065,156	17,711	82,082,867
2019	-	-	726,721	726,721	1,921,380	8,508,494	13,747,793	3,383,263	17,131,056	-	44,381,657	44,381,657	72,669,308	15,376	72,684,684
2020	-	-	595,736	595,736	1,921,380	6,661,143	12,594,060	2,790,713	15,384,773	-	39,377,990	39,377,990	63,941,022	12,767	63,953,789
2021	-	-	527,275	527,275	1,744,831	4,982,654	10,235,709	2,041,983	12,277,692	-	34,218,349	34,218,349	53,750,801	9,006	53,759,807
2022	-	-	453,774	453,774	1,744,829	4,016,366	7,887,194	1,213,561	9,100,755	-	30,338,182	30,338,182	45,653,906	4,765	45,658,671
2023	-	-	376,168	376,168	1,744,831	3,022,584	29,146,664	8,287,555	37,434,219	-	25,077,937	25,077,937	67,655,739	58,213	67,713,952
2024	-	-	294,612	294,612	1,394,437	1,964,801	30,121,270	8,500,472	38,621,742	-	19,483,982	19,483,982	61,820,977	61,403	61,820,977
2025	-	-	208,013	208,013	1,394,438	876,734	31,117,969	8,879,616	39,997,585	-	17,128,943	17,128,943	59,605,713	64,691	59,670,404
2026	-	-	159,837	159,837	1,394,437	642,484	32,126,126	9,344,593	41,470,719	-	15,106,396	15,106,396	58,773,873	68,079	58,841,952
2027	-	-	109,013	109,013	1,394,438	527,740	33,185,251	9,823,118	43,008,369	-	13,316,718	13,316,718	58,356,278	71,565	58,427,843
2028	-	-	55,812	55,812	410,437	402,740	34,275,529	10,318,769	44,594,298	-	11,465,032	11,465,032	56,928,319	75,176	57,003,495
2029	-	-	-	-	410,438	275,112	35,384,677	10,828,357	46,213,034	-	9,521,968	9,521,968	56,420,552	78,888	56,499,440
2030	-	-	-	-	410,437	144,250	680,611	-	680,611	-	7,520,001	7,520,001	8,755,299	-	8,755,299
2031	-	-	-	-	-	164,170	164,170	-	164,170	-	5,425,237	5,425,237	5,589,407	-	5,589,407
2032	-	-	-	-	-	-	133,865	-	133,865	-	3,228,318	3,228,318	3,362,183	-	3,362,183
2033	-	-	-	-	-	-	102,075	-	102,075	-	1,849,693	1,849,693	1,951,768	-	1,951,768
2034	-	-	-	-	-	-	69,035	-	69,035	-	510,425	510,425	579,460	-	579,460
2035	-	-	-	-	-	-	34,260	-	34,260	-	196,563	196,563	230,823	-	230,823
<b>Total Interest</b>	<b>\$ 27,030</b>	<b>\$ 2,457,600</b>	<b>\$ 13,010,980</b>	<b>\$ 15,495,610</b>	<b>\$ 35,136,364</b>	<b>\$ 150,491,306</b>	<b>\$ 418,277,402</b>	<b>\$ 121,614,509</b>	<b>\$ 539,891,911</b>	<b>\$ 716,650</b>	<b>\$ 800,607,121</b>	<b>\$ 801,323,771</b>	<b>\$ 1,542,338,962</b>	<b>\$ 707,899</b>	<b>\$ 1,543,046,861</b>

2011	\$ 27,030	\$ 798,400	\$ 1,468,809	\$ 2,294,239	\$ 2,756,391	\$ 19,003,175	\$ 21,418,482	\$ 7,326,255	\$ 28,744,737	\$ 170,377	\$ 79,347,213	\$ 79,517,590	\$ 132,316,132	\$ 27,923	\$ 132,344,055
2012	-	651,000	1,393,508	2,044,508	2,576,730	17,979,178	20,645,208	6,977,548	27,622,756	149,628	75,167,645	75,317,273	125,540,445	27,009	125,567,454
2013	-	497,600	1,315,177	1,812,777	2,458,030	16,813,389	19,837,025	6,605,206	26,442,231	127,577	71,556,364	71,683,941	119,210,368	25,937	119,236,305
2014	-	338,200	1,251,040	1,589,240	2,431,030	15,565,789	19,017,457	6,151,340	25,168,797	103,863	67,703,619	67,807,482	112,562,338	24,694	112,587,032
2015	-	172,400	1,174,696	1,347,096	2,391,730	14,341,940	18,086,856	5,649,650	23,736,506	78,643	63,720,958	63,799,601	105,616,873	23,266	105,640,139
2016-2020	-	-	4,223,246	4,223,246	10,478,900	49,932,370	74,607,969	19,666,486	94,274,455	86,562	248,723,578	248,810,140	407,719,111	87,284	407,806,395
2021-2025	-	-	1,859,842	1,859,842	8,023,366	14,863,139	108,508,806	28,923,187	137,431,993	-	126,247,393	126,247,393	288,425,733	198,078	288,623,811
2026-2030	-	-	324,662	324,662	4,020,187	1,992,326	135,652,194	40,314,837	175,967,031	-	56,930,115	56,930,115	239,234,321	293,708	239,528,029
2031-2035	-	-	-	-	-	-	503,405	-	503,405	-	11,210,236	11,210,236	11,713,641	-	11,713,641
2036-2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 27,030</b>	<b>\$ 2,457,600</b>	<b>\$ 13,010,980</b>	<b>\$ 15,495,610</b>	<b>\$ 35,136,364</b>	<b>\$ 150,491,306</b>	<b>\$ 418,277,402</b>	<b>\$ 121,614,509</b>	<b>\$ 539,891,911</b>	<b>\$ 716,650</b>	<b>\$ 800,607,121</b>	<b>\$ 801,323,771</b>	<b>\$ 1,542,338,962</b>	<b>\$ 707,899</b>	<b>\$ 1,543,046,861</b>

City of Portland, Oregon  
Schedule of Property Tax Transactions and Outstanding Balances  
For the Year Ended June 30, 2010

Tax Year	Balance Receivable, July 1, 2009	Add Levy as Extended by Assessor	(Deduct) Discounts	Add Interest	(Deduct) Collections	Add (Deduct) Corrections and Adjustments	Balance Receivable, June 30, 2010
2009-10		\$ 436,249,475	\$ (10,648,865)	\$ 114,410	\$ (407,939,510)	\$ (1,803,917)	\$ 15,971,593
2008-09	\$ 16,613,408	-	-	318,559	(10,127,559)	(745,225)	6,059,183
2007-08	5,249,231	-	-	248,223	(2,457,135)	(228,030)	2,812,289
2006-07	2,076,771	-	-	174,038	(991,064)	(113,924)	1,145,821
2005-06	851,876	-	-	120,078	(809,009)	(11,802)	151,143
2004-05	164,596	-	-	6,076	(71,570)	5,131	104,233
2003-04	118,419	-	-	(1,926)	(38,166)	(1,999)	76,328
2002-03	214,686	-	-	(7,489)	(10,238)	4,362	201,321
2001-02	(60,389)	-	-	3,397	(10,239)	(1,709)	(68,940)
2000-01 & Prior	143,164	-	-	5,738	(13,279)	(936)	134,687
	<u>\$ 25,371,762</u>	<u>\$ 436,249,475</u>	<u>\$ (10,648,865)</u>	<u>\$ 981,104</u>	<u>\$ (422,467,769)</u>	<u>\$ (2,898,049)</u>	<u>\$ 26,587,658</u>

Summary by Fund and Fund Type:

General Fund	\$ 296,289,020	\$ 18,871,533
Special Revenue Funds:		
Parks Local Option Levy	146,088	149,737
Children's Investment	13,482,912	701,555
Subtotal	<u>13,629,000</u>	<u>851,292</u>
Debt Service Funds:		
River District URA* Debt Redemption	27,717,466	1,608,254
Bonded Debt Interest and Sinking	9,247,273	580,099
Waterfront Renewal Bond Sinking	10,443,467	757,519
Interstate Corridor Debt Service	11,868,580	691,878
South Park Block Redemption	7,293,855	487,399
Airport Way Debt Service	5,453,468	356,618
Lents Town Center URA* Debt Redemption	9,027,290	532,754
Central Eastside Industrial District Debt Service	5,646,340	336,144
Convention Center Area Debt Service	10,743,463	693,791
North Macadam URA Debt Redemption	11,425,479	610,792
Gateway URA Debt Redemption	2,898,951	166,305
Willamette Industrial URA* Debt Service	784,117	43,280
Subtotal	<u>112,549,749</u>	<u>6,864,833</u>
Total	<u>\$422,467,769</u>	<u>\$26,587,658</u>

	Collections	Changes in Property Taxes Subject to Accrual at June 30	Lodging Tax and Other	GAAP Basis Financial Statements
Reconciliation to tax revenues per GAAP basis financial statements:				
General Fund	\$ 296,289,020	\$ 400,043	\$ 14,925,249	\$ 311,614,312
Special Revenue Funds:				
Parks Local Option Levy	146,088	(2,826)	-	143,262
Children's Investment	13,482,912	156,831	-	13,639,743
Convention and Tourism	-	-	2,287,477	2,287,477
Subtotal	<u>13,629,000</u>	<u>154,005</u>	<u>2,287,477</u>	<u>16,070,482</u>
Debt Service Funds:				
River District URA* Debt Redemption	27,717,466	89,081	-	27,806,547
Bonded Debt Interest and Sinking	9,247,273	23,630	-	9,270,903
Waterfront Renewal Bond Sinking	10,443,467	8,200	-	10,451,667
Interstate Corridor Debt Service	11,868,580	34,400	-	11,902,980
South Park Block Redemption	7,293,855	2,329	-	7,296,184
Airport Way Debt Service	5,453,468	11,905	-	5,465,373
Lents Town Center URA* Debt Redemption	9,027,290	23,354	-	9,050,644
Central Eastside Industrial District Debt Service	5,646,340	14,421	-	5,660,761
Convention Center Area Debt Service	10,743,463	8,791	-	10,752,254
North Macadam URA Debt Redemption	11,425,479	48,006	-	11,473,485
Gateway URA Debt Redemption	2,898,951	7,410	-	2,906,361
Willamette Industrial URA* Debt Service	784,117	1,938	-	786,055
Subtotal	<u>112,549,749</u>	<u>273,465</u>	<u>-</u>	<u>112,823,214</u>
Total	<u>\$ 422,467,769</u>	<u>\$ 827,513</u>	<u>\$ 17,212,726</u>	<u>\$ 440,508,008</u>

**City of Portland, Oregon**  
**Schedule of Property Taxes Receivable by Levy Year by Fund**  
**For the Year Ended June 30, 2010**

Tax Year	Total	Special Revenue Funds			Debt Service Funds											
		General	Parks Local Option Levy	Children's Investment	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Renewal Bond Sinking	Interstate Corridor Urban Renewal	South Park Block Redemption	Airport Way	Lents Town Center Urban Renewal	Central Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal	Willamette Industrial Urban Renewal
2009-10	\$ 15,971,593	\$ 11,159,072	\$ -	\$ 546,995	\$ 1,035,291	\$ 350,317	\$ 401,907	\$ 442,946	\$ 280,394	\$ 217,673	\$ 334,103	\$ 210,460	\$ 427,829	\$ 429,496	\$ 105,742	\$ 29,368
2008-09	6,059,183	4,501,651	-	8,699	355,321	123,898	166,963	156,983	123,767	73,482	119,699	76,554	178,567	125,141	37,541	10,917
2007-08	2,812,289	1,954,517	94,904	95,397	144,748	54,553	105,751	65,171	53,165	39,167	52,696	32,701	52,228	49,018	15,548	2,725
2006-07	1,145,821	810,235	38,876	38,183	57,517	25,145	45,816	22,239	23,645	16,190	19,621	13,871	23,302	5,253	5,658	270
2005-06	151,143	107,793	7,154	3,398	7,042	3,239	5,368	2,603	3,177	2,077	2,693	2,012	3,170	739	678	-
2004-05	104,233	74,467	4,588	4,482	3,473	1,179	4,498	1,339	2,172	2,041	1,551	1,295	2,130	602	416	-
2003-04	76,328	39,190	4,215	4,401	2,243	15,072	3,292	677	1,576	1,582	989	936	1,575	328	252	-
2002-03	201,321	158,642	-	-	4,827	6,015	9,704	1,398	4,645	5,039	2,385	2,792	4,563	841	470	-
2001-02	(68,940)	(51,751)	-	-	(2,051)	(2,010)	(4,060)	(383)	(2,119)	(2,049)	(946)	(1,398)	(2,071)	(102)	-	-
2000-01 & Prior	134,687	117,717	-	-	(157)	2,691	18,280	(1,095)	(3,023)	1,416	(37)	(3,079)	2,498	(524)	-	-
<b>Total</b>	<b>\$ 26,587,658</b>	<b>\$ 18,871,533</b>	<b>\$ 149,737</b>	<b>\$ 701,555</b>	<b>\$ 1,608,254</b>	<b>\$ 580,099</b>	<b>\$ 757,519</b>	<b>\$ 691,878</b>	<b>\$ 487,399</b>	<b>\$ 356,618</b>	<b>\$ 532,754</b>	<b>\$ 336,144</b>	<b>\$ 693,791</b>	<b>\$ 610,792</b>	<b>\$ 166,305</b>	<b>\$ 43,280</b>

**City of Portland, Oregon**  
**Schedule of Property Taxes Collected by Levy Year by Fund**  
**For the Year Ended June 30, 2010**

Tax Year	Total	Special Revenue Funds			Debt Service Funds												
		General	Parks Local Option Levy	Children's Investment	River District Urban Renewal	Bonded Debt Interest & Sinking	Waterfront Renewal Bond Sinking	Interstate Corridor Urban Renewal	South Park Block Redemption	Airport Way	Lents Town Center Urban Renewal	Central Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal	Willamette Industrial Urban Renewal	
2009-10	\$ 407,939,510	\$ 285,657,298	\$ -	\$ 13,332,143	\$ 26,907,894	\$ 8,948,727	\$ 9,994,383	\$ 11,515,040	\$ 7,002,793	\$ 5,265,225	\$ 8,745,242	\$ 5,466,799	\$ 10,367,115	\$ 11,163,620	\$ 2,810,018	\$ 763,213	
2008-09	10,127,559	7,535,693	-	-	598,254	206,793	275,461	264,510	204,111	122,425	205,298	128,161	290,967	210,683	66,906	18,297	
2007-08	2,457,135	1,706,177	82,844	85,486	126,351	47,621	92,305	56,888	46,406	34,186	45,999	28,544	45,589	42,788	13,572	2,379	
2006-07	991,064	699,612	33,571	34,660	48,706	21,712	40,810	18,832	20,593	14,489	16,615	11,749	20,248	4,448	4,791	228	
2005-06	809,009	581,906	26,470	27,316	32,253	19,101	34,145	11,932	16,915	14,234	12,295	9,302	16,631	3,286	3,223	-	
2004-05	71,570	52,147	2,151	2,220	2,345	1,670	3,072	916	1,501	1,396	1,061	897	1,475	427	292	-	
2003-04	38,166	28,483	1,052	1,087	1,103	788	1,656	344	803	794	495	479	789	169	124	-	
2002-03	10,238	8,053	-	-	256	250	510	74	245	264	127	148	241	45	25	-	
2001-02	10,239	8,081	-	-	231	320	518	44	250	279	106	157	242	11	-	-	
2000-01 & Prior	13,279	11,570	-	-	73	291	607	-	238	176	52	104	166	2	-	-	
<b>Total</b>	<b>\$ 422,467,769</b>	<b>\$ 296,289,020</b>	<b>\$ 146,088</b>	<b>\$ 13,482,912</b>	<b>\$ 27,717,466</b>	<b>\$ 9,247,273</b>	<b>\$ 10,443,467</b>	<b>\$ 11,868,580</b>	<b>\$ 7,293,855</b>	<b>\$ 5,453,468</b>	<b>\$ 9,027,290</b>	<b>\$ 5,646,340</b>	<b>\$ 10,743,463</b>	<b>\$ 11,425,479</b>	<b>\$ 2,898,951</b>	<b>\$ 784,117</b>	



PIONEER SQUARE FOUNTAIN

# STATISTICAL SECTION

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STATISTICAL SECTION

## STATISTICAL SECTION

This part of the City of Portland's comprehensive financial annual report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. This section contains the following tables and information:

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	274
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	279
These schedules contain information to help the reader assess the City's most significant local revenue sources; personal income tax, property tax, and business income tax.	
<b>Debt Capacity</b>	285
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	295
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	297
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented Governmental Accounting Standards Board Statement No. 34 in 2002; therefore, schedules presenting government-wide information include information beginning in that year.

**City of Portland, Oregon**  
**Net Assets by Component**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(accrual basis of accounting)**

	Fiscal Year								
	2010	2009 <sup>2</sup>	2008	2007	2006	2005	2004	2003	2002
<b>Governmental activities:</b>									
Invested in capital assets, net of related debt	\$ 2,123,435,196	\$ 2,175,464,133	\$ 2,253,119,111	\$ 2,309,556,618	\$ 2,358,468,902	\$ 2,224,370,896	\$ 2,276,806,195	\$ 2,309,821,737	\$ 2,406,449,504
Restricted	183,204,776	159,973,612	177,255,997	162,581,357	92,280,515	49,610,773	49,785,785	45,915,790	40,928,166
Unrestricted	<u>(1,686,820,664)</u>	<u>(1,551,207,748)</u>	<u>(1,401,339,786)</u>	<u>(1,286,157,817)</u>	<u>(1,151,782,192)</u>	<u>(849,583,790)</u>	<u>(788,474,651)</u>	<u>(752,063,038)</u>	<u>(659,665,783)</u>
Total governmental activities net assets	<u>\$ 619,819,308</u>	<u>\$ 784,229,997</u>	<u>\$ 1,029,035,322</u>	<u>\$ 1,185,980,158</u>	<u>\$ 1,298,967,225</u>	<u>\$ 1,424,397,879</u>	<u>\$ 1,538,117,329</u>	<u>\$ 1,603,674,489</u>	<u>\$ 1,787,711,887</u>
<b>Business-type activities:</b>									
Invested in capital assets, net of related debt	\$ 1,563,020,091	\$ 1,456,673,267	\$ 1,456,877,706	\$ 1,338,436,369	\$ 1,289,618,615	\$ 1,159,942,274	\$ 1,129,632,905	\$ 1,051,237,590	\$ 982,133,524
Restricted	110,697,822	19,033,446	18,819,068	11,087,158	10,407,271	11,482,805	11,108,557	10,516,820	10,941,581
Unrestricted	<u>30,210,742</u>	<u>161,146,338</u>	<u>97,018,347</u>	<u>148,627,828</u>	<u>100,607,343</u>	<u>111,605,718</u>	<u>96,351,491</u>	<u>102,496,586</u>	<u>103,497,202</u>
Total business-type activities net assets	<u>\$ 1,703,928,655</u>	<u>\$ 1,636,853,051</u>	<u>\$ 1,572,715,121</u>	<u>\$ 1,498,151,355</u>	<u>\$ 1,400,633,229</u>	<u>\$ 1,283,030,797</u>	<u>\$ 1,237,092,953</u>	<u>\$ 1,164,250,996</u>	<u>\$ 1,096,572,307</u>
<b>Primary government:</b>									
Invested in capital assets, net of related debt	\$ 3,686,455,287	\$ 3,632,137,400	\$ 3,709,996,817	\$ 3,647,992,987	\$ 3,648,087,517	\$ 3,384,313,170	\$ 3,406,439,100	\$ 3,361,059,327	\$ 3,388,583,028
Restricted	293,902,598	179,007,058	196,075,065	173,668,515	102,687,786	61,093,578	60,894,342	56,432,610	51,869,747
Unrestricted	<u>(1,656,609,922)</u>	<u>(1,390,061,410)</u>	<u>(1,304,321,439)</u>	<u>(1,137,529,989)</u>	<u>(1,051,174,849)</u>	<u>(737,978,072)</u>	<u>(692,123,160)</u>	<u>(649,566,452)</u>	<u>(556,168,581)</u>
Total primary government net assets	<u>\$ 2,323,747,963</u>	<u>\$ 2,421,083,048</u>	<u>\$ 2,601,750,443</u>	<u>\$ 2,684,131,513</u>	<u>\$ 2,699,600,454</u>	<u>\$ 2,707,428,676</u>	<u>\$ 2,775,210,282</u>	<u>\$ 2,767,925,485</u>	<u>\$ 2,884,284,194</u>

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

<sup>2</sup> Data as restated

**City of Portland, Oregon**  
**Changes in Net Assets**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(accrual basis of accounting)**

	Fiscal Year								
	2010	2009 <sup>2</sup>	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>									
<b>Governmental activities:</b>									
Public safety	\$ 444,705,167	\$ 452,067,911	\$ 398,379,565	\$ 424,132,995	\$ 402,791,253	\$ 367,555,695	\$ 323,540,069	\$ 314,634,618	\$ 260,264,724
Parks, recreation and culture	70,745,599	79,614,221	72,274,388	64,904,551	56,277,014	53,128,816	52,785,697	49,043,321	4,992,413
Community development	204,410,103	131,261,667	130,997,139	127,758,450	117,247,997	114,225,541	82,717,602	95,315,852	88,823,066
Transportation and metered parking	276,185,628	248,914,860	241,780,135	242,619,027	232,391,159	220,406,789	215,372,390	223,259,730	215,288,305
Legislative/Admin/Support services	92,190,425	178,268,571	174,636,727	160,332,687	174,658,640	122,993,533	103,897,971	140,187,742	87,831,529
Environmental services	326,089	-	-	-	-	-	-	-	-
Water	157,563	-	-	-	-	-	-	-	-
Interest on long-term debt	44,629,763	50,010,337	52,748,138	48,494,915	46,733,850	39,790,431	46,218,942	42,280,402	50,425,689
<b>Total governmental activities expenses</b>	<b>1,133,350,337</b>	<b>1,140,137,567</b>	<b>1,070,816,092</b>	<b>1,068,242,625</b>	<b>1,030,099,913</b>	<b>918,100,805</b>	<b>824,532,671</b>	<b>864,721,665</b>	<b>707,625,726</b>
<b>Business-type activities:</b>									
Environmental services	184,036,412	188,969,781	185,767,974	188,465,656	141,320,525	161,920,527	131,818,242	135,883,241	147,421,274
Water	101,965,612	98,707,471	94,367,153	86,345,164	78,612,800	78,010,156	77,212,445	67,074,325	75,719,077
Hydroelectric power	2,112,254	2,458,249	2,343,333	2,366,679	4,309,732	2,845,958	3,088,163	3,365,244	3,218,424
Parking facilities	9,372,080	9,764,605	7,923,477	7,317,105	7,343,850	7,780,324	7,029,560	8,834,101	9,428,828
Golf	8,023,884	8,603,692	7,358,537	5,842,717	6,024,174	5,746,381	5,876,808	6,176,184	5,808,633
Motor sports	1,830,052	1,811,021	1,941,127	1,837,708	1,382,360	1,450,819	1,440,085	1,214,176	1,225,131
Spectator facilities	8,175,758	8,698,111	8,004,713	7,079,419	6,955,608	9,391,042	7,461,866	7,765,174	9,321,956
<b>Total business-type activities expenses</b>	<b>315,516,052</b>	<b>319,012,930</b>	<b>307,706,314</b>	<b>299,254,448</b>	<b>245,949,049</b>	<b>267,145,207</b>	<b>233,927,169</b>	<b>230,312,445</b>	<b>252,143,323</b>
<b>Total primary government expenses</b>	<b>\$ 1,448,866,389</b>	<b>\$ 1,459,150,497</b>	<b>\$ 1,378,522,406</b>	<b>\$ 1,367,497,073</b>	<b>\$ 1,276,048,962</b>	<b>\$ 1,185,246,012</b>	<b>\$ 1,058,459,840</b>	<b>\$ 1,095,034,110</b>	<b>959,769,049</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									\$
<b>Fees, fines and charges for services:</b>									
Public safety	\$ 11,350,111	\$ 29,183,131	\$ 25,855,028	\$ 28,840,004	\$ 21,428,149	\$ 20,791,106	\$ 19,125,680	\$ 16,333,077	14,701,234
Parks, recreation and culture	18,109,058	28,955,330	24,041,781	21,743,457	19,681,284	21,391,325	18,322,726	16,777,565	18,909,377
Community development	46,285,869	45,989,635	59,843,519	85,597,802	78,013,694	51,192,021	46,409,485	63,829,252	48,998,164
Transportation and metered parking	60,397,143	71,206,830	68,101,536	149,780,434	131,036,479	124,134,875	101,969,665	108,277,452	100,385,517
Legislative/Admin/Support services	168,785,605	194,127,883	183,505,065	208,408,276	188,468,633	172,150,325	164,797,915	135,462,360	136,112,153
Operating grants and contributions	136,693,542	30,899,130	95,594,872	32,974,212	52,126,898	52,304,455	36,436,606	24,024,541	27,849,940
Capital grants and contributions	77,921,901	61,307,882	24,337,254	27,953,173	43,561,907	3,337,595	4,671,989	22,012,781	20,577,462
<b>Total governmental activities program revenues</b>	<b>519,543,229</b>	<b>461,669,821</b>	<b>481,279,055</b>	<b>555,297,358</b>	<b>534,317,044</b>	<b>445,301,702</b>	<b>391,734,066</b>	<b>386,717,028</b>	<b>367,533,847</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
Environmental services	239,960,866	237,136,104	228,089,453	245,630,949	210,973,349	196,236,601	181,436,335	168,624,493	1,165,677,556
Water	112,702,102	101,728,593	96,645,344	93,988,988	90,506,041	81,868,923	92,113,473	86,695,443	82,593,123
Hydroelectric power	3,617,879	3,363,647	3,525,956	3,677,559	4,312,950	4,642,528	4,553,359	4,541,628	3,918,689
Parking facilities	11,316,355	10,708,326	12,033,569	11,792,583	11,174,857	9,819,459	9,275,009	9,615,447	10,536,010
Golf	7,754,612	8,388,970	7,157,913	6,654,847	6,152,162	5,793,855	6,035,269	5,960,115	6,038,985

Continued next page

**City of Portland, Oregon**  
**Changes in Net Assets**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(accrual basis of accounting)**

	Fiscal Year								
	2010	2009 <sup>2</sup>	2008	2007	2006	2005	2004	2003	2002
Motor sports	1,875,497	1,922,096	1,650,541	2,140,723	1,778,963	1,637,836	1,464,644	1,391,478	1,260,648
Spectator facilities	8,846,051	9,000,391	8,401,058	7,002,481	6,846,642	6,977,926	6,585,475	7,441,080	8,716,051
Operating grants	-	-	801,397	3,306,831	-	3,431,790	4,316,805	1,579,598	499,128
Capital grants and contributions	954,259	1,998,768	12,385,699	5,423,653	6,188,992	1,240,018	2,859,149	12,449,239	6,152,249
<b>Total business-type activities program revenues</b>	<b>387,027,621</b>	<b>374,246,895</b>	<b>370,690,930</b>	<b>379,618,614</b>	<b>337,933,956</b>	<b>311,648,936</b>	<b>308,639,518</b>	<b>298,298,521</b>	<b>1,285,392,439</b>
<b>Total primary government program revenues</b>	<b>\$ 906,570,850</b>	<b>\$ 835,916,716</b>	<b>\$ 851,969,985</b>	<b>\$ 934,915,972</b>	<b>\$ 872,251,000</b>	<b>\$ 756,950,638</b>	<b>\$ 700,373,584</b>	<b>\$ 685,015,549</b>	<b>\$ 1,652,926,286</b>
<b>Net Expense/(Revenue)</b>									
Governmental activities	(613,807,108)	(678,467,746)	(589,537,037)	(512,945,267)	(495,782,869)	(472,799,103)	(432,798,605)	(478,004,637)	(340,091,879)
Business-type activities	71,511,569	55,233,965	62,984,616	80,364,166	91,984,907	44,503,729	74,712,349	67,986,076	1,033,249,116
<b>Total primary government net expense</b>	<b>\$ (542,295,539)</b>	<b>\$ (623,233,781)</b>	<b>\$ (526,552,421)</b>	<b>\$ (432,581,101)</b>	<b>\$ (403,797,962)</b>	<b>\$ (428,295,374)</b>	<b>\$ (358,086,256)</b>	<b>\$ (410,018,561)</b>	<b>\$ 693,157,237</b>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Taxes									
Property taxes	\$ 421,211,270	\$ 388,147,722	\$ 384,423,685	\$ 354,572,143	\$ 334,965,727	\$ 320,933,919	\$ 314,666,579	\$ 274,757,776	\$ 261,205,959
Lodging taxes	16,511,907	23,571,670	19,647,497	17,526,682	15,963,890	14,170,141	13,324,822	12,828,007	12,490,238
Investment earnings	6,104,945	18,518,024	25,699,774	23,795,988	16,484,142	9,105,038	3,905,760	8,778,862	13,689,665
Gain (loss) on sale of capital assets	-	-	-	1,060,179	-	-	(5,220,885)	416,949	94,280
Gain (loss) on sale of property held for resale	-	-	-	-	-	-	2,404,881	(701,748)	-
Transfers	5,568,297	3,425,005	2,821,245	2,972,910	2,938,456	3,930,251	3,379,035	3,827,236	1,821,223
Transfers of capital assets	-	-	-	-	-	(1,238,946)	-	-	-
<b>Total governmental activities</b>	<b>449,396,419</b>	<b>433,662,421</b>	<b>432,592,201</b>	<b>399,927,902</b>	<b>370,352,215</b>	<b>346,900,403</b>	<b>332,460,192</b>	<b>299,907,082</b>	<b>289,301,365</b>
Business-type activities:									
Investment earnings	1,132,332	12,328,970	14,400,395	20,126,870	9,004,698	5,364,366	1,508,643	3,475,088	7,581,810
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	44,761	(1,373,267)
Transfers	(5,568,297)	(3,425,005)	(2,821,245)	(2,972,910)	(2,938,456)	(3,930,251)	(3,379,035)	(3,827,236)	(1,821,223)
<b>Total business-type activities</b>	<b>(4,435,965)</b>	<b>8,903,965</b>	<b>11,579,150</b>	<b>17,153,960</b>	<b>6,066,242</b>	<b>1,434,115</b>	<b>(1,870,392)</b>	<b>(307,387)</b>	<b>4,387,320</b>
<b>Total primary government</b>	<b>\$ 444,960,454</b>	<b>\$ 442,566,386</b>	<b>\$ 444,171,351</b>	<b>\$ 417,081,862</b>	<b>\$ 376,418,457</b>	<b>\$ 348,334,518</b>	<b>\$ 330,589,800</b>	<b>\$ 299,599,695</b>	<b>\$ 293,688,685</b>
<b>Change in Net Assets</b>									
Governmental activities	(164,410,689)	(244,805,325)	(156,944,836)	(113,017,365)	(125,430,654)	(125,898,700)	(100,338,413)	(178,097,555)	(50,790,514)
Business-type activities	67,075,604	64,137,930	74,563,766	97,518,126	98,051,149	45,937,844	72,841,957	67,678,689	1,037,636,436
<b>Total primary government change in net assets</b>	<b>\$ (97,335,085)</b>	<b>\$ (180,667,395)</b>	<b>\$ (82,381,070)</b>	<b>\$ (15,499,239)</b>	<b>\$ (27,379,505)</b>	<b>\$ (79,960,856)</b>	<b>\$ (27,496,456)</b>	<b>\$ (110,418,866)</b>	<b>\$ 986,845,922</b>

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

<sup>2</sup> Data as restated

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

	Fiscal Year									
	2010	2009 <sup>1</sup>	2008	2007	2006	2005	2004	2003	2002	2001
<b>General Fund</b>										
Reserved	\$	\$ -	\$ -	\$ -	\$ -	446,016	415,012	363,791	394,421	378,566
Unreserved	91,872,408	133,755,426	130,939,791	131,326,813	119,280,600	93,496,556	67,621,138	57,280,147	51,408,719	49,638,129
Total general fund	<u>91,872,408</u>	<u>133,755,426</u>	<u>130,939,791</u>	<u>131,326,813</u>	<u>119,280,600</u>	<u>93,942,572</u>	<u>68,036,150</u>	<u>57,643,938</u>	<u>51,803,140</u>	<u>50,016,695</u>
<b>All other governmental funds</b>										
Reserved	15,819,740	24,940,060	98,997,913	83,975,043	92,280,515	33,281,111	32,712,627	46,505,523	51,102,945	2,404,244
Unreserved, reported in:										
Major fund:										
Transportation Operating fund	10,449,909	10,596,286	21,065,188	22,568,566	16,773,455	15,433,232	21,364,777	19,291,967	17,298,673	13,779,799
Nonmajor funds:										
Special revenue funds	(12,163,792)	8,976,573	30,633,551	31,967,456	28,858,030	55,217,802	27,429,976	15,733,772	18,510,278	18,025,860
Debt service funds	62,208,494	43,489,029	77,416	73,427	64,986	-	-	-	-	43,873,723
Capital projects funds	5,295,880	6,407,173	5,596,855	5,566,240	4,272,949	20,552,392	20,031,625	9,161,335	2,007,911	6,947,584
Permanent fund	-	-	-	-	-	-	-	-	15,309	-
Total all other governmental funds	<u>81,610,231</u>	<u>94,409,121</u>	<u>156,370,923</u>	<u>144,150,732</u>	<u>142,249,935</u>	<u>124,484,537</u>	<u>101,539,005</u>	<u>90,692,597</u>	<u>88,935,116</u>	<u>85,031,210</u>
Total governmental funds	<u>\$ 173,482,640</u>	<u>\$ 228,164,547</u>	<u>\$ 287,310,714</u>	<u>\$ 275,477,545</u>	<u>\$ 261,530,535</u>	<u>\$ 218,427,109</u>	<u>\$ 169,575,155</u>	<u>\$ 148,336,535</u>	<u>\$ 140,738,256</u>	<u>\$ 135,047,905</u>

<sup>1</sup>Data as restated

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Revenues</b>										
Taxes	\$ 439,807,189	\$ 404,648,934	\$ 400,907,347	\$ 371,089,320	\$ 350,920,250	\$ 335,755,929	\$ 327,756,515	\$ 288,081,693	\$ 272,960,152	\$ 262,622,004
Licenses and permits	163,524,368	172,412,165	185,733,671	177,594,267	163,336,697	150,908,460	148,667,397	123,526,404	110,601,433	111,630,087
Intergovernmental	179,137,795	112,420,936	130,480,681	165,818,945	163,146,678	143,173,781	124,107,397	95,712,179	105,780,685	104,363,373
Charges for services	118,727,478	127,059,236	158,624,745	163,790,312	136,456,915	115,929,942	109,038,347	114,479,729	105,696,768	97,811,640
Loan collections	5,504,941	8,042,680	6,616,117	1,962,568	2,717,027	2,672,429	3,238,821	6,478,903	7,983,230	7,687,282
Assessments	17,859,689	10,494,525	11,486,471	8,815,857	9,999,245	8,355,490	10,014,016	12,776,748	15,157,386	13,101,515
Investment earnings	5,940,419	14,150,878	19,196,940	18,038,418	12,612,043	7,079,381	3,841,779	6,666,051	9,582,997	16,089,702
Miscellaneous	17,599,825	18,691,693	23,933,782	16,182,024	16,872,660	22,270,616	14,524,582	12,556,519	19,513,770	25,132,351
<b>Total revenues</b>	<b>948,101,704</b>	<b>867,921,047</b>	<b>936,979,754</b>	<b>923,291,711</b>	<b>856,061,515</b>	<b>786,146,028</b>	<b>741,188,854</b>	<b>660,278,226</b>	<b>647,276,421</b>	<b>638,437,954</b>
<b>Expenditures</b>										
<b>Current:</b>										
Public safety	381,431,467	365,837,451	344,018,244	326,329,377	312,268,173	296,457,985	286,455,438	262,993,986	259,413,556	253,107,290
Parks, recreation and culture	65,421,722	66,513,218	69,553,194	70,774,053	59,611,313	57,749,953	55,784,784	46,699,998	47,413,683	46,810,213
Community development	216,256,817	130,498,875	135,558,800	129,505,227	115,384,409	111,498,804	97,229,024	105,187,740	93,045,144	383,966,626
Transportation and metered parking	133,225,382	106,859,618	104,537,362	99,925,003	92,553,766	83,957,866	80,890,199	89,673,943	84,254,784	87,864,128
Legislative/Admin/Support services	71,214,023	183,391,043	182,562,975	170,658,268	167,238,732	109,982,848	93,920,882	131,298,588	79,794,887	45,683,452
Environmental services	326,089	-	-	-	-	-	-	-	-	-
Water	157,563	-	-	-	-	-	-	-	-	-
<b>Debt service and related costs:</b>										
Principal	71,726,634	102,210,897	109,078,563	132,458,884	61,837,018	91,863,588	92,283,953	77,882,862	49,302,719	71,066,839
Interest	37,280,438	41,451,139	44,139,283	44,837,099	37,815,058	35,207,044	36,437,263	38,412,139	38,361,985	41,834,095
Debt issuance costs	1,355,153	1,063,423	909,132	714,354	1,275,799	1,693,682	-	-	-	-
<b>Capital outlay</b>	<b>102,014,291</b>	<b>60,394,581</b>	<b>79,737,850</b>	<b>101,688,256</b>	<b>85,419,896</b>	<b>68,216,783</b>	<b>46,874,625</b>	<b>41,656,553</b>	<b>45,442,400</b>	<b>50,157,179</b>
<b>Total expenditures</b>	<b>1,080,409,579</b>	<b>1,058,220,245</b>	<b>1,070,095,403</b>	<b>1,076,890,521</b>	<b>933,404,164</b>	<b>856,628,553</b>	<b>789,876,168</b>	<b>793,805,809</b>	<b>697,029,158</b>	<b>980,489,822</b>
<b>Revenues over (under) expenditures</b>	<b>(132,307,875)</b>	<b>(190,299,198)</b>	<b>(133,115,649)</b>	<b>(153,598,810)</b>	<b>(77,342,649)</b>	<b>(70,482,525)</b>	<b>(48,687,314)</b>	<b>(133,527,583)</b>	<b>(49,752,737)</b>	<b>(342,051,868)</b>
<b>Other financing sources (uses)</b>										
Transfers in	119,996,827	64,381,992	84,829,128	116,693,537	88,865,311	50,639,434	70,920,342	55,584,851	50,150,206	58,474,528
Transfers out	(142,667,821)	(73,645,578)	(93,054,958)	(119,714,976)	(90,802,370)	(59,221,158)	(75,479,205)	(56,037,768)	(55,332,855)	(61,816,733)
Proceeds from sale of capital assets	32,993	1,409,800	175,000	-	80,851	17,865	-	216,573	94,280	-
Proceeds from sale of property held for resale	-	-	-	-	-	-	-	-	-	-
Bonds and notes issued	157,041,092	160,941,346	151,109,500	168,558,626	165,062,633	112,904,951	69,919,066	198,421,014	77,961,513	340,869,096
Bonds and note premium	3,118,769	1,390,471	198,553	1,519,900	2,974,854	1,521,458	1,002,630	4,639,809	203,692	-
Bonds and note discounts	(73,870)	-	-	-	-	-	-	-	-	-
Loan proceeds	3,421,000	1,540,000	1,600,000	376,192	1,824,000	5,565,000	3,067,000	-	120,000	935,000
Payments to refunded bond escrow agent	(63,243,022)	(24,865,000)	-	-	(47,568,215)	(4,293,832)	-	(62,134,933)	(28,505,000)	(13,567,096)
Change in inventory held for resale	-	-	-	-	-	-	(1,510,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>77,625,968</b>	<b>131,153,031</b>	<b>144,857,223</b>	<b>167,433,279</b>	<b>120,437,064</b>	<b>107,133,718</b>	<b>69,705,564</b>	<b>147,097,798</b>	<b>44,691,836</b>	<b>324,894,795</b>
<b>Net change in fund balances</b>	<b>\$ (54,681,907)</b>	<b>\$ (59,146,167)</b>	<b>\$ 11,741,574</b>	<b>\$ 13,834,469</b>	<b>\$ 43,094,415</b>	<b>\$ 36,651,193</b>	<b>\$ 21,018,250</b>	<b>\$ 13,570,215</b>	<b>\$ (5,060,901)</b>	<b>\$ (17,157,073)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>11.1%</b>	<b>14.4%</b>	<b>15.5%</b>	<b>18.2%</b>	<b>11.8%</b>	<b>16.1%</b>	<b>17.3%</b>	<b>15.5%</b>	<b>13.5%</b>	<b>12.1%</b>

**City of Portland, Oregon**  
**Program Revenues by Function**  
**Last Nine Fiscal Years <sup>1</sup>**  
**(accrual basis of accounting)**

Function	Fiscal Year								
	2010	2009 <sup>2</sup>	2008	2007	2006	2005	2004	2003	2002
<b>Governmental activities:</b>									
Public safety	\$ 36,579,628	\$ 37,618,789	\$ 36,040,408	\$ 40,094,279	\$ 35,679,723	\$ 33,043,577	\$ 25,125,871	\$ 21,225,170	\$ 20,683,304
Parks, recreation and culture	30,052,917	33,900,730	28,139,754	33,303,087	20,097,069	21,721,963	22,091,777	20,592,780	19,532,032
Community development	77,715,883	65,551,272	82,395,639	107,075,872	103,148,200	77,761,925	58,307,773	79,910,037	69,990,804
Transportation and metered parking	181,040,220	128,348,190	135,732,608	166,338,862	152,929,983	136,063,241	121,266,594	129,331,544	120,981,575
Legislative/Admin/Support services	192,800,377	196,250,840	198,970,646	208,485,258	222,462,069	176,710,996	164,942,051	135,657,497	136,346,132
Environmental services	1,239,419	-	-	-	-	-	-	-	-
Water	114,785	-	-	-	-	-	-	-	-
Subtotal governmental activities	<u>519,543,229</u>	<u>461,669,821</u>	<u>481,279,055</u>	<u>555,297,358</u>	<u>534,317,044</u>	<u>445,301,702</u>	<u>391,734,066</u>	<u>386,717,028</u>	<u>367,533,847</u>
<b>Business-type activities:</b>									
Environmental services	240,915,125	239,134,872	233,741,504	250,011,948	216,030,473	200,557,147	186,427,924	172,181,539	171,177,163
Water	112,702,102	101,728,593	104,180,389	98,335,604	91,635,821	82,220,185	94,297,838	97,167,234	83,687,294
Hydroelectric power	3,617,879	3,363,647	3,525,956	3,677,559	4,312,950	4,642,528	4,553,359	4,541,628	3,918,689
Parking facilities	11,316,355	10,708,326	12,033,569	11,795,452	11,174,857	9,819,459	9,275,009	9,615,447	10,536,010
Golf	7,754,612	8,388,970	7,157,913	6,654,847	6,154,250	5,793,855	6,035,269	5,960,115	6,038,985
Motor sports	1,875,497	1,922,096	1,650,541	2,140,723	1,778,963	1,637,836	1,464,644	1,391,478	1,318,247
Spectator facilities	8,846,051	9,000,391	8,401,058	7,002,481	6,846,642	6,977,926	6,585,475	7,441,080	8,716,051
Subtotal business-type activities	<u>387,027,621</u>	<u>374,246,895</u>	<u>370,690,930</u>	<u>379,618,614</u>	<u>337,933,956</u>	<u>311,648,936</u>	<u>308,639,518</u>	<u>298,298,521</u>	<u>\$ 285,392,439</u>
Total primary government	<u>\$ 906,570,850</u>	<u>\$ 835,916,716</u>	<u>\$ 851,969,985</u>	<u>\$ 934,915,972</u>	<u>\$ 872,251,000</u>	<u>\$ 756,950,638</u>	<u>\$ 700,373,584</u>	<u>\$ 685,015,549</u>	<u>\$ 652,926,286</u>

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

<sup>2</sup> Data as restated

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

<u>Year</u>	<u>Property Taxes</u>	<u>Lodging Taxes</u>	<u>Other Taxes</u>	<u>Total Taxes</u>
2010	\$ 423,295,282	\$ 16,511,907	\$ 700,819	\$ 440,508,008
2009	381,077,264	23,571,670	758,737	405,407,671
2008	381,259,850	19,647,497	1,434,002	402,341,349
2007	353,562,638	17,526,682	1,259,198	372,348,518
2006	334,956,360	15,963,890	1,533,219	352,453,469
2005	321,585,788	14,170,141	821,501	336,577,430
2004	313,770,748	13,324,822	660,945	327,756,515
2003	274,419,237	12,828,007	834,449	288,081,693
2002	259,468,436	12,490,238	1,001,478	272,960,152
2001	399,709,222	13,382,959	860,267	413,952,448

**Source:** Division of Assessment and Taxation for Multnomah, Clackamas and Washington counties

**City of Portland, Oregon**  
**Assessed Valuation and Actual Values of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value	Taxable Assessed Value as a Percentage of Real Market Value
2010	\$ 53,968,684,354	\$ 2,672,884,402	\$ 2,774,409,873	\$ 43,786,711,136	7.81	\$ 89,022,110,363	49.19 %
2009	38,366,569,140	2,121,944,986	1,912,975,520	42,358,278,975	7.82	90,358,444,241	46.88
2008	36,475,200,791	2,105,142,882	2,081,423,119	40,661,766,792	7.90	84,290,979,378	48.24
2007	34,531,977,558	2,019,176,636	2,123,147,916	38,674,302,110	7.82	72,903,687,505	53.05
2006	33,300,593,343	1,889,115,863	1,987,779,685	37,177,488,891	7.92	65,309,180,486	56.93
2005	31,994,461,788	1,919,543,665	2,212,150,087	36,126,155,540	7.98	58,806,347,394	61.43
2004	30,826,976,948	2,054,301,986	2,121,291,127	35,002,570,061	8.19	55,492,382,935	63.08
2003	29,482,653,044	2,267,808,782	2,387,871,826	34,138,333,652	6.97	52,662,700,989	64.82
2002	28,379,516,573	2,286,625,438	2,664,949,976	33,331,091,987	6.72	50,355,904,812	66.19
2001	27,157,156,799	2,177,764,956	2,551,073,757	31,885,995,512	6.90	46,323,764,398	68.83

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

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

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

Fiscal Year	City of Portland				Overlapping Rates						
	General	Special Revenue	Debt Service	Total	Multnomah County	Education Districts	Urban Renewal PDC <sup>1</sup>	Port of Portland	Metropolitan Service District	Tri-Met	Total
2010	\$ 7.21	\$ 0.40	\$ 0.19	\$ 7.81	\$ 5.38	\$ 7.62	\$ 0.30	\$ 0.07	\$ 0.41	\$ 0.09	\$ 21.68
2009	7.20	0.40	0.22	7.82	5.40	7.62	0.31	0.07	0.44	0.09	21.75
2008	6.92	0.79	0.19	7.90	5.42	7.49	0.34	0.07	0.43	0.09	21.74
2007	6.81	0.80	0.21	7.82	5.30	6.23	0.36	0.07	0.28	0.10	20.16
2006	6.90	0.80	0.22	7.92	5.31	5.72	0.38	0.07	0.28	0.12	19.80
2005	6.96	0.80	0.22	7.98	5.28	8.15	0.39	0.07	0.28	0.11	22.26
2004	7.20	0.80	0.19	8.19	5.27	8.09	0.40	0.07	0.29	0.11	22.42
2003	6.77	N/A	0.20	6.97	5.17	8.17	0.42	0.07	0.28	0.12	21.20
2002	6.47	N/A	0.25	6.72	5.21	7.98	0.38	0.07	0.32	0.14	20.82
2001	6.64	N/A	0.26	6.90	5.30	7.83	0.38	0.07	0.34	0.13	20.95

**Source:** Multnomah County Division of Assessment and Taxation

**N/A:** Data not available

<sup>1</sup>Portland Development Commission: Includes taxes collected on the urban renewal special levy imposed citywide.

**City of Portland, Oregon  
Principal Property Taxpayers  
Current Year and Ten Years Ago  
(Unaudited)**

Taxpayer	2010			2001		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 442,177,000	1	0.81 %	\$ -		%
Portland General Electric Co.	363,871,000	2	0.67	201,256,575	3	0.63
Comcast Corporation	318,952,000	3	0.58			
PacifiCorp (PP&L)	304,218,000	4	0.56	223,046,400	2	0.70
Qwest Wireless	238,573,000	5	0.44	420,747,886	1	1.32
Weston Investment Co LLC	231,687,000	6	0.42			
Verizon Wireless VAW LLC	190,329,000	7	0.35			
Boeing Co.	186,428,000	8	0.34			
Oregon Steel Mills, Inc.	179,207,000	9	0.33			
Northwest Natural Gas Company	171,291,000	10	0.31			
Alaska Airlines				153,957,000	5	0.48
United Airlines, Inc				194,913,326	4	0.61
Delta Airlines				146,382,000	6	0.46
Fred Meyer, Inc (The Kroger Company)				125,169,719	7	0.39
One Eleven Tower, LLC				116,260,920	8	0.36
Freightliner, LLC (Daimler Chrysler)				114,533,962	9	0.36
Glimcher Lloyd Venture LLC				109,297,720	10	0.34
<b>Total</b>	<b>\$ 2,626,733,000</b>		<b>4.82 %</b>	<b>\$ 1,805,565,508</b>		<b>5.66 %</b>
<b>Total assessed valuation</b>	<b>\$54,549,303,000</b>			<b>\$ 31,885,995,512</b>		

**Source:** Tax Supervising & Conservation Commission Annual Report 2009-10

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

Fiscal Year Ended June 30	Tax Levy for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 436,246,475	\$ 407,939,510	93.51 %	\$ -	\$ 407,939,510	93.51 %
2009	397,821,681	368,922,355	92.74	10,127,559	379,049,914	95.28
2008	394,491,508	369,478,250	93.66	10,465,120	379,943,370	96.31
2007	363,073,424	341,570,207	94.08	10,599,307	352,169,514	97.00
2006	346,053,142	324,530,783	93.78	11,193,160	335,723,943	97.02
2005	333,043,855	310,716,109	93.30	11,005,870	321,721,979	96.60
2004	324,373,722	303,118,079	93.45	10,490,952	313,609,031	96.68
2003	283,977,674	264,478,216	93.13	10,448,857	274,927,073	96.81
2002	267,740,485	249,631,465	93.24	8,545,264	258,176,729	96.43
2001	257,864,993	240,735,484	93.36	9,736,596	250,472,080	97.13

**Sources:** Divisions of Assessment and Taxation for Multnomah, Clackamas and Washington counties

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

<sup>1</sup>Total tax levy includes special levies for urban renewal projects.

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Governmental activities</b>										
Capitalized lease obligations	\$ -	\$ -	\$ -	\$ -	\$ 472,083	\$ 808,220	\$ 1,111,355	\$ 1,482,970	\$ 1,775,370	\$ **
General obligation bonds	58,890,000	66,820,000	56,770,000	61,770,000	66,580,000	71,220,000	75,460,000	65,290,000	68,840,000	71,885,000
Limited tax improvement bonds	63,105,000	44,260,000	49,460,000	55,250,000	15,795,000	19,355,000	23,770,000	29,650,000	11,500,000	16,210,000
Urban renewal and redevelopment bonds	353,405,000	334,445,000	308,330,000	271,730,000	284,595,000	295,645,000	273,075,000	285,060,000	256,634,371	239,576,646
Limited tax and limited tax revenue bonds	420,165,722	422,137,316	439,919,759	426,681,483	416,340,215	425,870,215	448,630,215	476,586,230	444,195,215	452,810,649
Revenue bonds	4,295,000	4,865,000	5,415,000	5,940,000	6,450,000	6,935,000	7,120,000	12,060,512	12,440,512	8,255,000
Notes, loan, and line of credit payable	183,116,127	194,129,708	169,416,794	155,161,651	141,934,922	57,138,759	34,113,729	20,465,090	56,218,810	N/A
Total governmental activities	899,860,722	1,066,657,024	1,029,311,553	976,533,134	932,167,220	876,972,194	863,280,299	890,594,802	851,604,278	788,737,295
<b>Business-type activities</b>										
Capitalized lease obligations	-	84,772	139,129	562,456	1,167,271	1,776,810	2,517,418	3,398,507	4,279,001	5,238,450
General obligation bonds	1,590,000	3,135,000	4,630,000	6,080,000	7,485,000	7,542,155	9,624,399	11,416,606	30,103,780	35,975,897
Limited tax and limited tax revenue bonds	134,415,413	140,815,546	146,888,088	149,854,242	153,801,017	156,891,017	147,831,017	150,411,017	152,751,017	148,831,630
Revenue bonds	1,640,956,000	1,640,114,000	1,618,758,000	1,410,071,000	1,404,041,000	1,182,447,000	1,073,105,102	1,046,001,435	876,508,102	902,153,102
Notes and loans payable	182,355,327	20,034,963	21,145,029	21,355,431	13,060,750	2,415,499	554,504	25,579,204	6,959,768	N/A
Total business-type activities	1,776,961,413	1,804,184,281	1,791,560,246	1,587,923,129	1,579,555,038	1,351,072,481	1,233,632,440	1,236,806,769	1,070,601,668	1,092,199,079
<b>Total primary government</b>	<b>\$ 2,676,822,135</b>	<b>\$ 2,870,841,305</b>	<b>\$ 2,820,871,799</b>	<b>\$ 2,564,456,263</b>	<b>\$ 2,511,722,258</b>	<b>\$ 2,228,044,675</b>	<b>\$ 2,096,912,739</b>	<b>\$ 2,127,401,571</b>	<b>\$ 1,922,205,946</b>	<b>\$ 1,880,936,374</b>
Percentage of personal income	N/A*	3.31%	3.24%	3.26%	3.44%	3.21%	3.15%	3.28%	3.01%	3.02%
Per capita	\$ 4,598	\$ 4,985	\$ 4,963	\$ 4,557	\$ 4,514	\$ 4,047	\$ 3,847	\$ 3,953	\$ 3,585	\$ 3,538

Source: Bureau of Financial Services

N/A: Data not available for this fiscal year.

\*\* Information not available by activity type

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

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2010	\$ 58,890,000	\$ 43,786,711,136	0.13 %	\$ 101
2009	66,820,000	42,358,278,975	0.16	116
2008	56,770,000	40,661,766,792	0.14	100
2007	61,770,000	38,674,302,110	0.16	110
2006	66,580,000	37,177,488,891	0.18	120
2005	71,220,000	36,126,155,540	0.20	129
2004	75,460,000	35,002,570,061	0.22	138
2003	65,290,000	34,138,333,652	0.19	121
2002	68,848,780	33,331,091,987	0.21	128
2001	71,885,000	31,885,995,512	0.23	135

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

Business Type Activities				
Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2010	\$ 1,590,000	\$ 43,786,711,136	0.00 %	\$ 3
2009	3,135,000	42,358,278,975	0.01	5
2008	4,630,000	40,661,766,792	0.01	8
2007	6,080,000	38,674,302,110	0.02	11
2006	7,485,000	37,177,488,891	0.02	13
2005	7,540,000	36,126,155,540	0.02	14
2004	7,640,000	35,002,570,061	0.02	14

**Note:** Represents general obligation bonded debt issued for Water infrastructure

**City of Portland, Oregon**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2009**  
**(Unaudited)**

Jurisdiction	Net Property Tax Backed Debt	Percentage within City of Portland	Amount Applicable to City of Portland
CLACKAMAS COMMUNITY COLLEGE	\$ 34,840,000	0.21%	\$ 72,641
CLACKAMAS COUNTY	79,370,000	0.25%	199,298
CLACKAMAS COUNTY SD* 7J (LAKE OSWEGO)	114,290,796	0.02%	26,744
CLACKAMAS COUNTY SD 12 (NORTH CLACKAMAS)	381,755,538	0.55%	2,117,216
COLUMBIA COUNTY SCHOOL DISTRICT 1J (SCAPPOOSE)	33,300,000	6.06%	2,017,081
EAST MULTNOMAH SOIL & WATER CONSERVATION DISTRICT	905,000	81.25%	735,336
METRO	158,533,356	42.77%	67,810,106
MT HOOD COMMUNITY COLLEGE	16,730,000	39.62%	6,627,740
MULTNOMAH COUNTY	104,685,000	84.45%	88,408,576
MULTNOMAH COUNTY SCHOOL DISTRICT 1J (PORTLAND)	480,946,170	97.62%	469,510,713
MULTNOMAH COUNTY SCHOOL DISTRICT 3 (PARKROSE)	5,775,000	98.13%	5,666,748
MULTNOMAH COUNTY SCHOOL DISTRICT 7 (REYNOLDS)	159,326,051	23.01%	36,665,067
MULTNOMAH COUNTY SCHOOL DISTRICT 28J (CENTENNIAL)	33,634,672	53.69%	18,059,061
MULTNOMAH COUNTY SD 40 (DAVID DOUGLAS)	68,660,000	100.00%	68,660,000
MULTNOMAH COUNTY SCHOOL DISTRICT 51J (RIVERDALE)	29,840,095	4.45%	1,327,407
PORTLAND COMMUNITY COLLEGE	224,025,000	46.07%	103,198,236
TRI-MET	27,960,000	42.99%	12,019,025
TUALATIN HILLS PARK & RECREATION DISTRICT	66,935,000	0.02%	13,186
WASHINGTON COUNTY	26,040,000	0.28%	73,146
WASHINGTON COUNTY SD 23J (TIGARD-TUALATIN)	131,892,590	0.10%	133,475
WASHINGTON COUNTY SD 48J (BEAVERTON)	<u>571,660,000</u>	0.30%	<u>1,705,262</u>
Subtotal overlapping debt:	<u>\$ 2,751,104,268</u>		885,046,064
City Direct Debt			<u>3,114,065,726</u>
<b>Total direct and overlapping debt:</b>			<u><b>\$ 3,999,111,790</b></u>

**Note:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The State of Oregon provides overlapping debt data based on real market valuation of properties for each jurisdiction.

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

\*SD - School District

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

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limit	\$ 2,670,663,311	\$ 2,710,753,327	\$ 2,528,729,381	\$ 2,187,110,625	\$ 1,959,275,415	\$ 1,764,190,422	\$ 1,664,771,788	\$ 1,579,881,030	\$ 1,510,677,144	\$ 1,389,712,932
Total net debt applicable to limit	<u>58,206,868</u>	<u>66,332,480</u>	<u>56,270,499</u>	<u>61,050,970</u>	<u>66,007,710</u>	<u>70,890,199</u>	<u>74,903,069</u>	<u>64,397,433</u>	<u>67,865,115</u>	<u>71,378,503</u>
Legal debt margin	<u>\$ 2,612,456,443</u>	<u>\$ 2,644,420,847</u>	<u>\$ 2,472,458,882</u>	<u>\$ 2,126,059,655</u>	<u>\$ 1,893,267,705</u>	<u>\$ 1,693,300,223</u>	<u>\$ 1,589,868,719</u>	<u>\$ 1,515,483,597</u>	<u>\$ 1,442,812,029</u>	<u>\$ 1,318,334,429</u>
Total net debt applicable to the limit as a percentage of debt limit	2.23%	2.51%	2.28%	2.87%	3.49%	4.19%	4.71%	4.25%	4.70%	5.41%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Real market value	<u>\$89,022,110,363</u>
Debt limit (3% of real market value)	<u>2,670,663,311</u>
Debt applicable to limit:	
General obligation bonds	58,890,000
Less: Amount set aside for repayment of general obligation debt	<u>(683,132)</u>
Total net debt applicable to limit	<u>58,206,868</u>
Legal debt margin	<u>\$ 2,612,456,443</u>

**Note:** Oregon Revised Statutes Section 287.004 provides a debt limit of 3% of real market value of all taxable property within City boundaries for general obligation debt.

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

**First Lien Sewer System Revenue Bonds<sup>1</sup>**

Fiscal Year	Gross Revenues <sup>2</sup>	Less: Operating Expenses <sup>2</sup>	Non-Stabilized Net Revenues Available for Debt Service	Net Transfers From (to) Rate Stabilization Fund	Stabilized Net Revenue Available for Debt Service	First Lien Bond Debt Service Requirements			Non-Stabilized Coverage	Stabilized Coverage
						Principal	Interest	Total		
2010	\$ 231,689,729	\$ 87,213,116	\$ 144,476,612	\$ 9,750,000	\$ 154,226,612	\$ 40,050,000	\$ 49,982,294	\$ 90,032,294	1.60	1.71
2009 <sup>3</sup>	231,577,544	84,271,270	147,306,273	10,000,000	157,306,273	35,680,000	54,345,994	90,025,994	1.64	1.75
2008	225,984,310	81,477,760	144,506,550	(16,882,000)	127,624,550	32,300,000	40,042,644	72,342,644	2.00	1.76
2007	247,913,130	79,468,846	168,444,284	(7,000,000)	161,444,284	31,770,000	42,619,653	74,389,653	2.26	2.17
2006	208,771,380	72,220,503	136,550,877	(23,000,000)	113,550,877	26,585,000	35,346,556	61,931,556	2.20	1.83
2005	191,771,991	72,071,539	119,700,452	(6,100,000)	113,600,452	20,605,000	32,841,698	53,446,698	2.24	2.13
2004	180,266,170	69,747,474	110,518,696	(8,825,000)	101,693,696	22,375,000	34,200,633	56,575,633	1.95	1.80
2003	168,857,709	67,339,793	101,517,916	(5,175,000)	96,342,916	23,805,000	37,580,434	61,385,434	1.65	1.57
2002	166,061,738	79,276,359	86,785,379	5,275,000	92,060,379	22,675,000	38,704,111	61,379,111	1.41	1.50
2001	146,245,844	68,562,264	77,683,580	3,975,000	81,658,580	21,565,000	34,928,667	56,493,667	1.38	1.45
								Required	1.00	1.20
								Bureau Goal	1.00	1.50

Source: Bureau of Environmental Services

Notes:  
The revenue stream pledged for debt payment is Sewer fees. See the Notes to the Financial Statements III. H. Long-term debt.- Revenue Bonds for future debt.  
<sup>1</sup>Historical amounts may differ slightly from what has been published in previous Comprehensive Annual Financial Reports as a result of corrections to previous calculations. None of the corrections had a significant impact on final debt service coverages.

<sup>2</sup>Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

<sup>3</sup>Data as restated

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

**Second Lien Sewer System Revenue Bonds<sup>1</sup>**

Fiscal Year	Gross Revenues <sup>2</sup>	Less: Operating Expenses <sup>2</sup>	Non-Stabilized Net Revenues Available for Debt Service	Net Transfers From (to) Rate Stabilization Fund	Stabilized Net Revenue Available for Debt Service	Combined First and Second Lien Bond Debt Service Requirements <sup>3</sup>		Total	Non-Stabilized Coverage	Stabilized Coverage
						Principal	Interest <sup>4</sup>			
2010	\$ 231,689,729	\$ 87,213,116	\$ 144,476,612	\$ 9,750,000	\$ 154,226,612	\$ 52,460,000	\$ 66,076,106	\$ 118,536,106	1.22	1.30
2009 <sup>6</sup>	231,577,544	84,271,270	147,306,273	10,000,000	157,306,273	47,040,000	72,584,279	119,624,279	1.23	1.32
2008	225,984,310	81,477,760	144,506,550	(16,882,000)	127,624,550	42,425,000	52,222,706	94,647,706	1.53	1.35
2007	247,913,130	79,468,846	168,444,284	(7,000,000)	161,444,284	41,190,000	55,523,990	96,713,990	1.74	1.67
2006	208,771,380	72,220,503	136,550,877	(23,000,000)	113,550,877	34,020,000	42,169,809	76,189,809	1.79	1.49
2005	191,771,991	72,071,539	119,700,452	(6,100,000)	113,600,452	27,195,000	39,219,147	66,414,147	1.80	1.71
2004	180,266,170	69,747,474	110,518,696	(8,825,000)	101,693,696	25,730,000	41,846,868	67,576,868	1.64	1.50
								Required	1.00	1.10
								Bureau Goal	1.00	1.30

**Subordinate Lien Sewer System State Revolving Fund Loans<sup>1</sup>**

Fiscal Year	Gross Revenues <sup>2</sup>	Less: Operating Expenses <sup>2</sup>	Non-Stabilized Net Revenues Available for Debt Service	Net Transfers From (to) Rate Stabilization Fund	Stabilized Net Revenue Available for Debt Service	First and Second Lien Bond Debt Service Requirements			Subordinate Lien SRF Loan Debt Service Requirements			135% of Subord. Lien Debt Service	Non-Stabilized Coverage	Stabilized Coverage
						Principal	Interest <sup>5</sup>	Total	Principal	Interest	Total			
2010	\$ 231,689,729	\$ 87,213,116	\$ 144,476,612	\$ 9,750,000	\$ 154,226,612	\$ 52,460,000	\$ 66,076,106	\$ 118,536,106	\$ 1,135,181	\$ 196,530	\$ 1,331,711	\$ 1,797,810	1.20	1.28
2009 <sup>6</sup>	231,577,544	84,271,270	147,306,273	10,000,000	157,306,273	47,040,000	72,584,279	119,624,279	1,107,505	206,085	1,313,590	\$ 1,773,347	1.21	1.30
2008	225,984,310	81,477,760	144,506,550	(16,882,000)	127,624,550	42,425,000	52,148,041	94,573,041	1,074,387	200,533	1,274,920	1,721,142	1.50	1.33
2007	247,913,130	77,550,504	170,362,626	(7,000,000)	163,362,626	41,190,000	55,914,051	97,104,051	89,582	117,702	207,284	279,833	1.75	1.68
2006	208,771,380	72,220,503	136,550,877	(23,000,000)	113,550,877	34,020,000	43,336,274	77,356,274	37,421	4,012	41,433	55,935	1.76	1.47
												Required	none	1.00

Source: Bureau of Environmental Services

**Notes:**

The revenue stream pledged for debt payment is Sewer fees. See the Notes to the Financial Statements III. H. Long-term debt.- Revenue Bonds for future debt.

<sup>1</sup> Historical amounts may differ slightly from what has been published in previous Comprehensive Annual Financial Reports as a result of corrections to previous calculations. None of the corrections had a significant impact on final debt service coverages.

<sup>2</sup> Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

<sup>3</sup> Debt service coverage requirement on second lien revenue bonds is based upon combined debt service of first and second lien bonds.

<sup>4</sup> In computing debt service coverage for the Second Lien Sewer System Revenue Bonds, the interest on second lien variable rate bonds is calculated using the Estimated Average Interest Rate as defined in the Master Second Lien Sewer System Revenue Bond Declaration.

<sup>5</sup> In computing debt service coverage for the Subordinate Lien Sewer System State Revolving Fund Loans, the interest on second lien variable rate bonds is the actual interest payments.

<sup>6</sup> Data as restated

**City of Portland, Oregon**  
**Pledged-Revenue Coverage**  
**First Lien Water System Revenue Bonds**  
**Last Ten Fiscal Years**  
**(unaudited)**  
**(amounts expressed in thousands)**

Fiscal Year Ending June 30th	Gross Revenues (1)	Direct Operating Expenses (1)	Net Revenues Available for Debt Service	First Lien Bond Debt Service Requirements			Debt Service Coverage (x)
				Principal	Interest	Total	
2010	\$113,688	\$66,159	\$47,529	\$9,157	\$8,510	\$17,667	2.69
2009	105,433	64,275	41,158	6,465	8,528	14,993	2.75
2008	103,261	64,430	38,830	6,155	6,112	12,267	3.17
2007	103,268	55,640	47,628	5,760	6,643	12,403	3.84
2006	93,600	50,055	43,545	5,505	7,029	12,534	3.47
2005	85,161	46,180	38,981	6,200	6,857	13,057	2.99
2004	93,815	51,245	42,570	3,275	4,781	8,056	5.28
2003	89,542	44,986	44,556	3,130	4,932	8,062	5.53
2002	83,720	47,352	36,368	2,990	5,074	8,064	4.51
2001	72,061	46,417	25,644	2,390	4,802	7,192	3.57

**Notes:**

The revenue stream pledged for debt payment is Water fees. See the Notes to the Financial Statements III. H. Long-term debt.- Revenue Bonds for future debt.

Other Post-Employment Retirement Benefits (OPEB) cost is included as operating expense. There was no OPEB expense prior to FY 2007-2008.

(1) Amounts in schedule are calculated in accordance with applicable bond ordinances. See OMF Income Stmtnt tab

Source: Portland Water Bureau

**City of Portland, Oregon**  
**Schedule of Revenue Bond Coverage**  
**Second Lien Water System Revenue Bonds**  
**(unaudited)**  
**(amounts expressed in thousands)**

Fiscal Year Ending June 30	Gross Revenues (2)	Direct Operating Expenses (2)	Net Revenues Available for Debt Service	Transfers From (To) Rate Stabilization Account	Stabilized Net Revenue Available for Debt Service	Combined First and Second Lien Bond Debt Service Requirements (1)			Non-Stabilized Coverage (x)	Stabilized Coverage (x) (3)
						Principal	Interest	Total		
2010	\$113,688	\$66,159	\$47,529	(\$7,400)	\$40,129	\$10,190	\$12,027	\$22,217	2.14	1.81
2009	105,433	64,275	41,158	(2,250)	38,908	8,060	11,480	19,540	2.11	1.99
2008	103,261	64,430	38,830	(3,500)	35,330	7,675	9,143	16,818	2.31	2.10
2007	103,268	55,640	47,628	(2,000)	45,628	5,760	8,262	14,022	3.40	3.25

(1) Debt service coverage requirement on Second Lien Water Revenue Bonds is based upon combined debt service of First and Second Lien Bonds.

(2) Amounts in schedule are calculated in accordance with applicable bond ordinances. See OMF Income Stmtnt tab

(3) The Second Lien Rate Stabilization Account was created with the issuance of the 2006 Series A Bonds. There were no Second Lien Bonds prior to FY 2006-07

Notes:

Other Post-Employment Retirement Benefits (OPEB) cost is included as operating expense. There was no OPEB expense prior to FY 2007-2008.

The revenue stream pledged for debt payment is Water fees. See the Notes to the Financial Statements III. H. Long-term debt.- Revenue Bonds for future debt.

Source: Portland Water Bureau

**City of Portland, Oregon**  
**Schedule of Revenue Bond Coverage**  
**Golf Revenue Bonds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Gross Revenues	Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	\$ 7,792,290	\$ 6,757,331	\$ 1,034,959	\$ 663,000	\$ 144,369	1.28
2009	8,420,806	6,954,779	1,466,027	634,000	173,343	1.82
2008	7,278,376	6,263,683	1,014,693	608,000	199,487	1.26 *
2007	6,743,677	4,783,605	1,960,072	585,000	221,893	2.43
2006	6,063,779	4,852,225	1,211,554	566,000	240,910	1.50
2005	5,818,218	4,530,425	1,287,793	550,000	256,805	1.60
2004	6,129,052	5,080,627	1,048,425	536,333	270,160	1.30
2003	6,059,802	5,258,173	801,629	-	71,295	11.24
2002	6,074,698	4,857,765	1,216,933	-	141,770	8.58
2001	6,390,691	4,870,621	1,520,070	341,000	265,226	2.51

**Source:** Portland Parks and Recreation

**Notes:**

Operating expenses do not include interest, depreciation, or amortization expenses.

\*FY 2008 operating expenses were \$270k higher than normal due to asset buyout and mid-year contract change at Heron Lakes Golf Club; coverage would have been 1.63

The revenue stream pledged for debt payment is City owned golf course fees. See the Notes to the Financial Statements III. H. Long-term debt.- Revenue Bonds for future debt.

**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			Debt Service Coverage (x)
				Principal	Interest	Total	
2010	\$ 36,827,372	\$ 13,855,313	\$ 22,972,059	\$ 870,000	\$ 111,375	\$ 981,375	23.41
2009	31,024,078	12,785,407	18,238,671	840,000	144,975	984,975	18.52
2008	32,726,244	12,917,662	19,808,582	810,000	177,375	987,375	20.06
2007	31,694,230	11,959,260	19,734,970	775,000	206,438	981,438	20.11
2006	28,637,615	11,955,019	16,682,596	750,000	234,563	984,563	16.94
2005	23,657,222	10,223,375	13,433,847	1,120,000	276,563	1,396,563	9.62
2004	22,242,880	9,696,341	12,546,539	1,415,000	319,013	1,734,013	7.24
2003	22,094,020	10,686,887	11,407,133	1,380,000	360,413	1,740,413	6.55
2002	23,071,404	10,195,005	12,876,399	385,000	233,510	618,510	20.82
2001	15,168,294	3,532,974	11,635,320	910,000	507,061	1,417,061	8.21

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

The revenue stream pledged for debt payment is from City owned parking facilities fees. See the Notes to the Financial Statements III. H. Long-term debt.- Revenue Bonds for future debt.

Source: Parking Facilities

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

Fiscal Year	City of Portland Population <sup>1</sup>	Metropolitan Statistical Area Population <sup>2</sup>	Personal Income (expressed in thousands) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Portland Public Schools Enrollment <sup>3</sup>	Unemployment Rate <sup>4</sup>
2010	582,130	NA	NA	NA	46,596	10.2
2009	575,930	2,241,841	\$ 86,822,197	\$ 38,728	46,046	11.5
2008	568,380	2,207,462	87,052,644	39,436	46,088	4.9
2007	562,690	2,133,775	78,618,336	36,845	46,348	5.1
2006	556,370	2,092,906	73,086,912	34,921	47,008	5.8
2005	550,560	2,059,861	69,328,033	33,657	47,656	8.3
2004	545,140	2,039,111	66,576,262	32,650	48,883	7.8
2003	538,180	2,014,037	64,908,688	32,228	52,969	6.1
2002	536,240	1,977,059	63,933,229	32,338	54,150	4.5
2001	531,600	1,936,294	62,189,975	32,118	54,427	4.3

**NA:** Data not available for this fiscal year

Sources:

- 1 Department of Commerce, Bureau of Economic Analysis
- 2 Portland-Vancouver-Hillsboro OR-WA Metropolitan Statistical Area (MSA) includes Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon, as well as Clark and Skamania Counties in Washington (Calendar year-end figure used for following June 30 fiscal year end.)  
Portland Public Schools, Data and Policy Analysis Fall Membership 2008-09 (final), District Summary - Enrollment
- 3 Summary by Program Type, School and Year 2000-01 through 2008-09  
U.S. Department of Labor, Bureau of Labor Statistics
- 4 Portland-Vancouver-Hillsboro, OR-WA MSA (Calendar year-end figure used for following June 30 fiscal year-end. Prior year figures revised by source as MSA previously reported as PMSA without Skamania County, Washington.)

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

Employer	2010			2001		
	Employees <sup>1</sup>	Rank	Percentage of Total Metropolitan Statistical Area Employment <sup>2</sup>	Employees <sup>4</sup>	Rank	Percentage of Total Metropolitan Statistical Area Employment <sup>2</sup>
State of Oregon	21,900	1	2.08%	6,883	8	0.67%
U.S. Government	19,000	2	1.81%	18,700	1	1.83%
Intel Corporation	15,228	3	1.45%	1,200	12	0.12%
Providence Health System	13,831	5	1.32%	12,800	3	1.25%
Oregon Health and Science University	13,283	6	1.26%	10,100	4	0.99%
Fred Meyer Stores	9,630	4	0.92%	13,325	2	1.30%
Kaiser Foundation Health Plan of the NW	9,204	7	0.88%	7,093	7	0.69%
Legacy Health System	8,250	8	0.79%	7,158	6	0.70%
City of Portland	6,310	9	0.60%	8,302	5	0.81%
NIKE, Inc.	6,000	10	0.57%	2,850	10	0.28%
Multnomah County	5,000	11	0.48%	4,983	9	0.49%
Wells Fargo	5,000	12	0.48%	2,588	11	0.25%
<b>Total</b>	<b>132,636</b>		<b>12.63%</b>	<b>95,982</b>		<b>9.39%</b>
Total MSA <sup>2</sup> employment	1,050,542			1,021,685		

**Sources:**

<sup>1</sup> Portland Business Journal; September 10, 2010

<sup>2</sup> U.S. Department of Labor, Bureau of Labor Statistics and Oregon Employment Department, calendar year end figure used for following June 30 fiscal year end. Portland-Vancouver-Beaverton, Oregon-Washington Metropolitan Survey Area or MSA is defined as Multnomah, Washington, Clackamas, Columbia and Yamhill Counties of Oregon, and Clark and Skamania Counties of Washington State. Prior year figures revised by source as MSA previously reported as Primary Metropolitan Statistical Area.

<sup>3</sup> Oregon Employment Department, Portland Chamber of Commerce, the *Business Journal* and Regional Financial Advisors, Inc (nine years ago)

<sup>4</sup> City of Portland, Oregon Limited Tax Revenue Bonds and pp 25-26 from FY02

**City of Portland, Oregon**  
**Full-Time Equivalent Employees by Function/Program**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(Unaudited)**

Function/Program	Full-time Equivalent Employees as of June 30 <sup>2</sup>								
	2010 <sup>4</sup>	2009 <sup>3</sup>	2008	2007	2006	2005	2004	2003	2002
Public safety	2,168	2,212	2,216	2,190	2,112	2,147	2,101	2,127	2,138
Parks, recreation and culture	427	434	413	408	414	425	423	367	402
Community development	498	562	546	503	474	464	455	462	464
Transportation and metered parking	743	802	788	768	757	770	708	702	702
Legislative/Admin/Support services	839	832	821	834	931	916	740	704	714
Environmental services	528	524	504	484	479	486	474	456	456
Water	627	666	664	658	487	434	557	540	532
Hydroelectric power <sup>5</sup>	3	3	3	3	3	3	3	3	3
<b>Total employees</b>	<b>5,833</b>	<b>6,035</b>	<b>5,955</b>	<b>5,848</b>	<b>5,657</b>	<b>5,645</b>	<b>5,461</b>	<b>5,361</b>	<b>5,411</b>

**Sources:** City of Portland - FY 2009-10 Adopted Budget, Volume 1

<sup>1</sup> Employees by function/program only available beginning in FY 2002 as a result of GASB 34 implementation that year.

<sup>2</sup> A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2088

<sup>3</sup> Amount represents revised year-end estimate as published in the Adopted Budget FY 2008-09

<sup>4</sup> Amount represents revised year-end estimate as published in the Adopted Budget FY 2009-10

<sup>5</sup> Hydroelectric power employees are part of the Water Bureau

**City of Portland, Oregon**  
**Operating Indicators by Function/Program**  
**Last Eight Fiscal Years<sup>1</sup>**  
**(Unaudited)**

Function/Program	Fiscal Year							
	2010 <sup>2</sup>	2009	2008	2007	2006	2005	2004	2003
<b>Public Safety</b>								
Number of crimes (parts 1 and 2)	64,919	70,715	76,377	80,771	87,219	90,285	87,668	84,160
Number of police incidents (dispatched/reported/initiated)	473,789	424,817	444,349	450,729	464,415	458,416	484,964	473,099
Number of fire, medical and other incidents	87,576	67,238	65,721	65,304	61,466	59,696	60,672	58,939
Fire loss per capita, adjusted	\$ 52	\$ 53	\$ 33	\$ 41	\$ 47	\$ 51	\$ 66	\$ 38
Number of calls on emergency 9-1-1 lines	355,963	464,084	486,759	503,842	495,800	549,691	615,966	587,135
Calls per capita, emergency and non-emergency	1	1.0	1.0	1.1	1.1	1.3	1.4	1.4
Disaster exercises conducted	4	4	5	5	5	5	5	na
<b>Parks, Recreation and Culture</b>								
Estimated attendance counts (millions)	6	5	6	6	6	6	6	4
Number of acres maintained (including golf courses and PIR)	10,940	10,795	10,763	10,685	10,613	10,481	10,511	10,425
Number of hours volunteered	460,746	465,353	462,877	461,274	457,307	454,777	440,526	425,623
<b>Community Development</b>								
Construction inspections	131,011	176,626	209,916	217,138	191,347	161,274	173,963	177,276
Building permits	7,410	8,843	10,621	11,437	11,031	10,238	9,590	9,746
Tons of recycling collected (thousands)	600	720	680	645	553	572	570	571
One night shelter count of homeless	4,448	4,187	3,529	3,018	2,840	2,752	2,660	2,526
Adults served in homeless programs	14,524	12,196	10,446	10,622	10,091	10,016	9,783	9,146
<b>Transportation and Parking</b>								
Unimproved Streets (centerline miles) <sup>3</sup>	61	NA	NA	NA	627	597	586	585
Miles resurfaced/sealed/rehabilitated (lane miles) <sup>4</sup>	4,776	38	NA	120	59	79	51	45
Streets swept (curb miles)	40,290	35,386	44,941	45,525	49,482	51,616	50,007	57,861
<b>Legislative/Admin/Support Services</b>								
Litigation cases	2,110	1,975	2,100	2,103	2,074	1,789	1,525	1,350
Number of Audit Services reports issued	12	12	12	12	14	4	7	9
Number of Active Grants - All types	475	328	281	231	264	250	231	186
Percentage availability of all vehicles	1	90%	90%	90%	85%	95%	94%	95%
Number of duplicating work orders completed	22,000	33,000	30,000	37,834	26,845	25,353	29,000	27,719
<b>Environmental Services</b>								
Wastewater treated (billions of gallons)	28	25	29	30	29	27	27	27
Feet of pipe repaired	NA	41,273	46,243	66,071	38,065	37,662	52,255	29,813
Miles of pipe cleaned	220	216	213	190	263	228	266	212
<b>Water</b>								
Population served with water <sup>A</sup>	915,800	884,300	879,900	860,000	801,900	770,241	782,284	786,683
Annual per capita water usage (gallons)	37,600	39,800	40,500	42,000	42,300	40,754	43,607	43,228
Water delivered (billions of gallons)	34	35	35	36	34	33	37	36
<b>Hydroelectric Power</b>								
Power sold to PGE (mwh)	77,570	85,825	103,548	79,412	83,969	65,612	79,488	72,510

**NA: Data not available for this fiscal year**

**Sources:**

*Adopted Budget City of Portland, Oregon, Fiscal Year 2009-10, Volume 1*  
*City of Portland Service Efforts and Accomplishments: 2009-10 (Fiscal year data)*  
*City of Portland, Bureau of Transportation, Asset Status and Condition Report*

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

<sup>2</sup> Amount represents year end estimated as published in the most recent Adopted Budget

<sup>3</sup> Centerline miles are the actual length of a roadway in one direction of travel.

<sup>4</sup> Lane miles are computed by multiplying street length by number of lanes in the street. (One mile of 4-lane streets = 4 lane miles)

<sup>A</sup> Last 5 years updated with more current information.

**City of Portland, Oregon**  
**Capital Asset Statistics by Function/Program**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(Unaudited)**

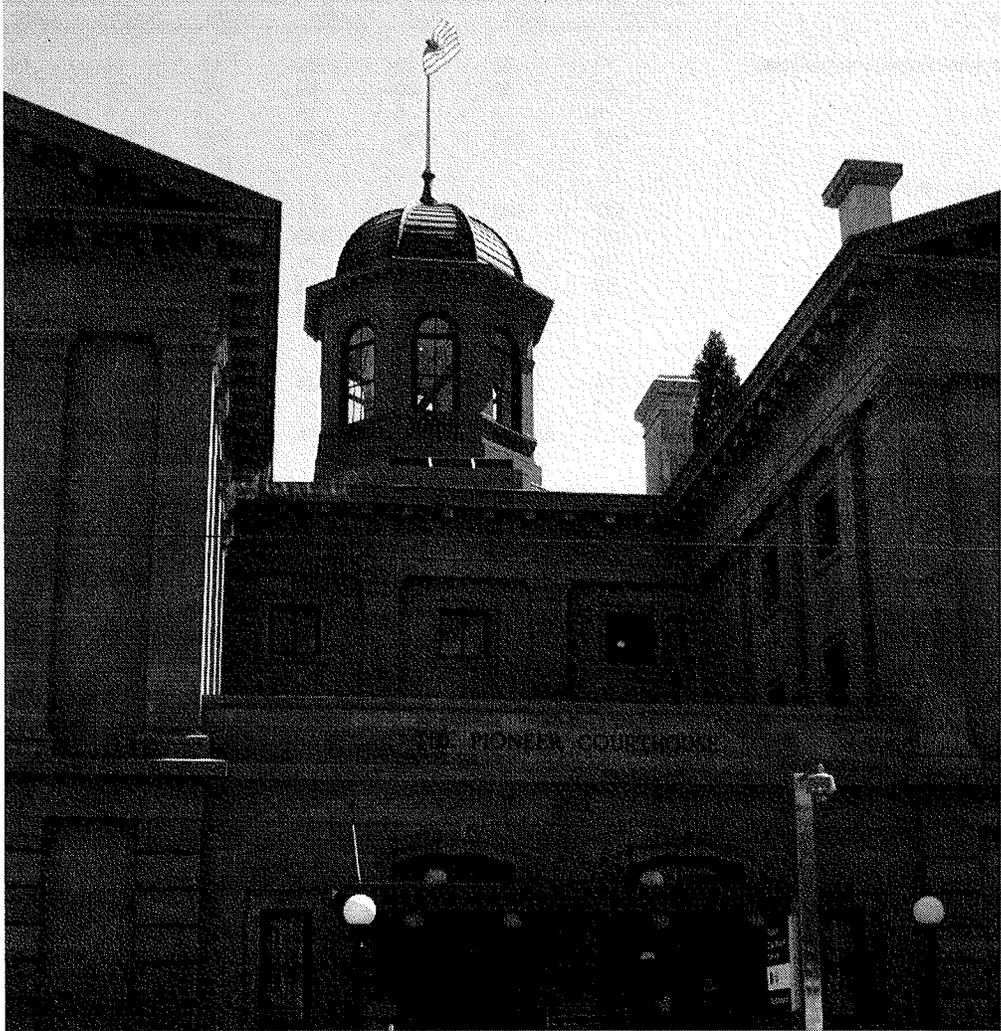
<u>Function/Program</u>	<u>Fiscal Year</u>								
	<u>2010<sup>2</sup></u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Public safety</b>									
Number of front-line emergency vehicles	73	80	68	68	65	63	63	63	62
Fire stations	30	30	30	30	30	29	29	29	27
Police precincts	3	3	5	5	5	5	5	5	5
Police vehicles	653	659	644	645	652	600	641	645	606
<b>Parks, recreation and culture</b>									
Developed parks	187	186	187	181	180	178	171	168	170
Sports fields	351	351	326	326	333	365	365	365	365
Arts and community centers	18	18	18	18	18	18	19	19	19
Pools	13	13	13	13	13	13	14	14	14
Golf courses	5	5	5	5	5	5	5	5	5
<b>Transportation</b>									
Lane miles of streets (looking for support)	4,776	4,804	3,949	3,949	3,941	3,949	3,943	3,951	3,880
Miles of bikeways	324	277	272	266	262	260	254	252	235
Number of street lights	54,755	54,963	54,588	55,977	54,011	53,614	53,139	54,732	54,426
<b>Environmental services</b>									
Sanitary, storm and combined pipeline (miles)	2,330	2,333	2,324	2,308	2,287	2,284	2,341	2,330	2,325
<b>Water</b>									
Miles of water mains	2,100	2,090	2,089	2,088	2,083	1,963	1,957	1,943	1,939
Fire hydrants	14,000	14,228	14,263	14,197	14,045	13,336	13,213	13,113	12,780
Local water storage (millions of gallons)	220	295	298	298	298	300	298	298	298
<b>Hydroelectric power</b>									
Utility plants	2	2	2	2	2	2	2	2	2

**Sources:**

*City of Portland Service Efforts and Accomplishments: 2009-10, Office of the City Auditor*  
*Previous Years of the City of Portland, Oregon Comprehensive Annual Financial Reports*  
CityFleet  
Portland Fire and Rescue  
Portland Police Bureau  
Jamie Waltz, Portland Office of Transportation

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

<sup>2</sup> Amount represents year-end estimate as published in the most recent Adopted Budget



PIONEER COURTHOUSE

# Audit Comments and Disclosures Required by State Regulations

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Skidmore Fountain, 1888

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

City Council  
City of Portland, Oregon

We have audited the basic financial statements of the City of Portland, Oregon (City) as of and for the year ended June 30, 2010 and have issued our report thereon dated January 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

### **Compliance**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-010-0000 to 162-010-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of various 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 2010 and 2011.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, except those noted below.

**Expenditures in Excess of Appropriations**

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

**Inter-fund Loans**

The results of our testing of inter-fund loans identified several instances of loans between funds lacking necessary advance approval through resolution or ordinance, and balances outstanding at year-end were not included as payment requirements in the ensuing year's budget, as required by ORS 294.460.

**Laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.**

During our testing of the Single Audit we noted the following significant deficiency in internal control and instance of non-compliance:

The Grants department had not completed and submitted the quarterly Federal Financial Report, SF-425, for two HUD major programs.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified one deficiency in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency in the City's internal control to be a material weakness:

MOSS ADAMS<sub>LLP</sub>

The City lacks the appropriate communication between the Portland Bureau of Transportation (PBOT) and the Office of Management and Finance (OMF) with regard to intergovernmental grant agreements (IGA's) for the construction of capital assets sufficient for OMF to know the proper timing for recognition of capital assets covered in the IGA's in the financial statements.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the City's internal control to be significant deficiencies:

The City lacks adequate controls over the review and reconciliation of payroll related accrual accounts necessary to identify errors and to make timely adjustments where necessary.

The Portland Housing Bureau did not observe established controls over Housing and Urban Development Section 108 loans. As a result, loan transactions and outstanding balances at year-end were not properly recognized in the financial statements.

The City lacks adequate communication and related controls with the Portland Bureau of Environmental Services and the Portland Water Bureau sufficient to allow for the proper classification of cash and investments between restricted and unrestricted and between current and non-current assets; classification of short-term debt as long-term when it is issued as interim financing and repaid with long-term debt; and net asset classification between invested in capital assets, restricted, and unrestricted.

The above matters are reported in further detail in the Schedule of Findings and Questioned Costs included in a separately bound report with the City's Single Audit reports. Further, additional best practice observations and recommendations were included in a letter issued separately to management.

This report is intended solely for the information of City of Portland, Oregon's management, and State of Oregon and is not intended to be and should not be used by anyone other than those specified parties.



For Moss Adams LLP  
Eugene, Oregon  
January 31, 2011



PORTLAND AND MT. HOOD