

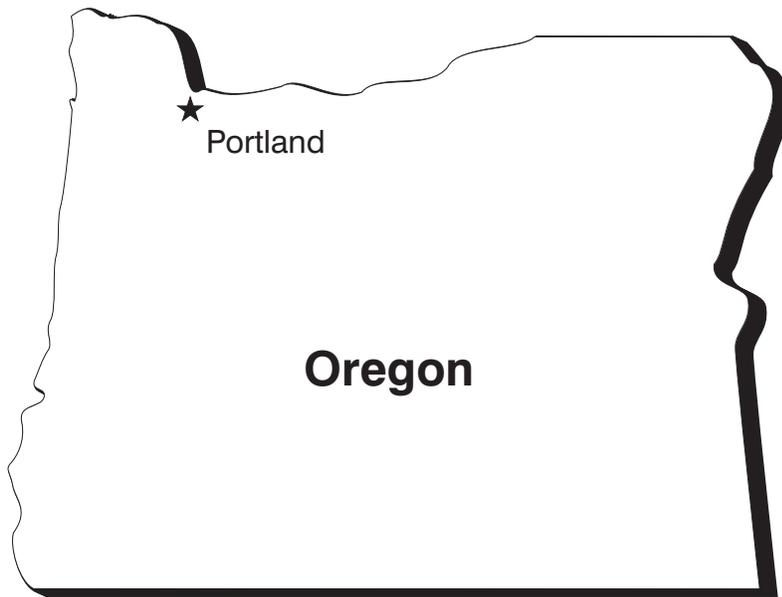
*The City of*  
***Portland, Oregon***



COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

---

FISCAL YEAR ENDED JUNE 30, 2013



*Elk on Main Street*  
Cover Photographer: Lois Summers

Other photography provided by Lois Summers.

# CITY OF PORTLAND, OREGON

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## Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 2013



Office of Management and Finance  
Jack D. Graham, Chief Administrative Officer



City Hall Reflections

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Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013  
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City Skyline and Reflections

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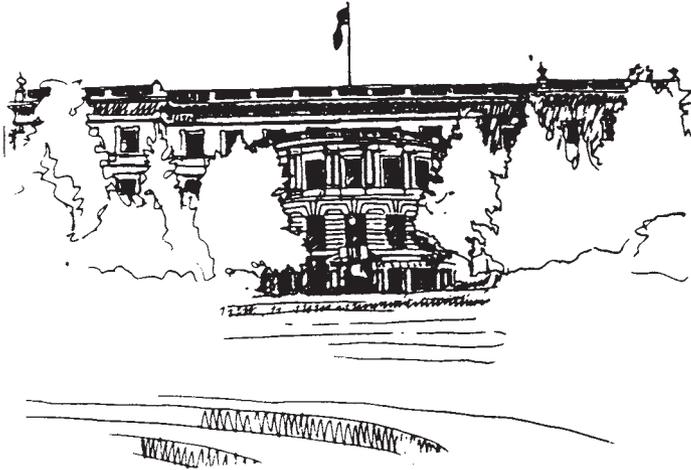
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# INTRODUCTORY SECTION

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Portland City Hall, 1895

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**Charlie Hales, Mayor****Fred Miller, Interim Chief Administrative Officer**

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# CITY OF PORTLAND

## OFFICE OF MANAGEMENT AND FINANCE

December 20, 2013

Mayor Charlie Hales, 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, 2013.

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

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. These are followed by the basic financial statements, required supplementary information, and combining and individual fund statements and schedules.

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

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

In addition to the CAFR, this publication includes a report on the City's compliance with applicable federal laws and regulations related to the Single Audit Act, OMB Circular A-133.

*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.*

## CITY PROFILE

The City, with a population in excess of 603,000, 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 contiguous metropolitan area spanning into three Oregon counties and the City of Vancouver Washington, which altogether include over two million people. The City is also the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest.

The City was incorporated in 1851 and 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 Code and City Charter, which are consistent with the Oregon Constitution and State law (Oregon Revised Statutes). The City's Code consists of all of the regulatory and penal ordinances and certain administrative ordinances of the City of Portland. The charter grants legal authority to City government, determines the form of City government, and assigns duties to public officials. 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, printing, risk management, and technology
- Parks: recreational and cultural services
- Utilities: water and sewer
- Other operations: refuse disposal and environmental remediation

## REPORTING ENTITY

This report encompasses all funds of the City and 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 separately commissioned audit reports to conform to City reporting formats.

## ECONOMIC CONDITIONS AND OUTLOOK

### A. Recent economic performance

The end of FY 2012-13 saw a slight uptick in the local economy. Broadly speaking, the local economy has done comparatively well over the last couple of years. Unemployment continues to tick lower, down to 7.3 percent in June, its lowest level in nearly five years, and Multnomah County added nearly 10,000 jobs from June 2012 to June 2013. Most recently, the housing market has accelerated significantly, with prices rising by more than 15 percent in the local area.

Local area inflation was modest during the first half of calendar year 2013. The Portland-Salem Consumer Price Index, All Urban Wage Earners (CPI-W), was up an annualized 2.4 percent for the first six months of calendar year 2013 over the last six months of calendar year 2012. These levels are expected to remain moderate in the second half of the year, and remain relatively low for the foreseeable future.

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 \$78.2 million for FY2012-13, growing 7.3 percent over FY2011-12, exceeding pre-recession levels. Meanwhile, General Fund transient lodging taxes saw a massive 21.2 percent growth - partially due to a one-time accrual adjustment - pushing collections to \$21.6 million. Even without the accrual adjustment, collections would have topped \$20 million for the first time. Continued low interest rates coupled with low fund balances helped to push interest earnings lower. Property taxes, with historic property value declines that limited growth, grew by 1.6 percent. Overall, General Fund revenue from external sources grew by 5.4 percent in FY2012-13 over FY2011-12 figures.

### B. Outlook

The inconsistent economic recovery is manifesting itself in slower revenue growth than would normally be experienced during an economic recovery. Furthermore, Multnomah County voters approved the formation of a library property tax district that, because of Oregon's unique property tax system, will reduce the City's property tax collections beginning in FY 2013-14. Employment growth has improved steadily, but slowly, as government employment and investment continue to detract from growth. Generally, most broad economic measures suggest positive momentum.

There are several aspects of the current economic and political climate that present risks to the City's finances. Some are more localized, such as pending labor contracts and pensions reform, while others are more national or global in nature, such as federal policy uncertainty that could actively harm the general economic conditions that underlie the forecast assumptions.

### 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. 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. In FY 2012-13, the City Council 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/storm-water bill to be 5.3 percent in FY 2013-14, 4.7 percent in years two through four of the forecast, and 4.0 percent in the fifth year of the forecast. The increases will fund deferred maintenance projects and continued operations and maintenance of the City's sewer and storm-water infrastructure. The Water Bureau forecasted average effective retail rate increases of 3.6 percent in FY 2013-14, 14.1 percent for the next two years, and 9.0 percent increases in the final two years of the forecast. These increases are needed to fund capital projects related to the Environmental Protection Agency's Long Term 2 Enhanced Surface Water Treatment Rule, the treatment variance monitoring

program, and other critical infrastructure maintenance and replacement. The Bureau of Transportation continues to face a growing maintenance backlog.

#### **D. Major initiatives**

The City's FY 2012-13 budget invested in several initiatives of citywide importance, focused on four interlocking goals taken from the Portland Plan: Prosperous, Healthy, Educated, and Equitable.

- *Prosperous:* Economic development helps our city grow and prosper. The Adopted Budget included \$2.3 million of new one-time funding to bring jobs to the City, invest in workforce readiness, and support neighborhood businesses. To protect our city's most vulnerable citizens and keeping our safety net, the budget also included \$4.8 million of one-time funding for shelter services, rent assistance, and housing access services.
- *Healthy:* The Adopted Budget protected frontline services in our parks, housing programs, and public safety bureaus wherever possible. All public safety sworn positions (police and fire) were held harmless. One-time funding was awarded to the Bureau of Development Services for improved neighborhood inspections, enhanced rental inspections, and enforcement around extremely distressed properties. The budget also kept Buckman Pool open and largely preserved frontline Parks staffing to ensure maintenance and amenities in all parks Citywide.
- *Educated:* It is essential to the economic well-being of this city that we have an educated workforce. The Adopted Budget included \$7.1 million to help Portland schools maintain teachers and vital programs. The budget also maintained funding for Parks teen programming, summer lunches, SUN schools, and the Mayor's Education Program.
- *Equitable:* The Office of Equity was spared reductions, which reflected the City's commitment to moving a meaningful equity agenda forward in FY 2012-13. The Adopted Budget included funding in Portland Fire & Rescue for a recruiter dedicated to outreach in underrepresented communities and communities of color. The budget also included funding for a citywide compliance assessment project related to the Americans with Disabilities Act, and continued funding to improve evaluation methods and mitigate disparities in the procurement process.

### **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 fund, organizational unit (bureau), and major category of expenditure. Additionally, transfers between major object categories are allowed with approval of the Commissioner-in-Charge. The Council conducts three to four 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 FY2012-13 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 included in this report beginning on page 333.

### B. Certificate of Achievement

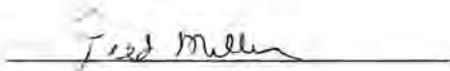
The GFOA has awarded the City with a Certificate of Achievement for Excellence in Financial Reporting for its CAFR consecutively for the last thirty-two fiscal years. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR with contents that 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 bureaus, City Council, City Auditor, and the many City managers whose leadership and commitment are vital to the health and vitality of the City of Portland.

Respectfully submitted,



Fred Miller  
Interim Chief Administrative Officer  
Office of Management and Finance

*ELECTED OFFICIALS OF THE CITY OF PORTLAND*

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**Charlie Hales**  
Mayor



**Dan Saltzman**  
Commissioner of Public Affairs



**Steve Novick**  
Commissioner of Public Safety



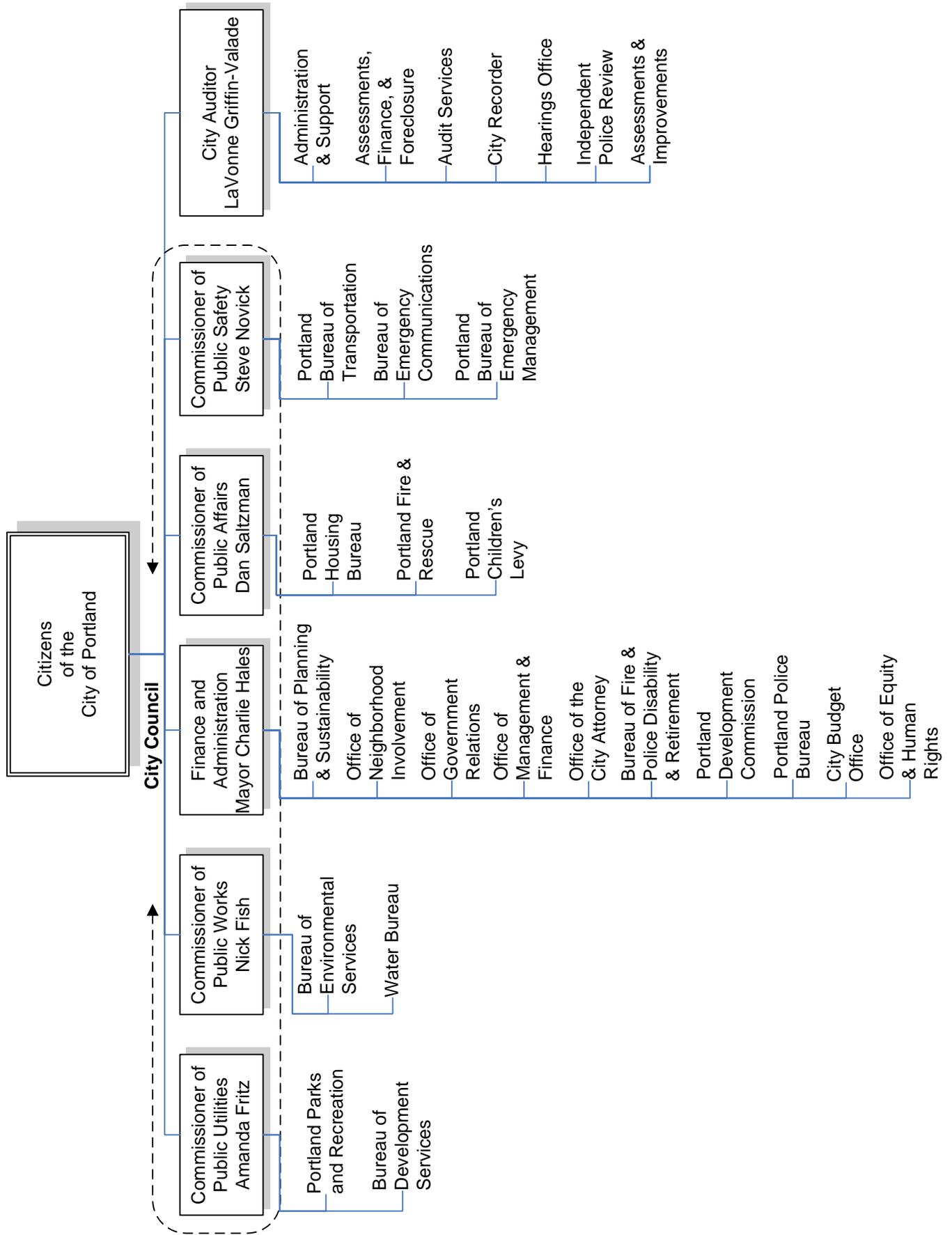
**Nick Fish**  
Commissioner of Public Works



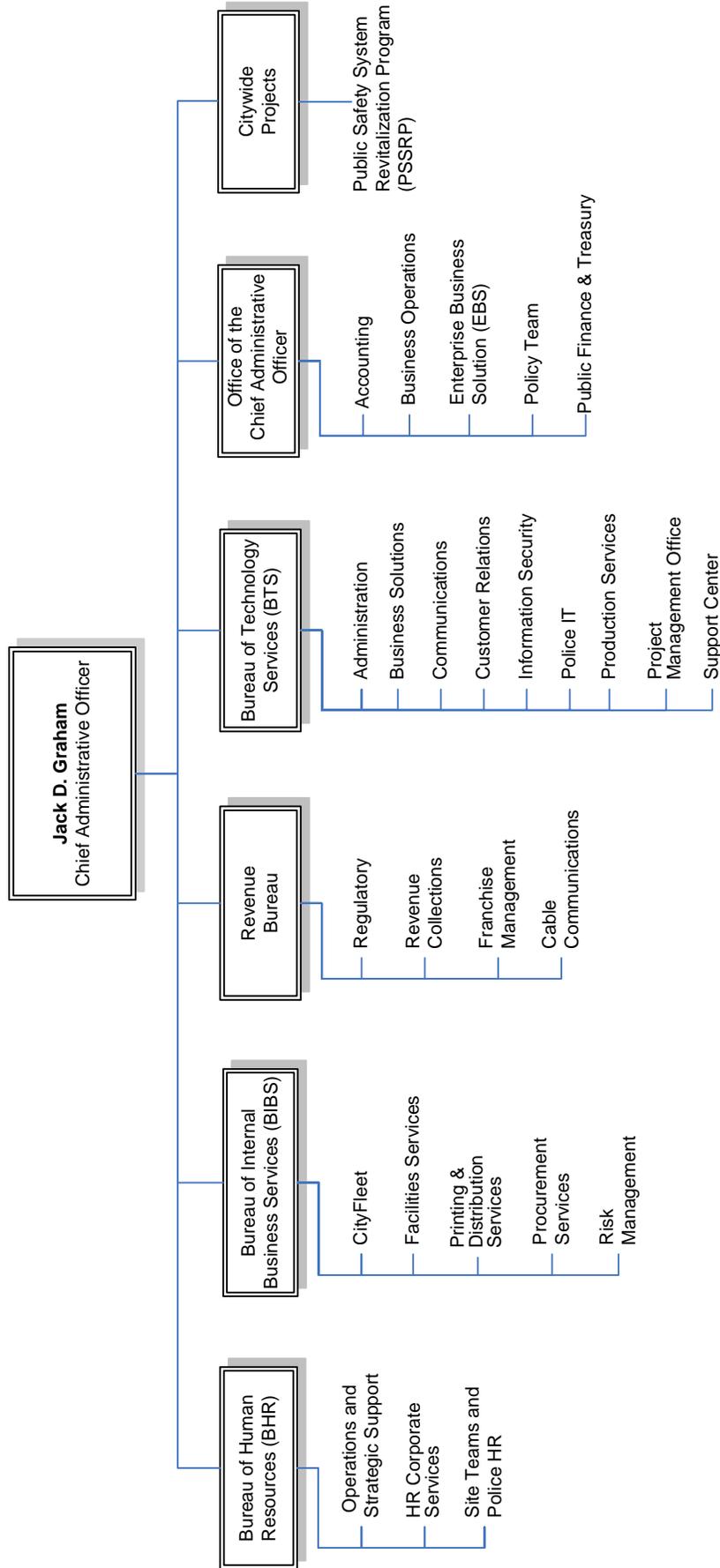
**Amanda Fritz**  
Commissioner of Public Utilities



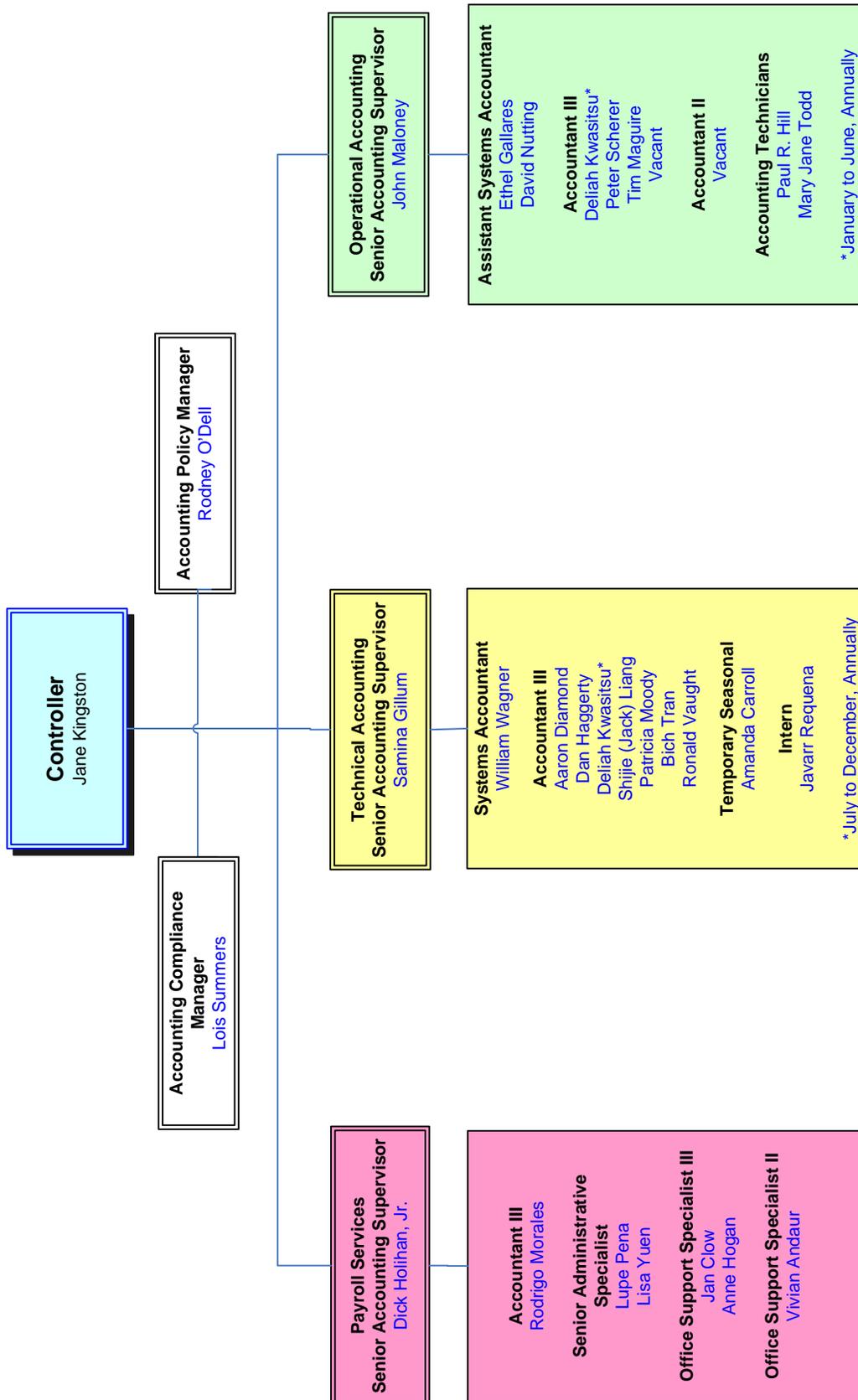
**LaVonne Griffin-Valade**  
City Auditor



# Office of Management and Finance



City of Portland  
 Office of Management and Finance  
 Office of the Chief Administrative Officer  
 Accounting Division





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Portland  
Oregon**

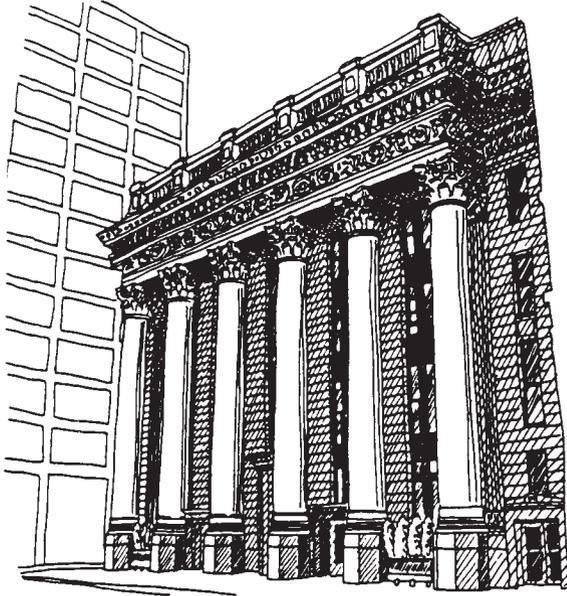
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# FINANCIAL SECTION

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U.S. National Bank, c 1917

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## REPORT OF INDEPENDENT AUDITORS

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

### **Report on the Financial Statements**

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**MOSS ADAMS** LLP***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, 2013, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison schedules, and employee benefit funding progress information (collectively, the required supplementary information) on pages 15 through 38, 143 through 149, and 150 through 151, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management discussion and analysis and employee benefit funding progress information on pages 15 through 38, and pages 150 through 151 in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary schedules described above on pages 143 through 149 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, other financial schedules, and schedule of expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (Circular A-133) on pages 153 to 301 and 335 to 342, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**MOSS ADAMS** LLP

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules, combining and individual nonmajor fund financial statements, other financial schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Information*

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 and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

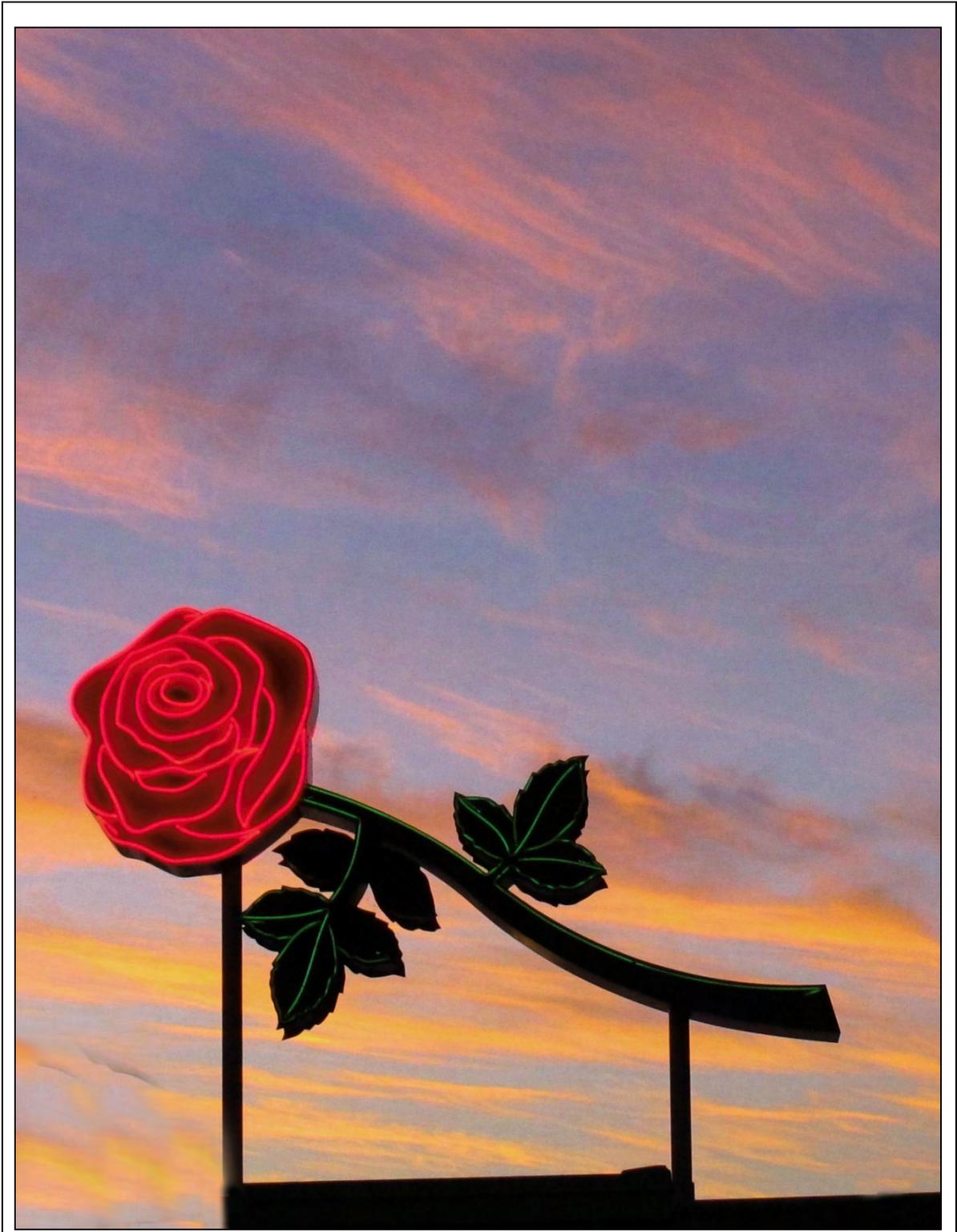
In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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* in considering the County's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 20, 2013 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP  
Eugene, Oregon  
December 20, 2013



Tom McCall Waterfront Park - Neon Rose at Sunrise

## 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, 2013. 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

The following are the City's financial highlights for fiscal year ending June 30, 2013:

- The assets of the City exceeded its liabilities at the close of FY2012-13 by \$2,353,895,713 (*net position*). Included in this amount is an *unrestricted net position* deficit totaling \$1,918,548,337, as shown on table 1-C on page 20. This negative balance is caused by governmental activities and is further discussed in the government-wide financial analysis section of this Management's Discussion and Analysis (MD&A) found on page 18.
- The City's total net position decreased by \$95,067,573 from FY2011-12, as shown on table 2-C on page 23. This decrease results primarily from an increase in revenues of \$47,259,972 and an increase in expenses of \$104,624,931 versus the prior year, including an increase in the pension trust obligation liability of \$128,193,975.
- The City's governmental funds reported combined ending fund balances of \$363,709,535, an increase of \$30,094,377, in comparison to FY2011-12, as shown on page 45. Of the combined ending governmental fund balances, \$75,984,686 or 20.9 percent, is available for spending at the City's discretion subject to Council approved policies (*assigned and unassigned fund balances*).
- The unassigned fund balance for the General Fund was \$28,514,937 or 5.1 percent of total General Fund expenditures.
- The City's total bonded debt increased by \$164,854,197 or 5.1 percent over FY2011-12, as shown on Table 5 on page 35. Major components contributing to this rise included increases of \$132,390,000 in revenue bonds, \$11,655,000 in urban renewal bonds and \$2,572,980 in limited tax revenue bonds. General obligation bonds decreased by \$8,065,000 and limited tax improvement bonds decreased by \$5,240,000. The residual change of \$31,541,217 was comprised of unamortized bond premiums and discounts.

### 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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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*). Governmental activities include: public safety, parks/recreation/culture, community development, transportation and metered parking, legislative/administrative/support services, environmental services, and interest on long-term debt. The business-type activities of the City include environmental services, water, hydroelectric power, parking facilities, golf, motor sports, spectator facilities, and housing.

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.

The government-wide financial statements can be found on pages 40-42 of this report.

## B. Fund financial statements

A *fund* is a group of related accounts 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 41 individual governmental funds. Governmental funds are further classified as *general*, *special revenue*, *debt service*, *capital projects*, or *permanent* funds. Within each fund-type group, funds are additionally classified as *major* or *nonmajor* funds.

Individual fund 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, Transportation Operating Fund, and the Grants Fund, all of which are considered to be *major funds*. Data from the other 38 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, Transportation Operating Fund, and the Grants 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 report is a series of other financial and statistical schedules as required by statute.

The basic governmental fund financial statements can be found on pages 43-46 of this report.

- **Proprietary funds.** The City maintains 18 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 18 proprietary funds, ten are *enterprise funds*.

*Internal service funds* are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for health insurance, facilities, fleet, printing and distribution, self-insurance for general liability and worker's compensation, 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 18 proprietary funds, eight are *internal service funds*.

Proprietary funds statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for water and sewer system operations, both of which are considered 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 48-53 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 statements, 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 54-55 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 57-141 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 and its employees. Required supplementary information can be found on pages 143-151 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 153-193 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. For the City, assets exceed liabilities by \$2,353,895,713 at the close of FY2012-13.

### A. Analysis of net position

The largest portion of the City's net position reflects an investment of \$4,004,579,628 or 170.1 percent in capital assets (e.g. land, buildings, equipment, and intangible assets), less any related outstanding debt used to acquire those assets as shown on table 1-C on page 20. The high percentage of investment in capital assets vis-à-vis total net position is largely a result of the offsetting deficit *unrestricted net position* (mentioned below). 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 because the capital assets cannot be liquidated to pay for the liabilities. A more detailed discussion of capital assets begins on page 30.

An additional portion of the City's net position, \$267,864,422 or approximately 11.4 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance is an *unrestricted net position* deficit totaling \$1,918,548,337.

At the end of FY2012-13, the City is able to report positive balances in two categories of net position for the government as a whole: (1) net investment in capital assets, and (2) restricted net position. Unrestricted net position, the third category of net position, had a negative balance due to governmental activities, and is comprised primarily of outstanding debt with no offsetting assets and increases in accrued liabilities for the Fire and Police Disability and Retirement Pension Plan with no assets set aside to cover them. Business-type activities have a positive balance for all three categories of net position.

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

**Governmental Activities**

	<b>FY2012-13</b>	<b>FY2011-12 (As Restated)</b>	<b>Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 785,445,327	\$ 770,146,298	\$ 15,299,029
Capital assets	<u>2,247,220,610</u>	<u>2,319,429,357</u>	<u>(72,208,747)</u>
Total assets	<u>3,032,665,937</u>	<u>3,089,575,655</u>	<u>(56,909,718)</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	2,493,128,108	2,370,962,069	122,166,039
Other liabilities	<u>184,370,953</u>	<u>180,736,530</u>	<u>3,634,423</u>
Total liabilities	<u>2,677,499,061</u>	<u>2,551,698,599</u>	<u>125,800,462</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,125,382,711	2,170,541,622	(45,158,911)
Restricted	254,008,558	212,697,821	41,310,737
Unrestricted surplus (deficit)	<u>(2,024,224,393)</u>	<u>(1,845,362,387)</u>	<u>(178,862,006)</u>
Total net position	<u>\$ 355,166,876</u>	<u>\$ 537,877,056</u>	<u>\$ (182,710,180)</u>

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

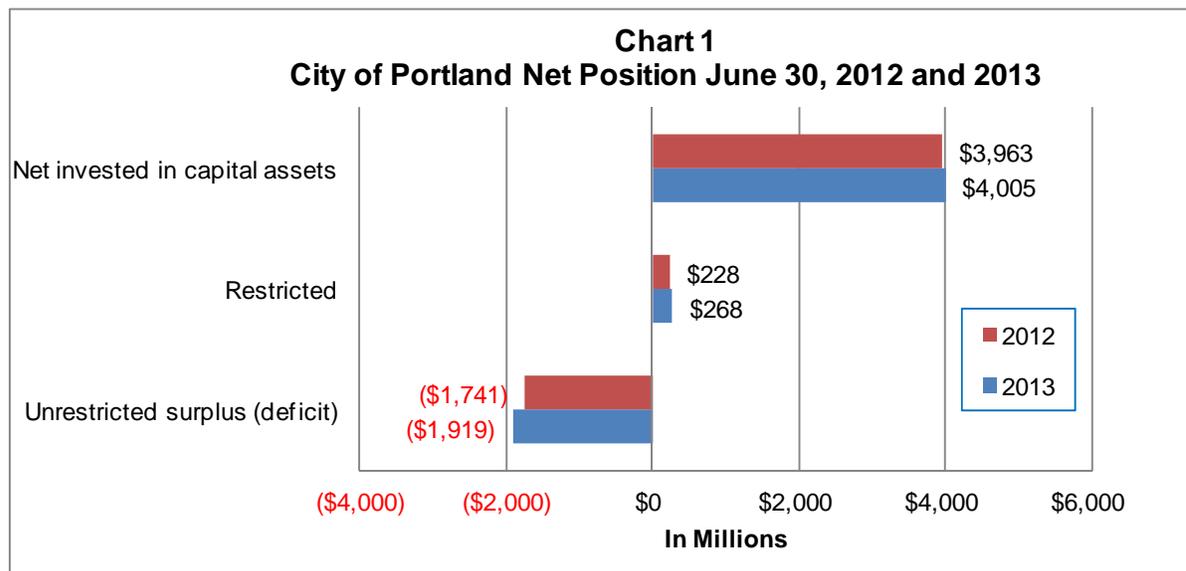
**Business-type Activities**

	<b>FY2012-13</b>	<b>FY2011-12 (As Restated)</b>	<b>Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 456,718,690	\$ 304,008,020	\$ 152,710,670
Capital assets	<u>4,064,666,597</u>	<u>3,894,281,072</u>	<u>170,385,525</u>
Total assets	<u>4,521,385,287</u>	<u>4,198,289,092</u>	<u>323,096,195</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	2,341,093,142	2,122,750,044	218,343,098
Other liabilities	<u>181,563,308</u>	<u>164,452,818</u>	<u>17,110,490</u>
Total liabilities	<u>2,522,656,450</u>	<u>2,287,202,862</u>	<u>235,453,588</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,879,196,917	1,792,291,343	86,905,574
Restricted	13,855,864	14,848,536	(992,672)
Unrestricted surplus (deficit)	<u>105,676,056</u>	<u>103,946,351</u>	<u>1,729,705</u>
Total net position	<u>\$ 1,998,728,837</u>	<u>\$ 1,911,086,230</u>	<u>\$ 87,642,607</u>

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

	<b>Total Net Position</b>		
	<b>FY2012-13</b>	<b>FY2011-12 (As Restated)</b>	<b>Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 1,242,164,017	\$ 1,074,154,318	\$ 168,009,699
Capital assets	6,311,887,207	6,213,710,429	98,176,778
Total assets	<u>7,554,051,224</u>	<u>7,287,864,747</u>	<u>266,186,477</u>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	4,834,221,250	4,493,712,113	340,509,137
Other liabilities	365,934,261	345,189,348	20,744,913
Total liabilities	<u>5,200,155,511</u>	<u>4,838,901,461</u>	<u>361,254,050</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,004,579,628	3,962,832,965	41,746,663
Restricted	267,864,422	227,546,357	40,318,065
Unrestricted surplus (deficit)	<u>(1,918,548,337)</u>	<u>(1,741,416,036)</u>	<u>(177,132,301)</u>
Total net position	<u>\$ 2,353,895,713</u>	<u>\$ 2,448,963,286</u>	<u>\$ (95,067,573)</u>

Chart 1 illustrates the components of the City's net position.



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

As noted previously, the City's overall net position decreased by \$95,067,573 during FY2012-13. This decrease is explained in the governmental and business-type activities discussion beginning on page 24.

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

**Governmental Activities**

	<b>FY2012-13</b>	<b>FY2011-12 (As Restated)</b>	<b>Change</b>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 357,399,397	\$ 336,039,537	\$ 21,359,860
Operating grants and contributions	187,508,857	196,150,183	(8,641,326)
Capital grants and contributions	65,753,370	94,247,887	(28,494,517)
<i>General revenues:</i>			
Property taxes	441,030,147	432,481,353	8,548,794
Lodging taxes	28,746,920	21,359,108	7,387,812
Miscellaneous taxes	7,815,970	-	7,815,970
Investment earnings	6,496,779	8,967,966	(2,471,187)
<b>Total revenues</b>	<b>1,094,751,440</b>	<b>1,089,246,034</b>	<b>5,505,406</b>
<b>Expenses</b>			
Public safety	539,582,340	486,886,299	52,696,041
Parks, recreation and culture	77,384,671	77,703,274	(318,603)
Community development	206,451,529	276,382,471	(69,930,942)
Transportation and metered parking	304,095,341	247,019,675	57,075,666
Legislative / admin / support services	106,340,680	92,989,301	13,351,379
Environmental services	604,474	503,400	101,074
Water	221,364	409,074	(187,710)
Interest on long-term debt	50,436,861	48,030,292	2,406,569
<b>Total expenses</b>	<b>1,285,117,260</b>	<b>1,229,923,786</b>	<b>55,193,474</b>
Revenues over (under) expenses	(190,365,820)	(140,677,752)	(49,688,068)
Transfers	7,655,640	6,398,095	1,257,545
Special item:			
Capital asset write-off	-	3,695,549	(3,695,549)
Change in net position	(182,710,180)	(130,584,108)	(52,126,072)
<b>Net position -- beginning</b>	<b>537,877,056</b>	<b>668,461,164</b>	<b>(130,584,108)</b>
<b>Net position -- ending</b>	<b>\$ 355,166,876</b>	<b>\$ 537,877,056</b>	<b>\$ (182,710,180)</b>

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

**Business-type Activities**

	<u>FY2012-13</u>	<u>FY2011-12 (As Restated)</u>	<u>Change</u>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 478,282,045	\$ 435,012,570	\$ 43,269,475
Capital grants and contributions	3,259,994	3,964,882	(704,888)
<i>General revenues:</i>			
Investment earnings	<u>640,963</u>	<u>1,450,984</u>	<u>(810,021)</u>
<b>Total revenues</b>	<u>482,183,002</u>	<u>440,428,436</u>	<u>41,754,566</u>
<b>Expenses</b>			
Environmental services	229,742,394	194,880,070	34,862,324
Water	120,814,693	108,344,964	12,469,729
Hydroelectric power	1,786,015	1,895,974	(109,959)
Parking facilities	6,272,155	6,858,239	(586,084)
Golf	8,528,501	7,704,762	823,739
Motor sports	1,745,465	1,702,924	42,541
Spectator facilities	10,232,186	8,098,517	2,133,669
Housing	<u>763,346</u>	<u>967,848</u>	<u>(204,502)</u>
<b>Total expenses</b>	<u>379,884,755</u>	<u>330,453,298</u>	<u>49,431,457</u>
Revenues over (under) expenses	102,298,247	109,975,138	(7,676,891)
Transfers	(7,655,640)	(6,398,095)	(1,257,545)
Special item:			
Capital asset write-off	<u>(7,000,000)</u>	<u>(16,855,522)</u>	<u>9,855,522</u>
Change in net position	87,642,607	86,721,521	921,086
<b>Net position -- beginning</b>	<u>1,911,086,230</u>	<u>1,824,364,709</u>	<u>86,721,521</u>
<b>Net position -- ending</b>	<u>\$ 1,998,728,837</u>	<u>\$ 1,911,086,230</u>	<u>\$ 87,642,607</u>

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

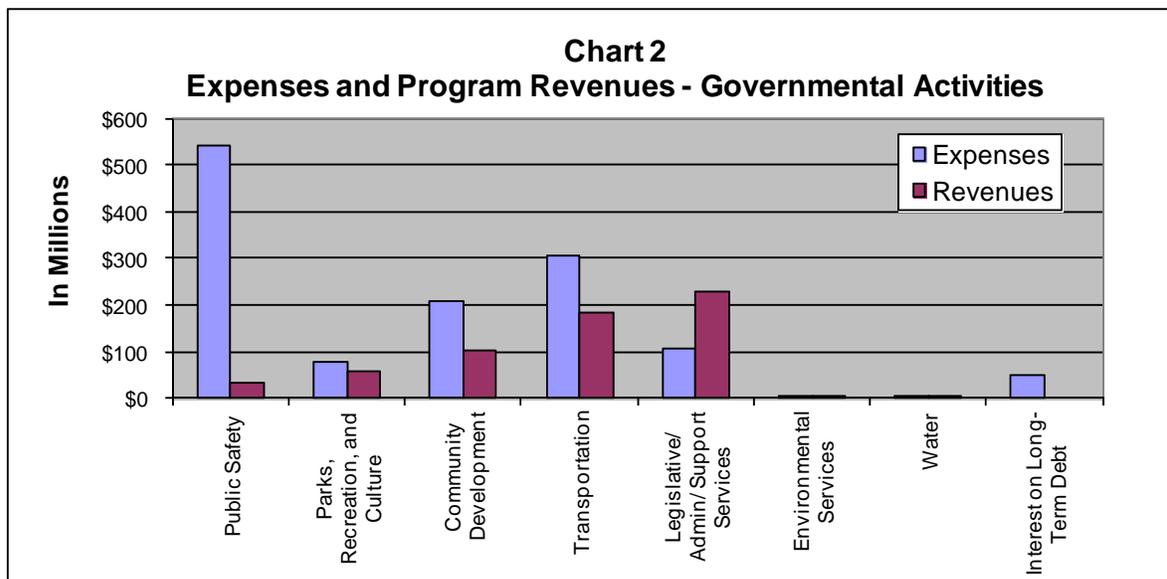
<b>Total Net Position</b>			
	<b>FY2012-13</b>	<b>FY2011-12 (As Restated)</b>	<b>Change</b>
<b>Revenues</b>			
<i>Program revenues:</i>			
Charges for services	\$ 835,681,442	\$ 771,052,107	\$ 64,629,335
Operating grants and contributions	187,508,857	196,150,183	(8,641,326)
Capital grants and contributions	69,013,364	98,212,769	(29,199,405)
<i>General revenues:</i>			
Property taxes	441,030,147	432,481,353	8,548,794
Lodging taxes	28,746,920	21,359,108	7,387,812
Miscellaneous taxes	7,815,970	-	7,815,970
Investment earnings	7,137,742	10,418,950	(3,281,208)
<b>Total revenues</b>	<b>1,576,934,442</b>	<b>1,529,674,470</b>	<b>47,259,972</b>
<b>Expenses</b>			
Public safety	539,582,340	486,886,299	52,696,041
Parks, recreation and culture	77,384,671	77,703,274	(318,603)
Community development	206,451,529	276,382,471	(69,930,942)
Transportation and metered parking	304,095,341	247,019,675	57,075,666
Legislative / admin / support services	106,340,680	92,989,301	13,351,379
Interest on long-term debt	50,436,861	48,030,292	2,406,569
Environmental services	230,346,868	195,383,470	34,963,398
Water	121,036,057	108,754,038	12,282,019
Hydroelectric power	1,786,015	1,895,974	(109,959)
Parking facilities	6,272,155	6,858,239	(586,084)
Golf	8,528,501	7,704,762	823,739
Motor sports	1,745,465	1,702,924	42,541
Spectator facilities	10,232,186	8,098,517	2,133,669
Housing	763,346	967,848	(204,502)
<b>Total expenses</b>	<b>1,665,002,015</b>	<b>1,560,377,084</b>	<b>104,624,931</b>
Revenues over (under) expenses	(88,067,573)	(30,702,614)	(57,364,959)
<i>Special items:</i>			
Capital asset write-off	(7,000,000)	(16,855,522)	9,855,522
Contributions from PDC	-	3,695,549	(3,695,549)
Change in net position	(95,067,573)	(43,862,587)	(51,204,986)
<b>Net position -- beginning</b>	<b>2,448,963,286</b>	<b>2,492,825,873</b>	<b>(43,862,587)</b>
<b>Net position -- ending</b>	<b>\$ 2,353,895,713</b>	<b>\$ 2,448,963,286</b>	<b>\$ (95,067,573)</b>

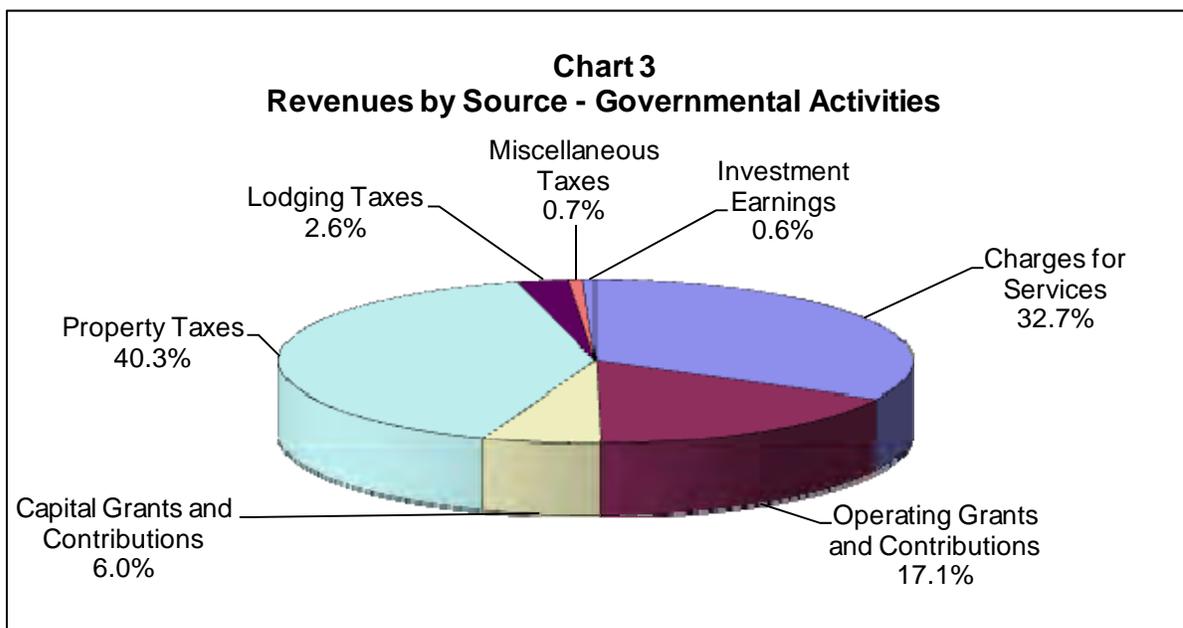
**Governmental activities.** Governmental activities decreased the City's net position by \$182,710,180. Overall governmental assets declined \$56,909,718 and liabilities increased \$125,800,462. The net position decline is strongly linked to the Fire and Police Disability and Retirement (FPD&R) Plan net pension obligation (NPO), which increased by \$128,193,975. Contributions toward the NPO are funded through a special property tax levy, which is passed through the General Fund to FPD&R. There is some risk that revenues from this tax levy may be negatively affected by declines in property tax values, and/or the levy cap may cause revenues to fall short of a particular year's benefit payment. However, as the economy improves and property taxes increase, it is expected that this dedicated revenue stream will continue to provide a stable funding resource for the City's pension liability. The NPO increase accounts for much of the increase in governmental expenses of \$55,193,474 or 4.5 percent from the prior year.

Governmental capital assets have decreased overall by \$72,208,747. In contrast, depreciation increased by \$6,464,323 or 3.6 percent over the year, primarily due to increases in transportation related assets, most notably the Portland Eastside Streetcar. Further information on capital assets can be found in the section beginning on page 30, or in Note III.F., beginning on page 88.

Increases in governmental revenues of \$5,505,406 or 0.5 percent helped offset the rise in expenses discussed above. These increases were primarily in general revenues and included increases in property taxes and lodging taxes of \$8,548,794 or 2 percent and \$7,387,812 or 34.6 percent, respectively, an indication of some improvement in the local economy. Revenue from capital grants and contributions decreased \$28,494,517 or 30.2 percent which reflect a decrease in the availability of federal grant funds. Transportation project grant revenues declined significantly over the prior year, primarily due to the completion of the Eastside Streetcar project, which opened in September 2013.

The following charts provide a visual representation of the expenses and revenues for governmental activities for FY2012-13. Chart 2 shows expenses and program revenues generated by each program activity while Chart 3 shows all governmental revenues.

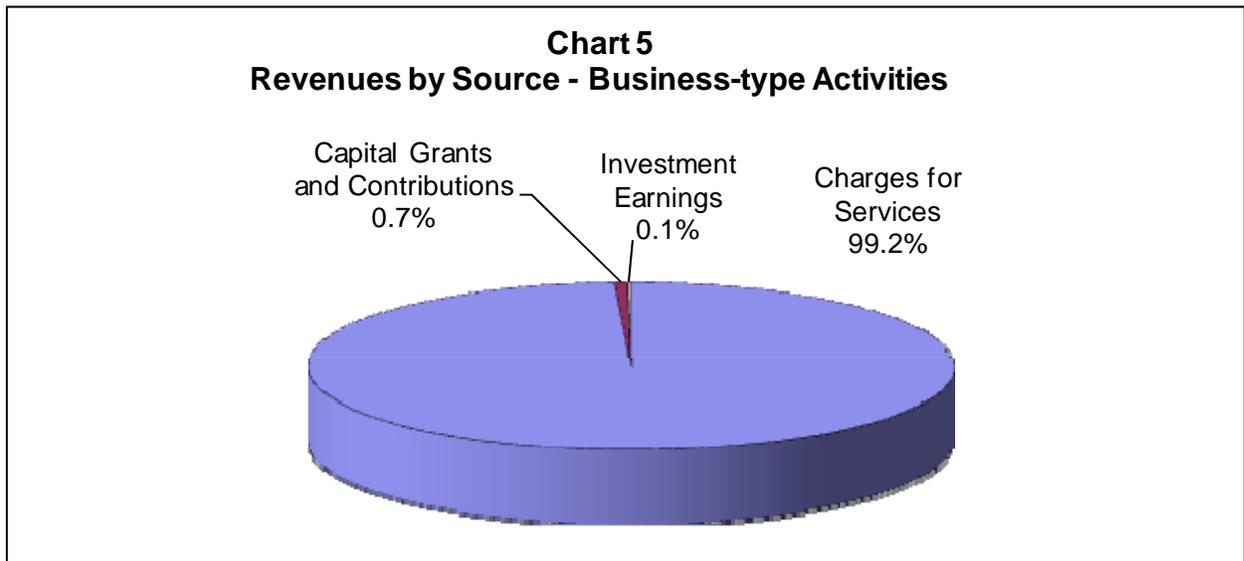
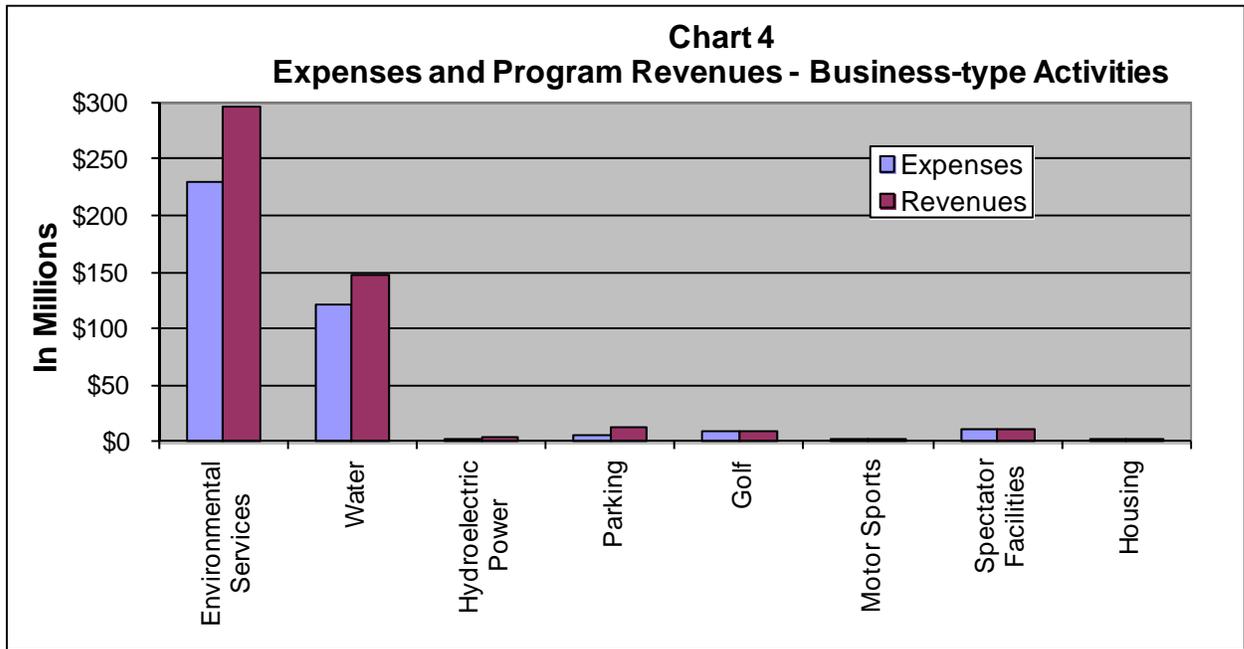




**Business-type activities.** Business-type activities increased the City's net position by \$87,642,607. Sewage disposal and water operations contributed \$66,484,319 and \$27,322,607, respectively, and were offset by a special item of \$7,000,000 for charges paid by the Bureau of Environmental Services to Clean Water Services for temporary capacity to Clean Water Services conveyance and treatment facilities, related to the Fanno Basin Pump Station and Garden Home/Multnomah pressure line project. The remaining net position contributions came from other business-type activities as shown in Chart 4 below. Key elements of these net position increases are as follows:

- Charges for services were \$43,269,475 more than last year. Service charges and fees from Water and Sewer operations accounted for \$39,787,707, or 91.9 percent of this increase, resulting from approved rate increases of 7.6 percent and 5.4 percent, respectively. The increased revenues provided additional resources for system improvements, compliance with U.S. Environmental Protection Agency mandates, and for related debt service payments.
- Revenues for capital grants and contributions decreased by \$704,888. This decrease was primarily due to a decrease in capital contributions of \$1,814,529 in the Spectator Facilities fund, related to the completion of a major league soccer field during FY2011-12. This decrease was partially offset by an increase of \$1,395,581 in capital contributions from the Bureau of Environmental Services.
- Total assets for all business-type activities increased by \$323,096,195 over the prior year. Key components of this increase included an increase of noncurrent restricted cash and investments of \$148,786,812 or 264 percent and an increase of \$170,385,525 or 4.4 percent from additions to capital assets, net of depreciation. Depreciation increased \$9,913,758 due to a major reclassification of construction in progress during FY2012-13.
- Total liabilities for all business-type activities increased \$235,453,588 over the prior year due primarily to increases in noncurrent notes and loans payable of \$77,249,267 and bonded debt of \$139,671,445.

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.

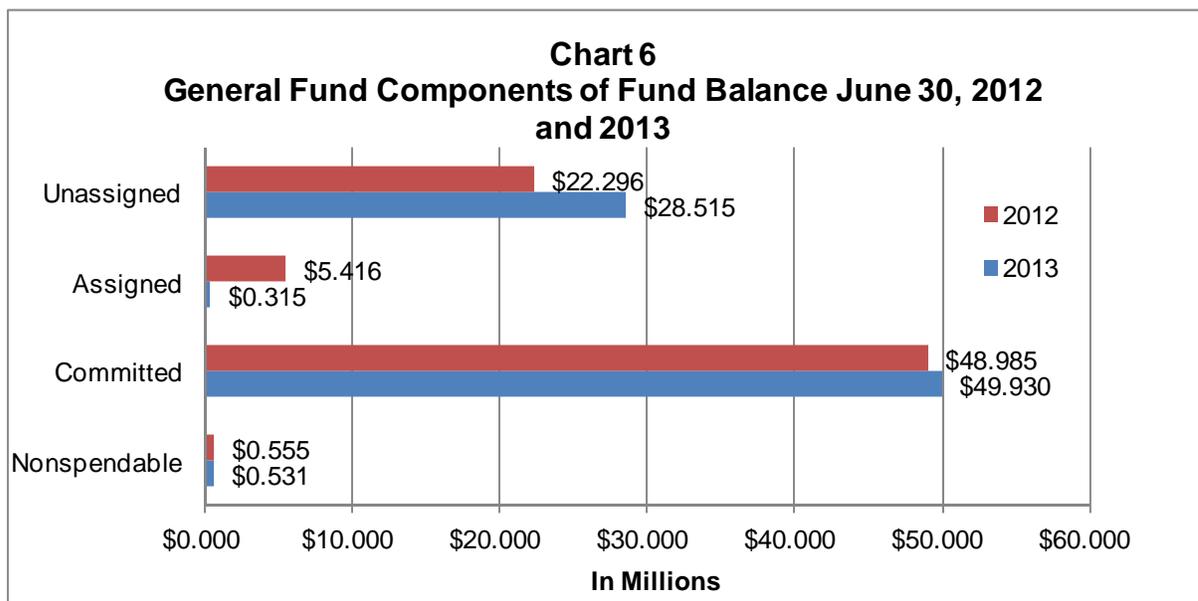
### A. Governmental funds

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, *unassigned 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 \$363,709,535, an increase of \$48,163,092. \$30,094,377 of this increase was due to current year operations, \$17,938,371 due to a prior year restatement, and \$130,344 due to the reclassification of a major fund to a minor fund as shown on page 45. Of the combined ending fund balances, \$21,234,733 or 5.8 percent constitutes the *unassigned fund balance*, and \$54,749,953 or 15.1 percent constitutes *assigned fund balance* in the appropriate fund types as shown on page 43. The remainder of fund balance is classified as *nonspendable, restricted, or committed* to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, *total fund balance* was \$79,290,866, of which \$28,514,937 or 36 percent is unassigned, \$314,562 or 0.4 percent is assigned through the fiscal year 2013 budget, and \$49,930,120 or 63 percent is committed. The committed portion of General Fund balance represents the General Fund Reserve, which by policy cannot be spent except under the authority and action of the City Council. The final portion of General Fund balance, \$531,247 or 0.7 percent is nonspendable, as shown on page 43. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 14.3 percent of total General Fund expenditures.

Chart 6 illustrates the changes in the components of General Fund fund balance from June 30, 2012 to June 30, 2013.

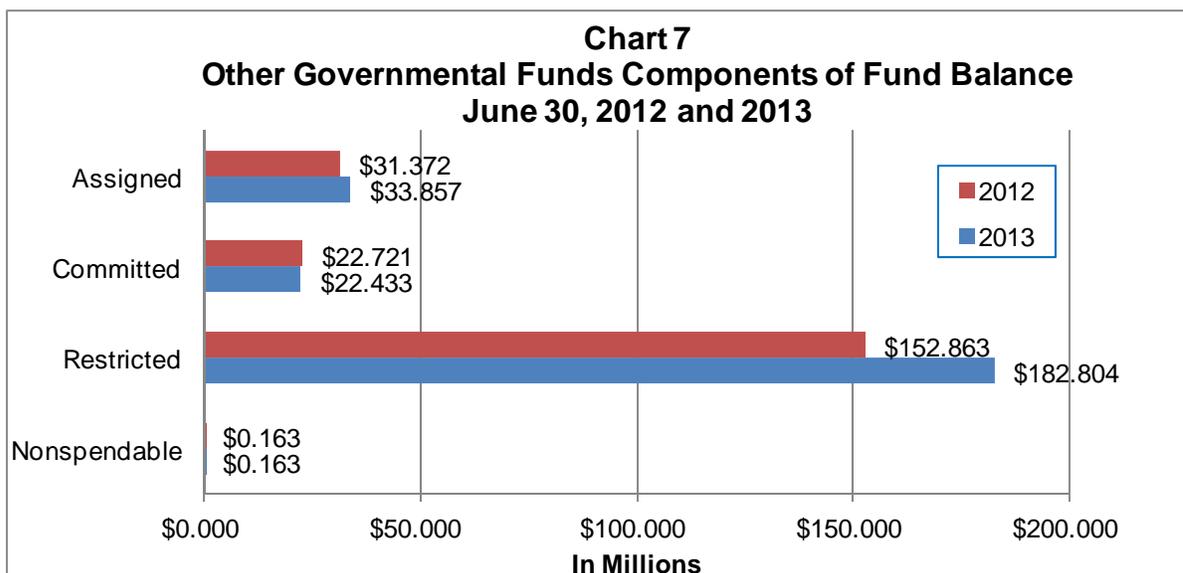


The fund balance of the City's General Fund increased by \$2,039,170 during FY2012-13. Key factors in this increase related to current year activity were a \$29,504,989 increase in revenues, offset by a \$13,079,110 increase in expenditures, and a decreased use of other financing sources of \$2,442,382. Significant revenue increases included property taxes, which increased \$11,251,622 or 3.8 percent, licenses and fees, which increased \$12,054,950 or 8.2 percent, and lodging taxes, which increased \$3,780,659 or 21.2 percent. These revenues are showed significant decreases in prior years due to the downturn in the local economy and are now beginning to return to more normal levels. Significant expenditure increases included public safety of \$3,956,159 related to costs associated with the Department of Justice agreement and legislative and administrative support services of \$7,905,087, largely due to \$6,637,365 allocated to the support of school districts in the City of Portland. Additional information on General Fund changes is provided on pages 29-30.

The Transportation Operating Fund had a total ending fund balance of \$52,441,974 for FY2012-13, an increase of \$13,959,502 of which \$5,211,250 is nonspendable, \$26,652,459 is restricted, and \$20,578,265 is assigned, as shown on page 43. Key factors in this rise in fund balance include a

significant revenue increase of \$14,313,902, or 10.3 percent which includes a \$9,830,577 or 16.2 percent increase in intergovernmental revenues due to increased SDC revenues resulting from improved economic conditions and a \$4,912,777 or 79.3 percent increase in charges for services due to the opening of the Portland Eastside Streetcar. Expenditures increased overall by \$47,507,039 or 33.8 percent. This increase was largely due to a \$58,543,058 or 57.7 percent increase in spending for transportation programs, which was partially offset by a \$14,261,957 or 41.6 percent decrease for capital outlay. Fund balance represents 27.9 percent of total Transportation Operating Fund expenditures.

The Grants Fund experienced a \$26,400 or 0.4 percent increase in fund balance for FY2012-13. This change in fund balance resulted from a decrease of \$215,940 due to operations that was offset by an increase of \$242,340 due to the implementation of GASB No. 62. The entire fund balance of (\$7,280,204) is an unassigned deficit, as shown on page 43. See Note II.C on page 74 for an explanation of the nature of the deficit fund balance. This slight improvement in fund balance was the result of decreases in both revenues and expenditures. Revenues decreased \$64,535,942 or 56.5 percent while expenditures decreased \$50,407,998 or 50.5 percent. The most significant expenditure decrease was in capital outlay for \$39,299,110 or 63.2 percent. Additionally, there was a decrease in intergovernmental revenues of \$63,034,063 or 55.9 percent. These changes represent the reduced availability of federal grant funds.



Other Governmental Funds showed a significant increase in ending fund balance for FY2012-13 of \$32,138,020 or 15.5 percent, primarily due to increased revenues across most categories and the addition of the Special Finance and Resource Fund, which was reclassified from a major fund to a nonmajor fund. This fund was classified as a major fund in FY2011-12 due to a large increase in the size of the fund for that year.

Chart 7 illustrates the changes in the components of fund balance for Other Governmental Funds from June 30, 2012 to June 30, 2013.

See pages 153-172 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 174-193.

At the end of FY2012-13, unrestricted net position of the Sewage Disposal Fund and the Water Fund amounted to \$28,223,316 and \$57,666,665, respectively. The total growth in net position for the Sewage Disposal Fund and the Water Fund was \$59,484,319 and \$27,322,607, respectively.

The unrestricted net position for other enterprise funds totaled \$16,779,492, while the change in net position for other enterprise funds equaled an increase of \$2,170,504. 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 an increase of approximately \$10,458,672 and can be briefly summarized as follows:

- \$4,680,557 increase in personal services. This budgetary increase resulted primarily from the City's Budget Monitoring Process (BMP), which included: \$2,405,377 for the Portland Police Bureau for staffing costs related to the Department of Justice agreement, retirement payouts and compensation set-aside, and \$1,379,460 for Portland Parks and Recreation in response to a higher than anticipated level of public demand for services and compensation set-aside. The remainder of the budgetary increase resulted from numerous small increases spread across multiple bureaus.
- \$4,461,253 increase in materials and services. This budgetary increase resulted primarily from the City's Budget Monitoring Process (BMP) which included: \$1,145,359 for the Portland Police Bureau for increased costs related to the Department of Justice agreement and carry over for purchases encumbered but not received for emergency medical system (EMS) supplies; \$652,810 for Portland Fire and Rescue for encumbrance carryovers from the prior year; \$379,444 for the Portland Housing Bureau for encumbrance carryovers from the prior year; and \$349,387 for the Bureau of Planning and Sustainability for encumbrance carryover from the prior year for the Comprehensive Plan and the West Hayden Island Plan.

Other materials and services increases included: \$354,411 for the Office of Neighborhood Involvement for encumbrance carryovers from the prior year and excess revenues for the liquor licensing program; \$453,104 from Special Appropriations for encumbrance carryovers from the prior year and reclassifying \$360,000 of funds originally planned for the EMS project to the Westside Staging project; \$1,360,639 from the Office of the Mayor for encumbrance and advance carryovers from the prior year; and \$718,404 the Commissioner of Public Affairs for encumbrance carryovers from the prior year.

These materials and services increases were offset by a decrease of \$1,142,744 for the Office of Management and Finance due to under spending on the Public Safety Systems Revitalization Project, which was partially offset by an increase in funding for administrative costs related to the Arts Education and Access Fund.

- \$10,000 increase in debt service costs due to interest expense on business license refunds.
- \$974,701 decrease in general operating contingencies. This overall budgetary decrease is primarily the net result of a \$3.8 million decrease for compensation set-aside spread across multiple bureaus, which was partially offset by a \$1.9 million increase in costs related to superfund mitigation.

Actual revenues were \$10,196,161 above the final amended budget, primarily due to increased licenses and fees of \$6,050,682 and increased taxes of \$3,845,386. Actual expenditures were \$21,248,876 less than the final amended budget, primarily due to under expenditures for personal services of \$2,851,566, materials and services of \$9,579,798, capital outlay of \$38,794, and general operating contingencies of \$8,591,776.

These under expenditures were primarily due to:

- \$2,851,566 in under spending for personal services was spread across multiple bureaus. In the Office of Management and Finance, there were savings across the board in all divisions totaling \$666,029 as a result of vacancies that occurred throughout the course of the year.

Portland Fire and Rescue under spent personal services by \$801,358, which was primarily due to position vacancies and overtime savings.

The remaining personal services under spending spanned multiple bureaus.

- \$9,579,798 in under expenditures in materials and services spreads across multiple bureaus. Special appropriations approved by City Council were under spent by \$2,119,258, due to advances paid to recipients that were not recovered by the end of the fiscal year.

The Office of Management and Finance under spent \$1,740,545 in materials and services due to under spending related to the Arts Education and Access, \$834,637 of under spending on professional services spread across the bureau and \$423,867 in lower than projected costs in miscellaneous services.

The Portland Police Bureau experienced under expenditures in materials and services of \$1,152,305 due to the initiation of tight spending controls in the later part of FY2012-13 and goods and services that were encumbered by purchase orders for items not received by fiscal-year end. As requested by the bureau, the majority of these encumbrances were reappropriated in FY2013-14 in the fall BMP.

The Office of the Mayor under spent \$1,061,682 in materials and services due to savings efforts to reduce costs.

Portland Fire and Rescue under spent \$686,764 due to savings efforts to reduce costs and encumbrances that were not spent by the end of the fiscal year. As requested by the bureau, the majority of these encumbrances were re-appropriated in FY2013-14 in the fall BMP.

Portland Parks and Recreation had \$595,509 of under expenditures in materials and services primarily due to under spending in EMS supplies.

The Office of the City Auditor had \$524,068 of under expenditures in materials and services. Lower than anticipated expenditures were primarily unused funds for professional services in Audit Services related to savings for the City's external audit.

The Office of Neighborhood Involvement experienced under expenditures of \$514,177 in materials and services for contract encumbrances, the largest of which was \$130,000 for East Portland Action Plan awards. The majority of these encumbrances were reappropriated in FY2013-14 in the fall BMP.

The Office of the City Attorney under spent \$241,792 due to savings efforts to reduce costs.

The remaining materials and services under spending spanned multiple bureaus.

- \$38,794 in capital outlay under expenditures.

Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. During FY2012-13, General Fund expenditures did not exceed budgetary estimates in any of the expenditure categories.

## **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, 2013 amounts to \$6,311,887,207 (net of accumulated depreciation). This investment in capital assets includes infrastructure, construction in progress, buildings, land, improvements to land, equipment, land use rights, software, and owning rights. The total increase in the City's investment in capital assets for the

current fiscal year was \$98,176,778 million or 1.6 percent, a 3.1 percent decrease for governmental activities and a 4.4 percent increase for business-type activities.

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

*Governmental activities* - Governmental capital assets decreased by \$72,208,747 or 3.1 percent. This decrease resulted from additional investments in capital assets of \$114,625,973 which is more than offset by depreciation of \$186,834,720. Key factors in this change were decreases in construction in progress of \$127,680,843 or 47 percent and improvements to land of \$1,772,137 or 2.3 percent. Decreases in these areas were partially offset by increases in infrastructure of \$33,918,884 or 2.4 percent, land of \$12,479,689 or 6.4 percent, equipment of \$12,226,858 or 16.5 percent, and buildings of \$1,578,948 or 0.7 percent. Intangible assets decreased \$2,960,146 or 6.6 percent.

The construction in progress decrease of \$127,680,843 was primarily due to Portland Bureau of Transportation placing capital assets into service, most notably the grand opening of the Portland Eastside Streetcar, and to construction delays on a number of projects, including the Spring Garden, Sunset, Huber and Street Lighting Replacement projects. The increase in infrastructure due to the placement of new assets into service was significantly offset by depreciation expense for 2013 resulting in an increase of \$33,918,884.

Land increased \$12,479,689 due largely to properties contributed to Parks in prior years but recorded during the current year, and the purchase of the SGT Jerome F. Sears U. S Army Reserve Center for use as an emergency coordination center for the City.

Equipment increased \$12,226,858 primarily due to the addition of new vehicles to Fleet, a domestically manufactured Portland Streetcar, and a wheel truing machine for use on streetcars to remove flat spots on the wheels.

Intangible assets decreased \$2,960,146. Land use rights increased \$5,258,001 due to additions by Portland Bureau of Transportation, which included property on SE Water Avenue. Software decreased \$8,218,147 due primarily to the depreciation of SAP software and the Computer Aided Dispatch (CAD) system, which went into service last fiscal year.

*Business-type activities* - Business-type capital assets increased \$170,385,525 or 4.4 percent. This increase resulted from additional investments in capital assets of \$238,247,060 which was partially offset by depreciation of \$67,861,535. Key factors in this change were an increase in infrastructure of \$84,123,755 or 2.5 percent and an increase in construction in progress of \$82,475,262 or 31.1 percent. The increase in infrastructure was primarily due to Portland Water Bureau (PWB) and Bureau of Environmental Services (BES) assets that were placed in service during FY2012-13 which was partially offset by depreciation expense for 2013. For PWB, these assets were primarily new water mains. For BES, these assets included the Sellwood pump station and the Burlingame trunk sewer enlargement. The increase in construction in progress was primarily due to ongoing projects in PWB and BES. PWB projects included the Powell Butte reservoirs project and North Tower improvements at the Bull Run dam. BES projects included the Columbia Boulevard Wastewater Treatment Plant secondary process improvements which will keep solids from washing out in effluent during large storms.

Land increased \$6,920,737 or 7.2 percent primarily due to the purchase of new properties by the Bureau of Environmental Services. Buildings decreased \$6,684,365 or 4.3 percent primarily due to depreciation in excess of the minor amount of building additions in FY2012-13.

Intangible assets increased \$3,309,337 or 20.5 percent. This change was due primarily to a \$2,190,003 increase in land use rights resulting from additions by the Bureau of Environmental Services, and a \$1,120,103 increase in software due to the replacement of the water control system by the Portland Water Bureau.

The following table provides comparative information on the City's capital assets for FY2012-13 and FY2011-12:

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

**Governmental Activities**

Asset Category	FY2012-13	FY2011-12	Change
Infrastructure	\$ 1,473,552,493	\$ 1,439,633,609	\$ 33,918,884
Construction in progress	143,779,661	271,460,504	(127,680,843)
Buildings	220,314,812	218,735,864	1,578,948
Land	206,363,531	193,883,842	12,479,689
Improvements to land	74,951,238	76,723,375	(1,772,137)
Equipment	86,347,638	74,120,780	12,226,858
Intangible assets:			
Land use rights	22,254,168	16,996,167	5,258,001
Software	19,628,116	27,846,263	(8,218,147)
Owning rights	28,953	28,953	-
<b>Total</b>	<b>\$ 2,247,220,610</b>	<b>\$ 2,319,429,357</b>	<b>\$ (72,208,747)</b>

**Business-type Activities**

Infrastructure	\$ 3,383,543,804	\$ 3,299,420,049	\$ 84,123,755
Construction in progress	347,617,391	265,142,129	82,475,262
Buildings	150,224,354	156,908,719	(6,684,365)
Land	102,732,612	95,811,875	6,920,737
Improvements to land	26,360,481	27,694,791	(1,334,310)
Equipment	34,725,905	33,150,796	1,575,109
Intangible assets:			
Land use rights	16,632,273	14,442,270	2,190,003
Software	2,820,540	1,700,437	1,120,103
Owning rights	9,237	10,006	(769)
<b>Total</b>	<b>\$ 4,064,666,597</b>	<b>\$ 3,894,281,072</b>	<b>\$ 170,385,525</b>

**Total Net Capital Assets**

Infrastructure	\$ 4,857,096,297	\$ 4,739,053,658	\$ 118,042,639
Construction in progress	491,397,052	536,602,633	(45,205,581)
Buildings	370,539,166	375,644,583	(5,105,417)
Land	309,096,143	289,695,717	19,400,426
Improvements to land	101,311,719	104,418,166	(3,106,447)
Equipment	121,073,543	107,271,576	13,801,967
Intangible assets:			
Land use rights	38,886,441	31,438,437	7,448,004
Software	22,448,656	29,546,700	(7,098,044)
Owning rights	38,190	38,959	(769)
<b>Total</b>	<b>\$ 6,311,887,207</b>	<b>\$ 6,213,710,429</b>	<b>\$ 98,176,778</b>

Information on the City's capital assets can be found in Note III.F. on pages 88-94 of this report.

## B. Debt administration

The City holds debt in the form of lines of credit, loans, notes, and bonds. Increases of \$164,854,197 in bonds outstanding and \$52,661,347 in lines of credit outstanding account for the largest components of the \$215,608,670 increase in debt. Increases in the line of credit were primarily due to interim financing of \$15,920,885 for the North Macadam Urban Renewal District and \$78,617,308 for sewer capital construction. A portion of the new issues were used to pay off \$45,197,033 of interim lines of credit primarily used for the Resource Access Center and the River District Urban Renewal District.

The increase in bonds outstanding is a combination of a \$153,435,185 increase in business-type activity bonds, primarily revenue bonds and an \$11,419,012 increase in governmental bonds, primarily urban renewal and limited tax revenue bonds. Payments on loans, primarily business-type loans, decreased overall debt by \$1,864,771 from the prior year.

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

	<b>FY2012-13</b>	<b>FY2011-12</b>	<b>Change</b>
<b>Governmental Activities</b>			
Bonds	\$ 1,069,343,712	\$ 1,057,924,700	\$ 11,419,012
Lines of Credit	64,192,206	90,148,167	(25,955,961)
Loans	7,496,183	7,766,000	(269,817)
Total governmental activities	1,141,032,101	1,155,838,867	(14,806,766)
<b>Business-type Activities</b>			
Bonds	2,341,026,542	2,187,591,357	153,435,185
Lines of Credit	78,617,308	-	78,617,308
Loans	18,937,574	20,532,528	(1,594,954)
Notes	241,218	283,321	(42,103)
Total business-type activities	2,438,822,642	2,208,407,206	230,415,436
<b>Total Outstanding Debt</b>			
Bonds	3,410,370,254	3,245,516,057	164,854,197
Lines of Credit	142,809,514	90,148,167	52,661,347
Loans	26,433,757	28,298,528	(1,864,771)
Notes	241,218	283,321	(42,103)
Total outstanding debt	\$ 3,579,854,743	\$ 3,364,246,073	\$ 215,608,670

As of June 30, 2013, the City had total bonded debt outstanding of \$3,410,370,254. Unamortized premiums and discounts for governmental activities net to \$31,860,105, while unamortized premiums, discounts, and deferred loss on refunding for business-type activities net to \$115,881,873. Of the total bonded debt outstanding, \$62,675,000 is general obligation (GO) bond debt for governmental activities, secured by the full faith and credit and unlimited taxing power of the City, a decrease of \$8,065,000 from FY2011-12. This decrease was due to scheduled repayments related to emergency facilities of \$4,080,000, and Parks of \$3,985,000. GO bond debt for governmental activities is funded by property taxes.

The City has \$520,668,276 of limited tax revenue bonds outstanding, an increase of \$2,572,980 over FY2011-12. In the governmental funds, this increase of \$11,460,879 was due to a combination of new issuances offset by scheduled principal payments. New issues amounted to \$36,160,000 for the Milwaukie Light Rail project, which were offset by scheduled principal payments of \$24,699,121. In business-type activities, the decrease of \$8,887,899 was entirely due to scheduled payments. All of 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. These bonds will be repaid from specific revenue sources and from the General Fund.

An additional \$519,785,000 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 (URA). The increase of \$11,655,000 was due to new bond issuances totaling \$73,665,000, which was partially offset by scheduled principal payments of \$28,830,000 and refundings of \$33,180,000. Proceeds from the new bonds issued during FY2012-13 were used to pay the outstanding balance of bonds issued in FY2002-03 and used to take out interim lines of credit which funded capital projects in the River District Urban Renewal Area.

As of June 30, 2013, the City had \$50,700,000 of outstanding limited tax improvement bonds, a decrease of \$5,240,000 from FY2011-12. This decrease was due to scheduled principal payments of \$1,560,000 and bond calls of \$3,680,000.

The remainder of the City's debt is comprised of revenue bonds, totaling approximately \$2,108,800,000, an increase of \$132,390,000 over FY2011-12. This increase is primarily due to new bond issues of \$330,145,000 that were partially offset by scheduled principal payments of \$92,080,000 and refundings of \$105,675,000. Proceeds from the new bonds issued during FY2011-12 will be used to fund the cost of capital improvements for the City's water system. In general, revenue bonds are secured solely by specified revenue sources such as water, sewer, parking, and gas tax revenues.

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

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

	<u>FY2012-13</u>	<u>FY2011-12</u>	<u>Change</u>
<b>Governmental Activities</b>			
General Obligation Bonds	\$ 62,675,000	\$ 70,740,000	\$ (8,065,000)
Limited Tax Improvement Bonds	50,700,000	55,940,000	(5,240,000)
Urban Renewal Bonds	519,785,000	508,130,000	11,655,000
Limited Tax Revenue Bonds	387,503,607	376,042,730	11,460,877
Revenue Bonds	16,820,000	18,515,000	(1,695,000)
Unamortized premiums & discounts	31,860,105	28,556,970	3,303,135
Total governmental activities	<u>1,069,343,712</u>	<u>1,057,924,700</u>	<u>11,419,012</u>
<b>Business-type Activities</b>			
Limited Tax Revenue Bonds	133,164,667	142,052,566	(8,887,899)
Revenue Bonds	2,091,980,000	1,957,895,000	134,085,000
Unamortized premiums & discounts	115,881,875	87,643,791	28,238,084
Total business-type activities	<u>2,341,026,542</u>	<u>2,187,591,357</u>	<u>153,435,185</u>
<b>Total Outstanding Debt</b>			
General Obligation Bonds	62,675,000	70,740,000	(8,065,000)
Limited Tax Improvement Bonds	50,700,000	55,940,000	(5,240,000)
Urban Renewal Bonds	519,785,000	508,130,000	11,655,000
Limited Tax Revenue Bonds	520,668,274	518,095,296	2,572,978
Revenue Bonds	2,108,800,000	1,976,410,000	132,390,000
Unamortized premiums & discounts	147,741,980	116,200,761	31,541,219
Total outstanding bonded debt	<u>\$ 3,410,370,254</u>	<u>\$ 3,245,516,057</u>	<u>\$ 164,854,197</u>

The City's total bonded debt increased by \$164,854,197, or 5.1 percent, during the FY2012-13. Bonded debt for governmental activities increased by \$11,419,012 while debt for business-type activities increased by \$153,435,185. As detailed previously, the primary reason for the increase in bonded debt relating to governmental activities was the sale of bonds to fund the Milwaukie Light Rail project, while the primary reason for the increase in debt relating to business-type activities was the sale of bonds to fund capital improvements for the City's water system.

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

- **Debt limitation.** Oregon Revised Statutes provide 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 FY2012-13 real market value, this debt limitation is \$2,396,887,076. The amount of outstanding City debt subject to this limitation is \$62,675,000.
- **Debt ratings.** The City's unlimited tax general obligation debt remains rated "Aaa" by Moody's Investors Service, which was confirmed August 2012 and reconfirmed in August 2013. The

- **Debt ratings.** The City's unlimited tax general obligation debt remains rated "Aaa" by Moody's Investors Service, which was confirmed August 2012 and reconfirmed in August 2013. The Standard and Poor's rating on the Second Lien Sewer Revenue Bonds was downgraded from AA to AA- in August 2013. All other ratings remain unchanged in FY2012-13.

<b>Credit</b>	<b>Moody's Rating</b>
Unlimited Tax General Obligation Bonds	Aaa
First Lien Water Revenue Bonds	Aaa
Second Lien Water Revenue Bonds	Aa1
Limited Tax Revenue Bonds	Aa1
Arena Limited Tax Revenue Bonds	Aa1
Limited Tax Improvement Bonds	Aa1
Limited Tax Pension Obligation Revenue Bonds	Aa1
Limited Tax Housing Revenue Bonds	Aa1
Gas Tax Revenue Bonds	Aa2
First Lien Sewer Revenue Bonds (1)	Aa2
Second Lien Sewer Revenue Bonds (2)	Aa3
Airport Way Urban Renewal Bonds	Aa3
Oregon Convention Center Urban Renewal Bonds	Aa3
Downtown Waterfront Urban Renewal Bonds	Aa3
South Park Blocks Urban Renewal Bonds	Aa3
River District Urban Renewal Bonds	A1
North Macadam Urban Renewal Bonds	A1
Lents Town Center Urban Renewal Bonds	A1
Central Eastside Urban Renewal Bonds	A2
Interstate Corridor Urban Renewal Bonds	A2
Hydroelectric Revenue Bonds (PGE) (3)	Baa1

Notes:

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

- **Debt ratios.** The City's debt ratios, as of June 30, 2013, are shown below:

	Amount	Per Capita	Percent of Real Market Valuation	Percent of Assessed Valuation
Population July 1, 2012	587,865	--	--	
2012-13 Real Market Value	\$79,896,235,855	\$135,909	--	
2012-13 Assessed Value (1)	\$52,498,568,988	\$89,304	65.71 %	
Gross Bonded Debt (2)	\$694,565,017	\$1,182	0.87	1.32 %
Net Direct Debt (3)	\$242,847,432	\$413	0.30	0.46
Net Overlapping Debt	\$1,167,922,719	\$1,987	1.46	2.22
Net Direct and Overlapping Debt	\$1,410,770,151	\$2,400	1.77	2.69

(1) Market Value reported in this table encompasses City of Portland values within Multnomah, Washington, and Clackamas Counties, including estimated urban renewal incremental real market values. Market Values reported in this table are "Measure 5 Values", which represent the real market value of properties that are not specially assessed; and the value of specially assessed properties, including farm, forestland, and exempt property, which are less than full real market value. In FY2012-13, the Measure 5 Market Value represented about 81 percent of full real market value.

(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 non self-supporting limited tax revenue bonds secured by the City's General Fund as well as general obligation bonds paid from a separate, unlimited *ad valorem* tax.

Additional information on the City's long-term debt can be found in Note III.I. on pages 99-114 of this report.

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

The following economic factors currently affect the City of Portland and were considered in developing the City of Portland's budget for the 2013-2014 fiscal year.

- According to the U.S. Bureau of Labor Statistics, the unemployment rate for the City of Portland in August 2013 was 7 percent. This compares favorably with the State of Oregon rate of 7.7 percent and is equal to the national rate.
- Based on data released August 15, 2013, inflation rose at an annualized rate of 2.6 percent for the first six months of 2013. Much of the total Consumer Price Index (CPI) increase was driven by increases in rental costs. Meanwhile commodity prices fell slightly. The CPI-W, which determines the cost of living increases for nearly all City employees, is expected to be lower, probably 2.5 percent for the 2013 calendar year.
- Water rates and sewer bills increased 3.6 percent and 5.3 percent, respectively, for the 2014 budget year. These increases were necessary to fund ongoing operation and maintenance of aging systems, comply with U.S. Environmental Protection Agency mandates and permit requirements, and fund additional debt service payments resulting from the financing of system improvements.

- Massive reforms adopted by the State Legislature in May helped keep the PERS employer rates (the City pays a contribution into the retirement system based on a calculated percent of employees' wages) essentially even with prior year levels. These rates are expected to increase throughout the five-year forecast horizon as the PERS Fund tries to climb back from significant losses suffered in 2008.
- The budget impacts from the formation of the County Library District, costs associated with the Department of Justice agreement, and the conversion of previously one-time funded programs to the ongoing base, forced the City to make large ongoing cuts. The underlying economic conditions, though, have improved slightly, especially as it relates to the City's revenue streams. This is consistent with the current point in the business cycle and will likely persist in the near term.
- Home sales activity is clearly the headline for the local economy at this time. Bolstered by historically low mortgage rates and increasing general confidence, demand from consumers is far outstripping supply. The result is rapidly rising prices, often exceeding asking prices. In spite of the recent growth, prices remain well below pre-recession levels. According to the S&P-Case Schiller index, Portland prices remain more than 20 percent below the peak level in April 2007.
- Economic conditions, while improved slightly from a year ago, remain mired in a "two steps forward, one step back" economic recovery. Even as the housing market begins to see healthy price appreciation, the job market, particularly in the public sector, is barely keeping its head above water. Job growth has largely matched what one would expect in order to simply keep up with population increases. As it relates to the City's revenue streams, the uptick in housing is much more significant than the steady, but mediocre, job growth.

During the current fiscal year, unrestricted, unassigned fund balance in the general fund increased by \$6,218,729 to \$28,514,937, largely due to increased revenues previously discussed in this document. The City of Portland has appropriated this entire amount for spending in the 2014 fiscal year budget.

#### **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, Office of Management and Finance, 1120 SW Fifth Avenue, Suite 1250, Portland, Oregon 97204.

# Basic Financial Statements

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E.K. Haseltine Residence, 1880

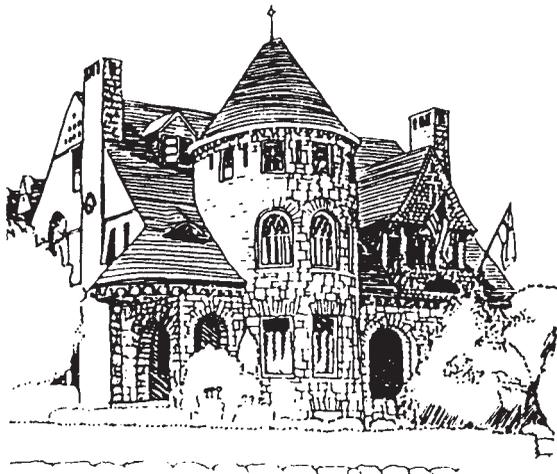
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# Government-wide Financial Statements

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37062 Exhibit B

K.A.J. Mackenzie Residence, 1892

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City Hall Columns

**City of Portland, Oregon**  
**Statement of Net Position**  
**June 30, 2013**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Portland Development Commission
<b>ASSETS</b>				
Current assets (unrestricted):				
Cash and investments	\$ 256,633,553	\$ 109,917,644	\$ 366,551,197	\$ 159,642,011
Receivables:				
Taxes	13,832,534	-	13,832,534	-
Accounts, net	45,856,962	71,747,229	117,604,191	1,209,586
Assessments	708,357	897,122	1,605,479	-
Notes and loans, net	852,329	-	852,329	6,566,589
Advances	2,767,752	374,917	3,142,669	-
Accrued interest	927,546	519,725	1,447,271	269,199
Due from primary government	-	-	-	2,629,938
Due from component unit	514,173	74,694	588,867	-
Internal balances	635,242	8,459,758	-	-
Inventories	7,319,778	3,162,746	10,482,524	-
Property held for sale	-	-	-	80,568,343
Prepaid expense	1,147,609	-	1,147,609	306,303
Current assets (restricted):				
Cash and investments	71,711,432	13,151,051	84,862,483	-
Receivables:				
Taxes	16,930,396	-	16,930,396	-
Accounts, net	36,297	-	36,297	-
Assessments	15,139,558	-	15,139,558	-
Notes and loans, net	2,616,084	-	2,616,084	-
Advances	15,720	-	15,720	-
Grants	11,326,079	-	11,326,079	-
Accrued interest	657,180	-	657,180	-
Due from component unit	3,489,753	-	3,489,753	-
Internal balances	(9,095,000)	-	-	-
Property held for sale	14,132,595	-	14,132,595	-
	458,155,929	208,304,886	666,460,815	251,191,969
Total current assets	458,155,929	208,304,886	666,460,815	251,191,969
Noncurrent assets (unrestricted):				
Capital assets, not being depreciated or amortized:				
Land	206,363,531	102,732,612	309,096,143	4,802,391
Construction in progress	143,779,661	347,617,391	491,397,052	-
Intangible assets:				
Land use rights	22,254,168	16,332,592	38,586,760	-
Owning rights	28,953	-	28,953	-
Capital assets net of accumulated depreciation:				
Infrastructure	1,473,552,493	3,383,543,804	4,857,096,297	-
Buildings	220,314,812	150,224,354	370,539,166	1,353,727
Improvements to land	74,951,238	26,360,481	101,311,719	-
Equipment	86,347,638	34,725,905	121,073,543	220,604
Intangible assets:				
Land use rights	-	299,681	299,681	-
Owning rights	-	9,237	9,237	-
Software	19,628,116	2,820,540	22,448,656	2,377,350
Net capital assets	2,247,220,610	4,064,666,597	6,311,887,207	8,754,072
Receivables:				
Assessments	1,467,164	3,759,649	5,226,813	-
Notes and loans, net	5,750,100	-	5,750,100	51,206,565
Prepaid expense	101,340,349	39,509,995	140,850,344	-
Noncurrent assets (restricted):				
Cash and investments	99,409,062	205,144,160	304,553,222	-
Receivables:				
Assessments	67,658,537	-	67,658,537	-
Notes and loans, net	46,646,355	-	46,646,355	-
Grants	5,017,831	-	5,017,831	-
Total noncurrent assets	2,574,510,008	4,313,080,401	6,887,590,409	59,960,637
Total assets	3,032,665,937	4,521,385,287	7,554,051,224	311,152,606

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**City of Portland, Oregon**  
**Statement of Net Position, Continued**  
**June 30, 2013**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Portland Development Commission
<b>LIABILITIES</b>				
Current liabilities (payable from unrestricted assets):				
Accounts payable	\$ 21,603,823	\$ 21,999,908	\$ 43,603,731	\$ 2,687,160
Self insurance claims	13,779,436	-	13,779,436	-
Compensated absences	38,218,830	7,905,769	46,124,599	95,903
Bonds payable	23,029,150	117,154,099	140,183,249	-
Notes and loans payable	2,755,127	1,368,041	4,123,168	-
Accrued interest payable	3,949,965	17,929,845	21,879,810	-
Unearned revenue	716,611	1,056,345	1,772,956	-
Due to primary government	-	-	-	4,078,620
Due to component unit	1,901,883	25,000	1,926,883	-
Pollution remediation	-	838,500	838,500	-
Other liabilities	3,149	134,750	137,899	670,864
Current liabilities (payable from restricted assets):				
Accounts payable	9,972,978	10,758,095	20,731,073	-
Bonds payable	48,857,548	2,270,000	51,127,548	-
Due to component unit	703,055	-	703,055	-
Accrued interest payable	-	122,956	122,956	-
Unearned revenue	5,323,666	-	5,323,666	-
Other liabilities	13,555,732	-	13,555,732	-
Total current liabilities	184,370,953	181,563,308	365,934,261	7,532,547
Noncurrent liabilities:				
Self insurance claims	12,083,627	-	12,083,627	-
Compensated absences	14,994,254	806,486	15,800,740	489,237
Bonds payable	997,457,014	2,221,602,443	3,219,059,457	-
Notes and loans payable	68,933,262	96,428,059	165,361,321	-
Accrued Interest payable	67,544,424	17,812,620	85,357,044	-
Net pension obligation	1,297,534,276	-	1,297,534,276	-
Other postemployment benefits	32,996,129	3,365,651	36,361,780	729,471
Landfill postclosure	871,474	-	871,474	-
Pollution remediation	713,648	597,500	1,311,148	8,395,053
Other liabilities	-	480,383	480,383	3,428,825
Total noncurrent liabilities	2,493,128,108	2,341,093,142	4,834,221,250	13,042,586
Total liabilities	2,677,499,061	2,522,656,450	5,200,155,511	20,575,133
<b>NET POSITION</b>				
Net investment in capital assets	2,125,382,711	1,879,196,917	4,004,579,628	8,754,072
Restricted for:				
Public safety	1,726,133	-	1,726,133	-
Parks, recreation and culture	3,044,912	-	3,044,912	-
Community development	104,100,616	-	104,100,616	276,463,494
Transportation	23,377,005	-	23,377,005	-
Legislative / admin / support services	6,492,486	-	6,492,486	-
Debt service	75,801,497	2,437,302	78,238,799	-
Capital projects	39,283,922	11,418,562	50,702,484	-
Parks endowment fund:				
Nonexpendable	181,987	-	181,987	-
Unrestricted surplus (deficit)	(2,024,224,393)	105,676,056	(1,918,548,337)	5,359,907
Total net position	\$ 355,166,876	\$ 1,998,728,837	\$ 2,353,895,713	\$ 290,577,473

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, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total	
					Governmental Activities	Business-type Activities			
<b>Functions/Programs</b>									
<b>Primary government:</b>									
Governmental activities:									
Public safety	\$ 539,582,340	\$ 9,198,789	\$ 24,947,561	\$ 848,069	\$ (504,587,921)	\$ -	\$ (504,587,921)	\$ -	
Parks, recreation and culture	77,384,671	21,659,255	8,388,372	27,055,896	(20,281,148)	-	(20,281,148)	-	
Community development	206,451,529	46,267,824	57,055,421	-	(103,128,284)	-	(103,128,284)	-	
Transportation	304,095,341	81,578,019	66,460,615	33,924,774	(122,131,933)	-	(122,131,933)	-	
Legislative / admin / support services	106,340,680	198,673,424	26,628,593	3,866,149	122,827,486	-	122,827,486	-	
Environmental services	604,474	22,086	1,693,581	58,482	1,169,675	-	1,169,675	-	
Water	221,364	-	2,334,714	-	2,113,350	-	2,113,350	-	
Interest on long-term debt	50,436,861	-	-	-	(50,436,861)	-	(50,436,861)	-	
Total governmental activities	1,285,117,260	357,399,397	187,508,857	65,753,370	(674,455,636)	-	(674,455,636)	-	
Business-type activities:									
Environmental services	229,742,394	292,754,016	-	2,714,902	-	65,726,524	65,726,524	-	
Water	120,814,693	147,514,349	-	500,452	-	27,200,108	27,200,108	-	
Hydroelectric power	1,786,015	4,060,110	-	-	-	2,274,095	2,274,095	-	
Parking facilities	6,272,155	12,164,895	-	-	-	5,892,740	5,892,740	-	
Golf	8,528,501	8,266,224	-	-	-	(262,277)	(262,277)	-	
Motor sports	1,745,465	1,704,966	-	-	-	(40,499)	(40,499)	-	
Spectator facilities	10,232,186	10,846,860	-	44,640	-	659,314	659,314	-	
Housing	763,346	970,625	-	-	-	207,279	207,279	-	
Total business-type activities:	379,884,755	478,282,045	-	3,259,994	-	101,657,284	101,657,284	-	
Total primary government	\$ 1,665,002,015	\$ 835,681,442	\$ 187,508,857	\$ 69,013,364	(674,455,636)	101,657,284	(572,798,352)	-	
<b>Component unit:</b>									
Portland Development Commission	\$ 102,421,703	\$ 5,260,345	\$ 7,970,747	\$ -	-	-	-	(89,190,611)	
General revenues:									
Taxes:									
Property					441,030,147	-	441,030,147	-	
Lodging					28,746,920	-	28,746,920	-	
Miscellaneous					7,815,970	-	7,815,970	-	
Payments from the City					-	-	-	73,354,431	
Investment earnings					6,496,779	640,963	7,137,742	684,314	
Miscellaneous revenues (primarily sale of property held for sale)					7,655,640	(7,655,640)	-	6,724,318	
Transfers					-	-	-	-	
Special item:					-	-	-	-	
Capital asset write-off					-	(7,000,000)	(7,000,000)	-	
Total general revenues, special item and transfers					491,745,456	(14,014,677)	477,730,779	80,763,063	
Change in net position					(182,710,180)	87,642,607	(95,067,573)	(8,427,548)	
Net position -- beginning					519,938,685	1,911,086,230	2,431,024,915	289,465,633	
Restatement (see Note 1.D.17)					17,938,371	-	17,938,371	9,539,368	
Net assets -- beginning, as restated					537,877,056	1,911,086,230	2,448,963,286	299,005,021	
Net position -- ending					\$ 355,166,876	\$ 1,998,728,837	\$ 2,353,895,713	\$ 290,577,473	

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

# Fund Financial Statements

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Union Station, 1890

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City of Portland, Oregon  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General Fund	Transportation Operating	Grants	Other Governmental Funds	Total
<b>ASSETS</b>					
Unrestricted:					
Cash and investments	\$ 53,324,870	\$ 13,185,082	\$ -	\$ 47,130,839	\$ 113,640,791
Receivables:					
Taxes	13,832,534	-	-	-	13,832,534
Accounts, net	29,991,747	10,838,145	-	3,353,676	44,183,568
Assessments	16,072	778,445	-	1,381,004	2,175,521
Notes and loans, net	-	-	-	6,172,829	6,172,829
Advances	2,764,629	-	-	-	2,764,629
Accrued interest	160,500	61,067	-	419,583	641,150
Due from other funds	28,234	37,958	-	929	67,121
Due from component unit	474,444	270	-	-	474,714
Internal loans	1,150,000	2,500,000	-	-	3,650,000
Inventories	352,483	4,910,307	-	-	5,262,790
Prepaid items	178,764	300,943	-	-	479,707
Restricted:					
Cash and investments	5,785,176	26,652,459	6,463,900	120,333,407	159,234,942
Receivables:					
Taxes	7,770,556	-	-	9,159,840	16,930,396
Accounts, net	-	-	-	36,297	36,297
Assessments	-	-	-	82,798,095	82,798,095
Notes and loans, net	-	-	1,103,709	48,158,730	49,262,439
Advances	-	-	11,797	3,923	15,720
Grants	-	-	15,680,722	663,188	16,343,910
Accrued interest	-	-	11,681	645,499	657,180
Due from component unit	-	-	319,135	3,170,618	3,489,753
Property held for sale	-	-	-	14,132,595	14,132,595
<b>Total assets</b>	<b>\$ 115,830,009</b>	<b>\$ 59,264,676</b>	<b>\$ 23,590,944</b>	<b>\$ 337,561,052</b>	<b>\$ 536,246,681</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 7,147,783	\$ 4,451,106	\$ -	\$ 179,607	\$ 11,778,496
Due to component unit	1,901,883	-	-	-	1,901,883
Internal loans payable	1,460,226	-	-	-	1,460,226
Unearned revenue	121,292	509,263	-	16,908	647,463
Other accrued liabilities	-	3,149	-	-	3,149
Liabilities payable from restricted assets:					
Accounts payable	-	-	3,826,506	5,713,221	9,539,727
Due to other funds	-	-	47,062	28,234	75,296
Due to component unit	-	-	97,450	605,605	703,055
Due to fiduciary fund	7,770,556	-	-	-	7,770,556
Internal loans payable	-	-	8,945,000	150,000	9,095,000
Unearned revenue	-	-	5,323,666	-	5,323,666
Other accrued liabilities	5,785,176	-	-	-	5,785,176
<b>Total liabilities</b>	<b>24,186,916</b>	<b>4,963,518</b>	<b>18,239,684</b>	<b>6,693,575</b>	<b>54,083,693</b>
Deferred inflows of resources:					
Unavailable revenue - unrestricted	12,352,227	1,859,184	-	1,972,278	16,183,689
Unavailable revenue - restricted	-	-	12,631,464	89,638,300	102,269,764
<b>Total deferred inflows of resources</b>	<b>12,352,227</b>	<b>1,859,184</b>	<b>12,631,464</b>	<b>91,610,578</b>	<b>118,453,453</b>
Fund balances:					
Nonspendable	531,247	5,211,250	-	163,182	5,905,679
Restricted	-	26,652,459	-	182,803,650	209,456,109
Committed	49,930,120	-	-	22,432,941	72,363,061
Assigned	314,562	20,578,265	-	33,857,126	54,749,953
Unassigned	28,514,937	-	(7,280,204)	-	21,234,733
<b>Total fund balances (deficits)</b>	<b>79,290,866</b>	<b>52,441,974</b>	<b>(7,280,204)</b>	<b>239,256,899</b>	<b>363,709,535</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 115,830,009</b>	<b>\$ 59,264,676</b>	<b>\$ 23,590,944</b>	<b>\$ 337,561,052</b>	<b>\$ 536,246,681</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 Position**  
**June 30, 2013**

**Fund balances - total governmental funds** \$ 363,709,535

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

Capital assets used in governmental funds are not financial resources and, therefore, are reported only in the government-wide statements. 2,056,553,220

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 92,178,891

    Deferred items eliminated for government-wide (See Note III.D., Deferred inflows of resources and unearned revenue) 118,453,453

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 position. 242,410,962

Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds. (994,903,205)

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.E., Employee retirement systems and pension plans section of the Notes to the Financial Statements.) (1,297,534,276)

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 (50,418,098)

    Notes and loans payable (71,688,389)

    Accrued interest (67,077,485)

    Other postemployment benefits (31,926,027)

    Landfill postclosure (871,474)

    Pollution remediation (713,648)

    Internal service fund lookback adjustment to business-type activities (3,006,583)

**Total net position of governmental activities** **\$ 355,166,876**

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, 2013**

	<u>General Fund</u>	<u>Transportation Operating</u>	<u>Grants</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 309,996,818	\$ -	\$ -	\$ 129,818,717	\$ 439,815,535
Lodging	21,616,835	-	-	7,130,085	28,746,920
Miscellaneous	-	-	-	7,815,970	7,815,970
Licenses and fees	159,809,166	3,564,622	-	33,194,365	196,568,153
Intergovernmental	26,621,532	70,710,403	49,749,618	59,097,790	206,179,343
Charges for services	12,404,476	11,108,877	-	15,533,703	39,047,056
Interagency	45,663,634	29,314,512	-	1,064,259	76,042,405
Parking fees	337,286	25,210,847	-	61,243	25,609,376
Parking fines	-	6,692,495	-	-	6,692,495
Concessions	29,053	-	-	-	29,053
Rents and reimbursements	4,180,073	584,768	-	305,465	5,070,306
Miscellaneous service charges	1,561,715	4,017,751	-	11,298,919	16,878,385
Loan collections	5,822	-	-	-	5,822
Assessments	26,914	555,116	-	8,437,731	9,019,761
Investment earnings	1,013,161	99,770	33,751	5,248,076	6,394,758
Payments in lieu of taxes	1,177,430	-	-	-	1,177,430
Miscellaneous	3,022,016	1,615,191	205	2,168,212	6,805,624
	<u>587,465,931</u>	<u>153,474,352</u>	<u>49,783,574</u>	<u>281,174,535</u>	<u>1,071,898,392</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	375,692,965	-	9,441,629	20,036,705	405,171,299
Parks, recreation and culture	66,046,161	-	291,778	2,821,339	69,159,278
Community development	35,332,633	-	13,817,713	161,880,264	211,030,610
Transportation	-	159,991,927	2,053,896	-	162,045,823
Legislative / admin / support services	69,535,327	-	-	13,061,974	82,597,301
Environmental services	-	-	604,474	-	604,474
Water	-	-	221,364	-	221,364
Debt service and related costs:					
Principal	3,855,483	6,347,767	-	126,562,722	136,765,972
Interest	2,420,444	1,616,473	-	41,149,771	45,186,688
Debt issuance costs	-	248,222	-	803,906	1,052,128
Capital outlay	3,159,762	19,988,673	22,883,726	23,378,535	69,410,696
	<u>556,042,775</u>	<u>188,193,062</u>	<u>49,314,580</u>	<u>389,695,216</u>	<u>1,183,245,633</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,423,156</u>	<u>(34,718,710)</u>	<u>468,994</u>	<u>(108,520,681)</u>	<u>(111,347,241)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	3,392,858	12,712,772	752,870	86,486,128	103,344,628
Transfers out	(32,798,151)	(4,227,557)	(1,437,804)	(61,369,173)	(99,832,685)
Proceeds from sale of capital assets	21,307	72,800	-	-	94,107
Bonds and notes issued	-	37,335,808	-	18,645,264	55,981,072
Refunding bonds issued	-	-	-	73,665,000	73,665,000
Bonds and notes premium	-	2,784,389	-	5,405,107	8,189,496
	<u>(29,383,986)</u>	<u>48,678,212</u>	<u>(684,934)</u>	<u>122,832,326</u>	<u>141,441,618</u>
Net change in fund balances	<u>2,039,170</u>	<u>13,959,502</u>	<u>(215,940)</u>	<u>14,311,645</u>	<u>30,094,377</u>
Fund balances (deficit) - beginning	77,251,696	38,482,472	(7,306,604)	207,118,879	315,546,443
Restatement per GASB 62 implementation (see Note I.D.17)	-	-	242,340	17,696,031	17,938,371
Major fund reclassified to nonmajor fund	-	-	-	130,344	130,344
Fund balances (deficit) - beginning, as restated	<u>77,251,696</u>	<u>38,482,472</u>	<u>(7,064,264)</u>	<u>224,945,254</u>	<u>333,615,158</u>
Fund balances (deficit) - ending	<u>\$ 79,290,866</u>	<u>\$ 52,441,974</u>	<u>\$ (7,280,204)</u>	<u>\$ 239,256,899</u>	<u>\$ 363,709,535</u>

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

**City of Portland, Oregon**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2013**

**Net change in fund balances - total governmental funds** \$ 30,094,377

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

The effect of capital outlays made by the governmental funds 69,410,696

Disposals of capital assets and capital contributions 27,800,237

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.F., the Capital Assets section of the Notes to the Financial Statements, for a breakdown of depreciation expense by function.) (167,029,446)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 174,931

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. (438,477)

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 position. This is the amount by which bond proceeds exceeded principal retirement in the current period. (3,823,780)

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 include:

Accrual of compensated absences and interest payable, the premium amortization on bonds payable, and recognition of capital lease obligations (2,912,483)

Accrual of net pension liability which is not reported as an expenditure in governmental funds (128,193,975)

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

Internal service fund lookback adjustment to business-type activities 1,334,823

Accrual of landfill postclosure costs (10,109)

Accrual of environmental remediation costs 55,205

Accrual of other postemployment benefits which are not reported as an expenditure in governmental funds (3,557,221)

**Change in net position of governmental activities** **\$ (182,710,180)**

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



Portland Fire Boats Ready for July 4<sup>th</sup> Celebration

**City of Portland, Oregon**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<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>ASSETS</b>					
Current assets (unrestricted):					
Cash and investments	\$ 26,876,179	\$ 67,487,424	\$ 15,554,041	\$ 109,917,644	\$ 142,992,762
Receivables:					
Accounts, net	48,499,600	21,779,118	1,468,511	71,747,229	1,673,394
Assessments	700,046	197,076	-	897,122	-
Notes and loans, net	-	-	-	-	53,700
Advances	-	307,848	67,069	374,917	3,123
Accrued interest	153,460	294,317	71,948	519,725	286,396
Due from other funds	-	8,175	-	8,175	-
Due from component unit	-	-	74,694	74,694	39,459
Internal loans receivable	-	-	5,445,000	5,445,000	136,491
Inventories	1,362,289	1,800,457	-	3,162,746	2,056,988
Prepaid expense	-	-	-	-	667,902
	<u>77,591,574</u>	<u>91,874,415</u>	<u>22,681,263</u>	<u>192,147,252</u>	<u>147,910,215</u>
Current assets (restricted):					
Cash and investments	-	10,758,095	2,392,956	13,151,051	433,251
	<u>-</u>	<u>10,758,095</u>	<u>2,392,956</u>	<u>13,151,051</u>	<u>433,251</u>
Total current assets (restricted)					
	<u>-</u>	<u>10,758,095</u>	<u>2,392,956</u>	<u>13,151,051</u>	<u>433,251</u>
Total current assets	<u>77,591,574</u>	<u>102,632,510</u>	<u>25,074,219</u>	<u>205,298,303</u>	<u>148,343,466</u>
Noncurrent assets (unrestricted):					
Capital assets, not being depreciated or amortized:					
Land	67,271,989	16,860,555	18,600,068	102,732,612	10,468,512
Construction in progress	143,972,297	202,876,706	768,388	347,617,391	29,137,833
Intangible assets:					
Land use rights	13,733,820	2,594,272	4,500	16,332,592	-
Capital assets, being depreciated or amortized:					
Infrastructure	3,123,451,365	908,277,438	44,128,641	4,075,857,444	12,037,338
Buildings	19,853,751	34,372,090	191,837,733	246,063,574	151,229,281
Improvements to land	1,292,824	14,516,957	23,492,689	39,302,470	873,162
Equipment	27,708,229	29,938,384	5,704,781	63,351,394	100,702,633
Intangible assets:					
Land use rights	-	299,681	-	299,681	-
Owning rights	-	10,776	-	10,776	-
Software	8,716,383	2,691,595	252,638	11,660,616	42,588,355
Accumulated depreciation and amortization	(387,944,082)	(343,009,215)	(107,608,656)	(838,561,953)	(156,369,724)
	<u>3,018,056,576</u>	<u>869,429,239</u>	<u>177,180,782</u>	<u>4,064,666,597</u>	<u>190,667,390</u>
Receivables:					
Assessments	3,576,109	183,540	-	3,759,649	-
Notes and loans, net	-	-	-	-	375,900
Internal loans receivable	-	-	-	-	1,323,735
Prepaid pension obligation	18,455,279	19,167,811	1,886,905	39,509,995	9,161,458
	<u>3,040,087,964</u>	<u>888,780,590</u>	<u>179,067,687</u>	<u>4,107,936,241</u>	<u>201,528,483</u>
Noncurrent assets (restricted):					
Cash and investments	28,070,500	163,417,795	13,655,865	205,144,160	11,452,301
	<u>3,068,158,464</u>	<u>1,052,198,385</u>	<u>192,723,552</u>	<u>4,313,080,401</u>	<u>212,980,784</u>
Total noncurrent assets					
	<u>3,068,158,464</u>	<u>1,052,198,385</u>	<u>192,723,552</u>	<u>4,313,080,401</u>	<u>212,980,784</u>
Total assets	<u>\$ 3,145,750,038</u>	<u>\$ 1,154,830,895</u>	<u>\$ 217,797,771</u>	<u>\$ 4,518,378,704</u>	<u>\$ 361,324,250</u>

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**City of Portland, Oregon**  
**Statement of Net Position, Continued**  
**Proprietary Funds**  
**June 30, 2013**

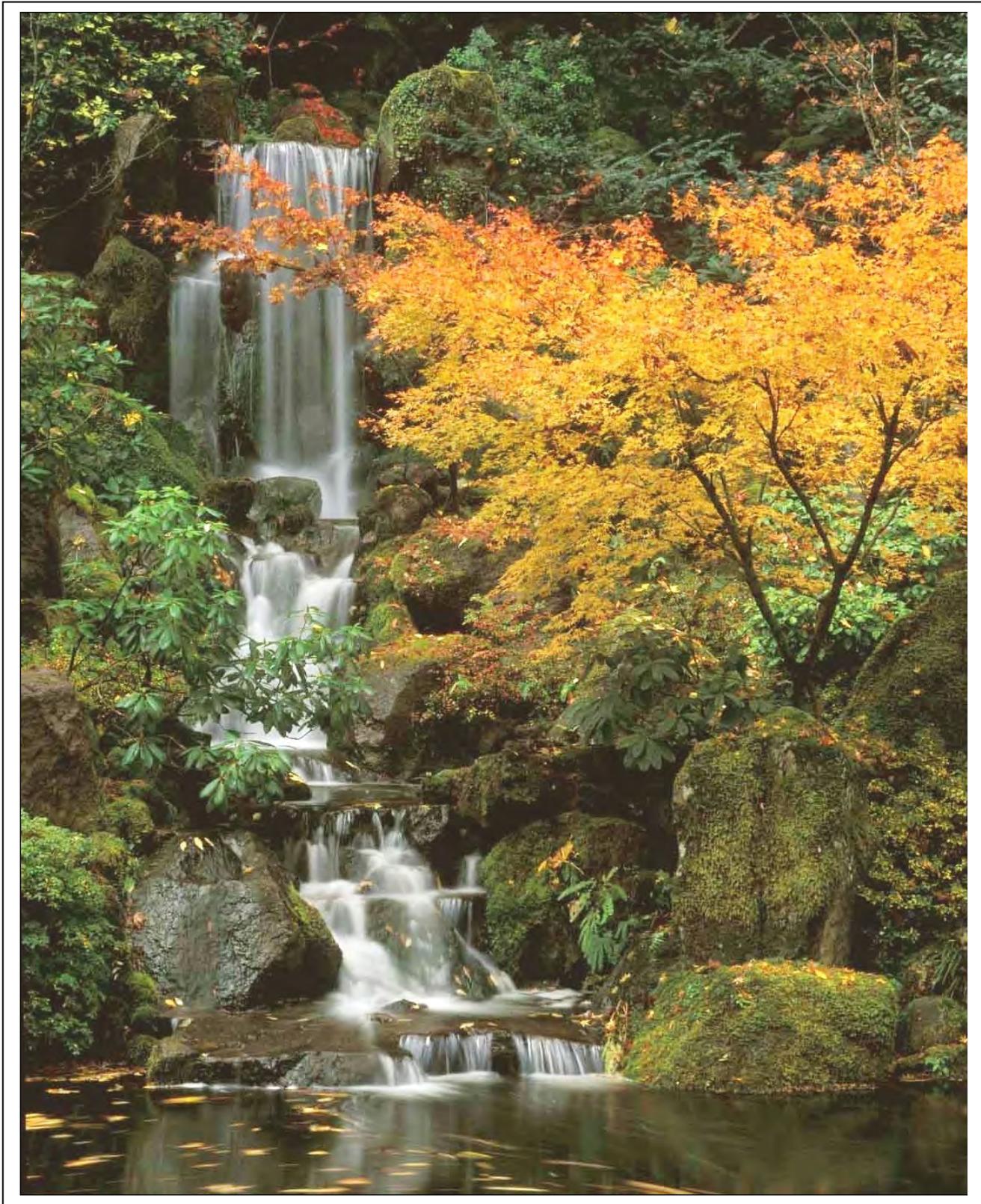
	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Sewage Disposal</b>	<b>Water</b>	<b>Other Funds</b>	<b>Total</b>	
<b>LIABILITIES</b>					
Current liabilities (payable from unrestricted assets):					
Accounts payable	\$ 15,877,453	\$ 4,764,457	\$ 1,357,998	\$ 21,999,908	\$ 9,825,327
Self insurance claims	-	-	-	-	13,779,436
Compensated absences	3,615,684	3,801,472	488,613	7,905,769	2,752,261
Bonds payable	83,546,071	26,829,194	6,778,834	117,154,099	11,150,806
Notes and loans payable	1,368,041	-	-	1,368,041	-
Accrued interest payable	12,807,890	4,623,779	498,176	17,929,845	286,563
Unearned revenue	617,592	233,659	205,094	1,056,345	69,148
Due to component unit	25,000	-	-	25,000	-
Pollution remediation	99,000	239,500	500,000	838,500	-
Other liabilities	134,750	-	-	134,750	-
	<u>118,091,481</u>	<u>40,492,061</u>	<u>9,828,715</u>	<u>168,412,257</u>	<u>37,863,541</u>
Total current liabilities (unrestricted)					
Current liabilities (payable from restricted assets):					
Accounts payable	-	10,758,095	-	10,758,095	433,251
Bonds payable	-	-	2,270,000	2,270,000	-
Accrued interest payable	-	-	122,956	122,956	-
	<u>-</u>	<u>10,758,095</u>	<u>2,392,956</u>	<u>13,151,051</u>	<u>433,251</u>
Total current liabilities (restricted)					
Total current liabilities	<u>118,091,481</u>	<u>51,250,156</u>	<u>12,221,671</u>	<u>181,563,308</u>	<u>38,296,792</u>
Noncurrent liabilities:					
Self insurance claims	-	-	-	-	12,083,627
Compensated absences	365,582	388,603	52,301	806,486	42,725
Bonds payable	1,509,676,818	634,977,346	76,948,279	2,221,602,443	63,289,701
Notes and loans payable	96,428,059	-	-	96,428,059	-
Accrued interest payable	8,320,348	8,641,584	850,688	17,812,620	4,130,341
Other postemployment benefits	1,426,170	1,704,867	234,614	3,365,651	1,070,102
Pollution remediation	85,000	152,500	360,000	597,500	-
Other liabilities	94,837	-	385,546	480,383	-
	<u>1,616,396,814</u>	<u>645,864,900</u>	<u>78,831,428</u>	<u>2,341,093,142</u>	<u>80,616,496</u>
Total noncurrent liabilities					
Total liabilities	<u>1,734,488,295</u>	<u>697,115,056</u>	<u>91,053,099</u>	<u>2,522,656,450</u>	<u>118,913,288</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,382,838,427	400,049,174	96,309,316	1,879,196,917	141,544,209
Restricted for:					
Debt service	200,000	-	2,237,302	2,437,302	-
Capital projects	-	-	11,418,562	11,418,562	-
Unrestricted	28,223,316	57,666,665	16,779,492	102,669,473	100,866,753
	<u>1,411,261,743</u>	<u>457,715,839</u>	<u>126,744,672</u>	<u>1,995,722,254</u>	<u>242,410,962</u>
Total net position					
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds				<u>3,006,583</u>	
Net position of business-type activities				<u>\$ 1,998,728,837</u>	

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 Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<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>	
Operating revenues:					
Service charges and fees	\$ 276,217,238	\$ 142,083,067	\$ 17,562,022	\$ 435,862,327	\$ 14,686,099
Service charges and fees provided internally	3,390,534	3,776,243	1,221,762	8,388,539	161,298,454
Licenses and permits	1,405,704	-	2,714,993	4,120,697	-
Rents and reimbursements	71,799	-	7,943,792	8,015,591	1,643,016
Concessions	-	-	1,446,975	1,446,975	-
Parking fees	-	-	11,829,989	11,829,989	-
Power sales	-	-	4,011,144	4,011,144	-
Miscellaneous	2,685,315	1,655,039	266,429	4,606,783	4,973,465
Total operating revenues	<u>283,770,590</u>	<u>147,514,349</u>	<u>46,997,106</u>	<u>478,282,045</u>	<u>182,601,034</u>
Operating expenses:					
Salaries and wages	47,319,527	35,947,904	7,284,602	90,552,033	41,693,438
Operating supplies	3,923,604	3,036,208	1,015,105	7,974,917	11,092,739
Professional services	3,487,969	1,141,427	1,822,628	6,452,024	4,123,253
Services and materials provided internally	33,662,713	16,047,159	6,201,334	55,911,206	18,081,382
Utilities	5,381,126	1,705,957	322,360	7,409,443	3,070,032
Claims	-	-	-	-	55,088,171
Utility license fees	12,672,638	5,356,663	154,520	18,183,821	21,427
Miscellaneous	10,362,058	6,762,736	11,383,665	28,508,459	36,252,774
Depreciation and amortization	39,459,906	22,804,040	5,597,589	67,861,535	19,805,274
Total operating expenses	<u>156,269,541</u>	<u>92,802,094</u>	<u>33,781,803</u>	<u>282,853,438</u>	<u>189,228,490</u>
Operating income (loss)	<u>127,501,049</u>	<u>54,712,255</u>	<u>13,215,303</u>	<u>195,428,607</u>	<u>(6,627,456)</u>
Nonoperating revenues (expenses):					
Investment earnings (loss)	321,701	273,524	45,738	640,963	102,021
Interest expense	(63,535,315)	(24,028,638)	(4,448,202)	(92,012,155)	(2,495,991)
Debt issuance costs	(182,450)	(1,385,515)	(214)	(1,568,179)	(345)
Gain (loss) on sale of capital assets	(38,716)	(2,166,229)	(148,911)	(2,353,856)	911,406
Miscellaneous	(14,835)	(316,023)	-	(330,858)	(29,080)
Total nonoperating revenues (expenses)	<u>(63,449,615)</u>	<u>(27,622,881)</u>	<u>(4,551,589)</u>	<u>(95,624,085)</u>	<u>(1,511,989)</u>
Income before contributions and transfers	64,051,434	27,089,374	8,663,714	99,804,522	(8,139,445)
Transfers in	160,655	159,692	24,647	344,994	6,279,617
Transfers out	(442,672)	(462,762)	(6,562,497)	(7,467,931)	(2,668,623)
Capital contributions	2,714,902	536,303	44,640	3,295,845	4,089,974
Income before special item	66,484,319	27,322,607	2,170,504	95,977,430	(438,477)
Special item:					
Capital asset write-off	(7,000,000)	-	-	(7,000,000)	-
Change in net position	59,484,319	27,322,607	2,170,504	88,977,430	(438,477)
Total net position - beginning	<u>1,351,777,424</u>	<u>430,393,232</u>	<u>124,574,168</u>		<u>242,849,439</u>
Total net position - ending	<u>\$ 1,411,261,743</u>	<u>\$ 457,715,839</u>	<u>\$ 126,744,672</u>		<u>\$ 242,410,962</u>
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds				<u>(1,334,823)</u>	
Change in net position of business-type activities				<u>\$ 87,642,607</u>	

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



Waterfall in Portland Japanese Garden

**City of Portland, Oregon**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	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	\$ 275,644,129	\$ 142,806,316	\$ 45,661,606	\$ 464,112,051	\$ 21,388,951
Receipts from interfund services provided	3,411,547	4,148,951	1,221,762	8,782,260	161,298,454
Payments to suppliers	(17,001,840)	(8,260,343)	(17,082,554)	(42,344,737)	(104,477,755)
Payments to employees	(45,920,998)	(34,598,181)	(7,128,467)	(87,647,646)	(40,950,189)
Payments for interfund services used	(49,810,572)	(24,684,143)	(6,225,340)	(80,720,055)	(19,693,899)
Other receipts (payments)	610,262	400,350	-	1,010,612	328
Net cash provided by (used for) operating activities	<u>166,932,528</u>	<u>79,812,950</u>	<u>16,447,007</u>	<u>263,192,485</u>	<u>17,565,890</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	117,066	159,692	24,647	301,405	6,261,975
Transfers out	(442,672)	(462,762)	(6,544,855)	(7,450,289)	(2,625,034)
Proceeds from internal loans	-	-	3,395,000	3,395,000	135,811
Payments for internal loans	-	-	(5,445,000)	(5,445,000)	(1,596,037)
Net cash provided by (used for) noncapital related financing activities	<u>(325,606)</u>	<u>(303,070)</u>	<u>(8,570,208)</u>	<u>(9,198,884)</u>	<u>2,176,715</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of bonds and notes	78,617,308	330,292,336	-	408,909,644	-
Premium on bonds and notes issued	-	37,517,171	-	37,517,171	-
Proceeds from sale of capital assets	324,698	1,040,220	9,702	1,374,620	2,072,688
Acquisition and construction of capital assets	(107,619,737)	(138,305,575)	(341,624)	(246,266,936)	(15,024,676)
Principal paid on bonds and notes	(73,499,469)	(124,930,858)	(8,301,963)	(206,732,290)	(10,990,001)
Interest paid on bonds and notes	(70,911,764)	(22,881,244)	(4,666,951)	(98,459,959)	(2,988,665)
Payments for bond issuance costs	(182,450)	(1,385,515)	(214)	(1,568,179)	(344)
Net cash provided by (used for) capital and related financing activities	<u>(173,271,414)</u>	<u>81,346,535</u>	<u>(13,301,050)</u>	<u>(105,225,929)</u>	<u>(26,930,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	515,751	295,599	154,858	966,208	313,001
Net cash provided by (used for) investing activities	<u>515,751</u>	<u>295,599</u>	<u>154,858</u>	<u>966,208</u>	<u>313,001</u>
Net increase (decrease) in cash and cash equivalents	(6,148,741)	161,152,014	(5,269,393)	149,733,880	(6,875,392)
<b>CASH AND CASH EQUIVALENTS, July 1, 2012</b>	<u>61,095,420</u>	<u>80,511,300</u>	<u>36,872,255</u>	<u>178,478,975</u>	<u>161,753,706</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2013</b>	<u>\$ 54,946,679</u>	<u>\$ 241,663,314</u>	<u>\$ 31,602,862</u>	<u>\$ 328,212,855</u>	<u>\$ 154,878,314</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>					
Unrestricted cash and cash equivalents	\$ 26,876,179	\$ 67,487,424	\$ 15,554,041	\$ 109,917,644	\$ 142,992,762
Restricted cash and cash equivalents	28,070,500	174,175,890	16,048,821	218,295,211	11,885,552
Total cash and cash equivalents	<u>\$ 54,946,679</u>	<u>\$ 241,663,314</u>	<u>\$ 31,602,862</u>	<u>\$ 328,212,855</u>	<u>\$ 154,878,314</u>

Continued next page

**City of Portland, Oregon**  
**Statement of Cash Flows, Continued**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	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 (used for) operating activities:</b>					
Operating income (loss)	\$ 127,501,049	\$ 54,712,255	\$ 13,215,303	\$ 195,428,607	\$ (6,627,456)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation and amortization of capital assets	39,459,906	22,804,040	5,597,589	67,861,535	19,805,274
Provision for uncollectible accounts	800,086	735,006	-	1,535,092	-
Nonoperating revenue	-	237,696	-	237,696	-
Change in assets and liabilities:					
Accounts and advances receivable	(3,874,441)	(336,559)	(141,048)	(4,352,048)	603,695
Due (from) to other funds	21,013	372,708	-	393,721	-
Due (from) to component unit	30,000	-	142,248	172,248	41,064
Inventories	(26,389)	(239,844)	-	(266,233)	(336,631)
Accounts payable	3,108,407	1,003,744	(2,112,988)	1,999,163	1,160,555
Self insurance claims	-	-	-	-	2,719,260
Compensated absences	132,822	23,360	17,475	173,657	83,830
Unearned revenue	67,871	(10,483)	149,705	207,093	14,940
Other postemployment benefits	141,526	158,780	23,723	324,029	101,359
Pollution remediation	(376,000)	392,000	(445,000)	(429,000)	-
Other liabilities	(53,322)	(39,753)	-	(93,075)	-
Net cash provided by (used for) operating activities	<u>\$ 166,932,528</u>	<u>\$ 79,812,950</u>	<u>\$ 16,447,007</u>	<u>\$ 263,192,485</u>	<u>\$ 17,565,890</u>
<b>Noncash information</b>					
Prepaid PERS amortization	\$ (1,124,181)	\$ (1,167,583)	\$ (114,937)	\$ (2,406,701)	\$ (558,060)
Capital contribution	2,714,902	536,303	44,640	3,295,845	4,087,980
Special Item: Capital asset write-off	(7,000,000)	-	-	(7,000,000)	-
Increase (decrease) in fair value of investments (classified as cash equivalents)	(249,324)	(470,507)	(104,720)	(824,551)	(669,893)

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

**City of Portland**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<u>Pension Trust</u>	<u>Agency</u>
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 21,825,238	\$ 39,516,667
Receivables:		
Accounts, net	7,045	2,197,948
Advances	-	1,021,592
Pension recovery	381,368	-
Accrued interest	106,271	16,759
Due from other funds	7,770,556	-
Prepaid expense	287,845	-
	<u>30,378,323</u>	<u>42,752,966</u>
Capital assets:		
Construction in progress	21,843	-
Intangible assets:		
Software	287,239	-
	<u>309,082</u>	<u>-</u>
Net capital assets	<u>309,082</u>	<u>-</u>
	<u>30,687,405</u>	<u>42,752,966</u>
<b>LIABILITIES</b>		
Accounts payable	8,970,745	4,618,157
Salaries and withholding taxes	-	16,092,933
Compensated absences	765,492	-
Due to other governments	-	9,189,351
Bonds payable	435,618	-
Accrued interest payable	130,834	-
Contingent pension liability	3,164,255	-
Other postemployment benefits	37,273	-
Other liabilities	-	12,852,525
	<u>13,504,217</u>	<u>42,752,966</u>
Total liabilities	<u>13,504,217</u>	<u>42,752,966</u>
<b>NET POSITION</b>		
Net investment in capital assets	309,082	
Held in trust for pension benefits	16,874,106	
	<u>17,183,188</u>	
Total net position	<u>\$ 17,183,188</u>	<u>\$ -</u>

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

**City of Portland**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2013**

	<u><b>Pension Trust</b></u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 112,542,969
Other	455,590
	<hr/>
Total contributions	112,998,559
Investment earnings	119,842
	<hr/>
Total additions	<u>113,118,401</u>
<b>DEDUCTIONS</b>	
Benefits and refunds paid to plan members and beneficiaries	112,939,143
Refunds	48,719
Administrative expenses	3,425,724
	<hr/>
Total deductions	<u>116,413,586</u>
Change in net position	(3,295,185)
Net position - beginning	20,478,373
	<hr/>
Net position - ending	\$ <u><u>17,183,188</u></u>

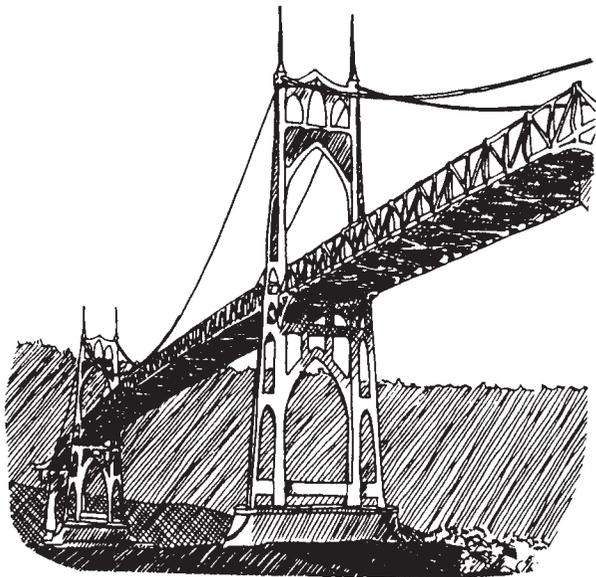
The accompanying notes are an integral part of the basic financial statements.



City Hall and Portland Building

# Notes to the Financial Statements

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St. John's Bridge, 1931

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**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 commissioners and mayor manage City bureaus.

The accompanying financial statements present the financial condition of the government and its component units, entities for which the government is considered to be financially accountable. Criteria that indicates financial accountability includes, but is not limited to, the following:

- Appointment by the City of a majority of voting members of the governing body of an organization with the 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; to make other substantive decisions; or
- Provision by the organization of specific financial benefits to the City; imposition by an organization of specific financial burdens on the City, such as assumption of deficits or provision of support; or
- Fiscal dependency of 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 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. A *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 (FPDR) Fund was established by adoption of Chapter 5 of the City Charter by voters in a general election held on November 2, 1948. Ten subsequent amendments have been passed by voters. The most recent changes were passed November 6, 2012. The FPDR Fund provides for the benefit of the sworn employees of Portland Fire and Rescue, the sworn employees of the Bureau of Police of the City of Portland, and for the benefit of the surviving spouses and dependent minor children of deceased sworn employees (Section 5-101).

The FPDR Fund's Board of Trustees also administers a reserve fund authorized under a provision of Chapter 5 (Section 5-104) of the Charter of the City of Portland. The reserve fund provides for advances to the FPDR 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 FPDR Fund and reserve fund are reported as pension trust funds, 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@PortlandOregon.gov](mailto:FPDR@PortlandOregon.gov), URL: <http://www.portlandoregon.gov/fpdr/> or by telephone: (503) 823-6823.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

PDC is governed by a five-member volunteer Commission, appointed by the City's Mayor and approved by the City Council to serve three year terms. PDC's governing board is substantially different than the City's board of commissioners, which prevents the City from imposing its will on PDC. PDC does not have a financial burden or benefit relationship with the City. Based upon criteria established by Governmental Accounting Standards Board (GASB) Statement No. 61, PDC is reported as a discretely presented component unit.

As a discretely presented component unit, the assets, liabilities, revenues and expenses related to PDC are included in the component unit column of the City's government-wide financial statements. Excerpts of PDC's notes to the basic financial statements are included if significant. 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/resource-library.aspx> or by telephone: (503) 823-3200.

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

The government-wide financial statements, which include the statement of net position 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 its legally separate *component unit* 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 Position Proprietary Funds*. Segment information for nonmajor enterprise funds is provided in the *Combining Statement of Net Position and the Combining Statement of Revenues, Expenses and Changes in Net Position*.

*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*.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

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

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

Significant revenues, measurable and available for the fiscal year ended June 30, 2013, 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
- Interagency agreement revenues for personal services and materials and services between funds
- 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 City's primary operating fund. This fund accounts for all financial transactions 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 resources available to this fund that are neither restricted nor committed are a combination of parking revenue and license and permit fees. Other resources include: state gas tax, system development charges, and agreements with other governments that are restricted for the purpose of transportation infrastructure and maintenance. In total, over half of the resources available to this fund are restricted.

The *Grants Fund* accounts for the majority of the City's activities associated with federal and state financial assistance programs as well as private donations. All revenue streams flowing into this fund are restricted.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

- I. **Summary of significant accounting policies**, continued:
- C. **Measurement focus, basis of accounting, and financial statement presentation**, continued:

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:

*Special revenue funds* are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are committed or legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

*Debt service funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt of governmental funds.

*Capital projects funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital-related outflows financed by proprietary funds are included within those funds. The principal sources of revenues are transfers in, proceeds from bonded debt, assessments, system development charges, local cost sharing, and other service charges.

The *permanent fund* accounts for and reports 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.

*Enterprise funds* account for the operations of predominantly self-supporting activities rendering services to the public on a user charge basis.

*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. The 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 support services for the City's financial system.

*Pension trust fund* accounts for activities of the Fire and Police Disability and Retirement pension and benefits for members of the Fire and Police Bureaus, their widows and surviving children.

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

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 and various other City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

*Indirect expenses* include general government, support services, and administration costs. These indirect expenses are based on a full-cost allocation approach, thereby spreading indirect expenses among functions with the objective of applying all expenses. This allocation is performed 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 included as program revenues, are reported 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 funds are charges to customers for services such as water and sewer.

The principal *operating revenues* of the City's internal service funds are printing fees, telecommunication charges, vehicle use and maintenance fees, insurance fees, facility rents, and information system support charges primarily to other City funds.

*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 nonoperating revenues and expenses.

Beginning in the current year, service charges and fees provided internally (revenues) and services and materials provided internally (expenses) by internal service funds have been segregated from the service charges and fees (revenues) and professional services (expenses) to more clearly illustrate internal versus external of proprietary funds.

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 increase the trust reserve.

Specific fund changes

During fiscal year ended June 30, 2013, there was one fund established:

Special Revenue Fund:

*Arts Education and Access Fund* – In November 2012, citizens approved the Arts Education and Access Income Tax to provide the net revenues to the school districts and to the Regional Arts and Culture Council solely for grants to support non-profit Portland arts organizations that demonstrate artistic excellence, provide service to the community, show administrative and fiscal competence, and provide a wide range of high-quality arts programs to the public.

During the fiscal year ended June 30, 2013, there were three fund name changes:

Special Revenue Fund:

*Portland Parks Memorial Trust Fund* was renamed as the *Portland Parks Memorial Fund* to better represent the purpose of the fund.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

Specific fund changes, continued:

Capital Projects Fund:

*Local Improvement District Construction Fund* was renamed as *Local Improvement District Fund* to better represent the purpose of the fund.

*Parks Capital Construction and Maintenance Fund* was renamed as *Parks Capital Improvement Program Fund* to better represent the purpose of the fund.

During the fiscal year ended June 30, 2013, one fund was reclassified:

Capital Projects Fund:

*Special Finance and Resource Fund* no longer met the requirement to report as a major fund, and was reclassified from a major governmental fund to a nonmajor governmental fund.

**D. Assets, liabilities, and net position or equity:**

1. Cash 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, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

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. 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 United States (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., 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

Uncollected property taxes in governmental funds are shown on the balance sheet as receivables. Property is valued annually, as of January 1. Taxes are assessed and become property liens on July 1, annually. Property tax statements are mailed no later than October 25, and taxes are due in three installments on November 15, February 15, and May 15. Discounts, less than or equal to 3 percent, are offered to those paying early. Taxes outstanding on May 16 are considered delinquent. Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. All other receivables are shown net of an allowance for uncollectibles.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

2. Receivables, continued:

Proprietary fund receivables are recorded as revenue when earned, including services earned but not billed. The receivables of proprietary funds include billing for residential and commercial customers utilizing the City's water, sewer, and storm water management services. These receivables are reported net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence.

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

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

Loans receivable are recorded when the borrower has signed a promissory note, and disbursements are made in accordance with the loan agreement. Through fiscal year ended June 30, 2012, the City maintained a valuation allowance for loans receivable that was comprised of an allowance for risk and an allowance for present value discount. During the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 62, to remove the effect of present value calculations on the loan portfolio. Refer to Note I.D.17 for more information.

3. Accounts payable

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.

4. Inventories and property held for sale

Inventories are materials and supplies that are stated at average cost. For both governmental and proprietary fund financial statements, inventories are expensed when consumed or used in operations. Inventories are expensed when purchased in the budgetary statements and schedules.

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 non-spendable or restricted fund balance depending on the fund classification. Upon final disposition or a decline in the value of the property, gain or loss is charged or credited to operations.

5. Prepaid items and advances

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items or advances in both the government-wide and fund financial statements using the purchases method. Payments which are classified as prepaid are primarily items that are being amortized such as prepaid insurance and rent.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

5. Prepaid items and advances, continued:

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). In the City's fiscal year ended June 30, 2000, the City contributed an amount in excess of the annual required contribution to finance the estimated Unfunded Accumulated Actuarial Liability (UAAL) of the City with PERS. The City's portion of the amounts contributed in excess of the annual required contributions are recorded as noncurrent prepaid items in both the government-wide and proprietary fund financial statements and are amortized on a straight-line basis over 30 years.

Payments made to small non-profits and businesses, which need payments in advance due to their lack of working capital, are classified as advances.

6. 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.

7. Capital assets

Capital assets, which include land, construction in progress, buildings and building improvements, improvements to land, leasehold improvements, equipment, infrastructure, capital leases, and intangible assets (land use rights, owning rights, and software), 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 (not internally-generated) 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 that 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, including intangibles, 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, meets 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. Management evaluates capital assets for impairment and retirement biannually, or as circumstances warrant.

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.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

7. Capital assets, continued

The estimated useful lives of capital assets are:

- Infrastructure – 20 to 100 years
- Improvements to land – 20 to 50 years
- Buildings & building improvements – 10 to 50 years
- Equipment – 3 to 20 years
- Term land use rights – depends on conditions of contract
- Term owning rights – depends on conditions 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 as a collection are not capitalized as long as:

- a. Collections are held for public exhibit rather than financial gain;
- b. Such items are protected, unencumbered, cared for, and preserved; and
- c. Proceeds from any sales are used by the City to acquire other works of art and historical treasures.

Such items are owned by the City but protected and maintained by the Regional Arts and Culture Council, a nonprofit corporation. The City's collection consists of many items acquired over a long period of time.

8. Capitalized interest

Interest costs of borrowing, less interest earned on investments acquired with these proceeds, are capitalized in enterprise funds from the date of borrowing, after the date of actual expenditure, until the constructed assets are ready for their intended use.

9. Leases

In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, 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.

10. 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. Employees may not accumulate more than the vacation earned in a two-year period without the approval from City Council. Compensated absences are reported in governmental funds only if they have matured. Collective bargaining agreements for Fire and Police Bureau employees require payment 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. All compensated absences are paid by the individual funds as they become due.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

11. 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 position. 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 also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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, so deposits and cash withdrawals may be made any time without prior notice or penalty. This treatment is in conformity with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

13. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

14. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that apply to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that apply to a future period and so will not be recognized as an inflow of resources (revenue) until then.

15. Net position 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 *Statement of Net Position* for government-wide reporting and for the proprietary funds and on the fiduciary funds' *Statement of Fiduciary Net Position*, net position is segregated into three categories: net investment in capital assets; restricted net position; and unrestricted net position.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

- I. **Summary of significant accounting policies**, continued:
- D. **Assets, liabilities, and net position or equity**, continued:
15. **Net position and fund balances**, continued:

**Net investment in capital assets** represents total capital assets less accumulated depreciation, debt, and unspent bond proceeds directly related to those capital assets. Deferred outflows of resources and deferred inflows of resources directly related to those capital assets and related debt should also be included in this section. Significant unspent deferred inflows of resources should not be included.

**Restricted net position** represents net position that is *not* subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulations of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

**Unrestricted surplus (deficit)** net position 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 into separate classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent.

Fund balance is reported as **Nonspendable** when the resources cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

Fund balance is reported as **Restricted** when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, and then unrestricted resources, as they are needed. \$57,462,204 of fund balance is restricted due to enabling legislation.

Fund balance is reported as **Committed** for amounts that can be used only for specific purposes with constraints imposed by the highest level of decision-making authority. The City operates under a commission form of government. The Mayor supervises the general affairs of the City, and together with the four commissioners, comprises the City Council, the City's highest level of decision-making authority. The City Council meets weekly to conduct legislative business and enacts ordinances that may impose, modify, or rescind fund balance commitments. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

The City has not established a policy regarding the assignment of fund balance. However, the City Council has the authority to establish governmental funds with the intent to use them for a specific purpose. Fund balance amounts outside the General Fund, that are neither restricted nor committed, are reported as **Assigned** fund balance in governmental funds. For the General Fund, the portion of ending fund balance that has been appropriated to eliminate a projected budgetary deficit in the next year's budget is reported as **Assigned** fund balance.

**Unassigned** fund balance is the residual classification for the general fund. This classification represents fund balance that is not otherwise reported as nonspendable, restricted, or committed within the general fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

15. Net position and fund balances, continued:

The City has not established a formal policy regarding the use of its unrestricted fund balance amounts. When expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, the City intends to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

16. Stabilization arrangements

There are two stabilization arrangements within the City, for which separate funds have been established: the *General Reserve Fund* and the *Transportation Reserve Fund*.

The *General Reserve Fund* was established by Resolution No. 34722 and adopted by the City Council on May 3, 1990. Two components of the General Reserve Fund are the emergency reserve and the countercyclical reserve. Each component is mandated to maintain a balance of five percent of general fund revenues less any short-term borrowing receipts, intrafund, and grant revenues, for a total of ten percent.

The emergency reserve component is available to fund one-time, emergency, unanticipated expenditure requirements or offset unanticipated revenue fluctuations occurring within a fiscal year. The emergency reserve will only be accessed when the result of emergency expenditures or an unexpected revenue reduction would likely result in a negative ending fund balance for the General Fund. Emergency reserve resources must begin to be restored in the fiscal year following their use. Restoration will be consistent with Council's past practice of budgeting transfers totaling a minimum of \$1 million a year to the General Reserve Fund.

The countercyclical reserve component is available to either maintain general fund current service levels programs or to adjust expenditure growth to match slower revenue growth during the first 18 to 24 months of a recession. The countercyclical reserve may be used when basic revenue growth (where "basic revenue" is defined as the sum of general fund property tax, business license, utility license/franchise fees, cigarette and liquor taxes, transient lodging taxes, and interest income) falls to below 5.5 percent for two consecutive quarters, or the Financial Forecast estimates basic revenue growth will be below 5.5 percent for the next fiscal year, and one or more of the following conditions occurs in conjunction with slower revenue growth:

- The Portland Metropolitan Area (PMA) unemployment rate is reported above 6.5 percent for two consecutive quarters, or the Financial Forecast estimates PMA unemployment will average in excess of 6.5 percent for the next fiscal year.
- The property tax delinquency rate exceeds 8 percent.
- Business license year-to-year revenue growth falls below 5.5 percent for two consecutive quarters, or the financial forecast estimates business license revenue growth at less than 5.5 percent for the next fiscal year.

The Council should begin to restore countercyclical reserves within 24 months of their first use. Revenue shortfalls associated with bureau service reimbursement income, contract income, or cost recovery income may not be offset by a transfer of resources from the General Reserve Fund.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

16. Stabilization arrangements, continued:

The adopted budget revenues (total resources minus beginning balance) in the General Fund for fiscal year 2013 was \$475,359,499. After adjusting for short-term borrowing receipts, intrafund, and grant revenues, the total revenues were \$450,614,894, resulting in a minimum required reserve of \$45,061,489. General Reserve Fund balance of \$50 million as of June 30, 2013, exceeded the required minimum balance.

During fiscal year 2013, requirements for use of the General Fund Reserve were met. The General Reserve Fund was used for internal loans at the end of the year – no funds were used from the reserve for emergencies or bridge funding. Since this transfer of resources was a loan and the funds will be returned in fiscal year 2014, it is not considered a use of the General Reserve Fund per City policy.

The *Transportation Reserve Fund* was established in July 1, 1992 in accordance with Ordinance No. 165570, which created the transportation reserve policy. The policy designates two types of reserves. Countercyclical reserves are mandated to maintain current service level programs or buffer the impact of major revenue interruptions, such as those caused by an economic recession. The policy sets this reserve amount at 5 percent of the Portland Bureau of Transportation's (PBOT's) discretionary adopted budget revenues.

Emergency reserves are mandated to fund major one-time unexpected requirements, such as those related to a structural failure or road emergency associated with a natural disaster or event. The policy sets this reserve amount at 5 percent of PBOT's discretionary adopted budget appropriations excluding contingency. Due to continued reductions in the Transportation Operating Fund, transfers to the reserves have not yet reached the level the policy requires. The fund balance of the Transportation Reserve Fund was \$17,935 as of June 30, 2013.

17. Change in accounting principles

Primary Government

Portland Housing Bureau is engaged in making loans to facilitate various housing goals of the City and these loans are made at below market interest rates. During the fiscal year ended June 30, 2013, the City implemented GASB Statement No. 62, the effect of present value calculations on the loan portfolio were removed. The net position of the City's governmental activities has been restated to reflect the change in accounting principle. The impact of this restatement on net position is as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Net position at June 30, 2012 as previously reported	\$ 519,938,685	\$ 1,911,086,230	\$ 2,431,024,915
Restatement of beginning net assets:			
Adoption of GASB Statement No. 62	17,938,371	-	17,938,371
Net position at June 30, 2012 as restated	<u>\$ 537,877,056</u>	<u>\$ 1,911,086,230</u>	<u>\$ 2,448,963,286</u>

The amount of the allowance due to the present value portion of the allowance at fiscal year-end 2011 was \$18,630,843. The impact of the change increased net position for fiscal year 2012 by \$682,472.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

- I. **Summary of significant accounting policies**, continued:
- D. **Assets, liabilities, and net position or equity**, continued:
17. **Change in accounting principles**, continued:

The impact of this restatement on fund balances of the individual funds at July 1, 2012, is as follows:

Restated amounts by fund:	
Grants	\$ 242,340
Housing Investment	1,405,381
Community Development Block Grant	2,895,330
HOME Grant	1,758,557
Tax Increment Reimbursement	11,636,763
Total restated loans receivable	<u>\$ 17,938,371</u>

**Component Unit – Portland Development Commission**

With the implementation of GASB Statement No. 62 Portland Development Commission (PDC) removed the effect of present value calculations on the loan portfolio. The increase in fund balance across all funds and net position for PDC for fiscal year 2013 was \$9,539,388 and is detailed on the face of the financial statements. The amount of the allowance due to the present value portion of the allowance at fiscal year-end 2011 was \$15,844,656 which had an impact on net position for fiscal year 2012 was \$6,005,268.

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

During the fiscal year ended June 30, 2013, the City implemented the following GASB Pronouncements:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Issued November 2010, the objective of this statement is to improve financial reporting 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.

Management has evaluated existing contracts, leases, and other agreements to determine if they are in fact a SCA, and if the criteria outlined in the statement for a SCA have been met. The City does not have any agreements which require accounting and reporting under GASB Statement No. 60. On an annual basis, management will evaluate new lease agreements and other arrangements in accordance with the criteria in GASB Statement No. 60.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. 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 requirements of GASB Statement No. 61 result in making financial statements more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

GASB Statement No. 61, continued:

Management reviewed the financial reporting criteria in GASB Statement No. 61 to identify any potential additional component units and determine if existing component units required changes to the accounting, reporting, or disclosures. Management's analysis did not identify other reportable component units that were material to include or disclose in the CAFR, and no accounting or reporting changes are needed for any of the existing component units.

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Issued December 2010, the objective of this statement is to improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments, so the standards can be derived from a single source. This effort brings the authoritative accounting and financial reporting literature together in one place, with that guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. It will effectively eliminate the need for financial statement preparers and auditors to determine private sector standards issued prior to December 1, 1989 need to be applied, thereby resulting in a more consistent application of applicable guidance in financial statements of state and local governments. This statement is effective for the fiscal year ended June 30, 2013.

GASB Statement No. 62, in paragraphs 173-187, added guidance on interest costs-imputation to its codification; low-interest loans issued by governments to carry out governmental objectives are now excluded. See Note I.D.17., *Changes in accounting principles*, for the impact of this pronouncement on the City's financial statements.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. Issued June 2011, the objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. The statement provides reporting guidance for financial statement line items and the actual financial statement presentation and disclosure of these financial statement elements. This statement is effective for the fiscal year ended June 30, 2013.

Management has reviewed requirements of this standard and has determined the impact to the City's financial reporting is to rename the Statement of Net Assets to the Statement of Net Position and change related references throughout the CAFR. In addition, the line item for "Invested in capital assets, net of related debt" will change to "Net investment in capital assets" in statements of net position.

Deferred inflows of resources are reported in a separate section of the balance sheet following liabilities. Deferred inflows of resources represent an acquisition of fund balance by the City that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. There does not appear to be any other impact to the City's financial accounting and reporting. The City does not currently have *Deferred Outflows of Resources*.

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Issued March 2012, the objective of this statement is to evaluate and reclassify various financial statement items that have been previously reported as either assets or liabilities, and evaluates them against the definitions provided for deferred outflows and deferred inflows of resources. This statement will be effective for fiscal year ending June 30, 2014. For the City, management has elected to early implement this standard for fiscal year ending June 30, 2013.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

GASB Statement No. 65, continued:

Management has reviewed requirements of this standard and has determined the impact to the City's financial reporting is to recognize inflows of resources that relate to future periods as deferred inflows of resources. These resources are comprised of unavailable revenue, liens and taxes as further described in Note III.D., *Deferred inflows of resources and unearned revenue*. The City does not currently have *Deferred Outflows of Resources*.

GASB Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62*. Issued March 2012, this statement improves accounting and financial reporting by resolving conflicting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The objectives of this statement are to resolve conflicting guidance for risk financing, accounting for operating leases with scheduled rent increases, sales and pledges of receivables and future revenues for acquisition of a loan or group of loans, and recognition of servicing fees related to mortgage loans sold. This statement is effective for fiscal year ending June 30, 2014; however management has elected to early implement this standard for fiscal year ending June 30, 2013.

Management has determined that the City currently complies with the new guidance in GASB Statement No. 66 in regards to risk financing by utilizing three internal service funds: Health Insurance Operating, Insurance and Claims Operating, and Workers' Compensation Self Insurance. Management has also determined that it complies with the guidance on accounting for operating leases. The City does not engage in purchasing loans or selling mortgages and retaining the servicing fees at present, so this portion of the standard does not apply. Management has reviewed the criteria identified in the statements and determined there is no impact to the City's current financial accounting and reporting for these types of transactions.

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

The following GASB pronouncements have been issued, but are not effective as of June 30, 2013:

GASB Statement No. 67, *Financial Reporting for Pension Plans (Plans) – an amendment of GASB Statement No. 25*. Issued June 2012, this statement makes significant changes to accounting by pension plans by replacing the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*. GASB Statement No. 67 will be effective for the City, fiscal year ending June 30, 2014.

GASB Statement No. 68, *Accounting and Financial Reporting for Pension (Employers) – an amendment of GASB Statement No. 27*. Issued June 2012, this statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. GASB Statement No. 68 will be effective for the City, fiscal year ending June 30, 2015.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. Issued January 2013, this statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. GASB Statement No. 69 will be effective for the City, fiscal ending June 30, 2014.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. Issued April 2013, this statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicates that it is more likely than not that the government will be required to make a payment on the guarantee. The requirements of this statement will enhance comparability of financial statements among governments, as well as enhancing the information disclosed about the obligations and risk exposure from extending nonexchange financial guarantees. GASB Statement No. 70 will be effective for the City, fiscal year ending June 30, 2014.

The City of Portland will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above-listed new GASB pronouncements will have a significant financial impact to the City's 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 authorizes positions and establishes appropriations for the fiscal year by bureau, fund, and major categories of expenditures. The legal level of appropriation is established for bureau program expenses, interfund cash transfers, total debt service and related expenditures, 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, 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

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

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

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 during the fiscal year ended June 30, 2013.

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 294.338(3-5). This includes bonds issued under revenue bond authority as defined in ORS 287A.360 to 287A.380. Additionally, any outstanding obligation related to an approved bond redemption, in a prior adopted budget period as defined in ORS 294.338(3)(B)(iii) is also exempt.

For the fiscal year ended June 30, 2013, six funds had expenditures for debt service and related costs over appropriations that were exempt from supplemental budgetary requirements per ORS 294.338. The six exempt funds were among Transportation, Debt Service, and Enterprise Funds. Transportation Operating, exempt per ORS 294.338(4)(c). Debt Service: River District URA Debt Redemption, exempt per ORS 294.338(4)(c). Bancroft Bond Interest and Sinking – a special type of Debt Service Fund established by ORS 223.205; 223.260 and exempt per ORS 294.338(4)(c). Special Projects Debt Service, exempt per ORS 294.338(3)(B)(iii). Enterprise Funds: Water and Water Bond Sinking, exempt per ORS 294.338(4)(c). There were no funds that exceeded budget at the legal level of appropriation (see Note II.A.) other than those exempt as noted above.

**C. Deficit fund equity:**

Oregon state law requires fund disclosure of deficit fund balances/total net position. At June 30, 2013, two funds had a deficit balance, GAAP basis:

<u>Major Special Revenue Fund:</u>	
Grants	\$7,280,204
<u>Internal Service Fund:</u>	
Enterprise Business Solutions Services	5,316,619

The Grants Fund, a major special revenue fund, reported a deficit fund balance of \$7.3 million in the Grants columns of the *Balance Sheet – Governmental Funds*, and the *Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds*. The activity for this fund is reported in governmental activities on the government-wide *Statement of Activities*. The deficit was the result of the design of the financial system which tracks grant-related expenditures in a central grants fund. Since almost all grants are reimbursable, there is a delay between incurring expenditures and the processing of the related billing and receiving payment.

The Enterprise Business Solutions Services (EBSS) Fund, an internal service fund, reported deficit net position of \$5.3 million in the governmental activities – Internal Service Funds columns of the *Statement of Net Position – Proprietary Funds*, and the *Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds*. The activity for this fund is reported in governmental activities on the government-wide *Statement of Activities*. The deficit net position of the EBSS is a result of depreciation expense exceeding principal payments on related debt. The debt has various service periods ranging from 7 to 10 years. The deficit in net position will continue to grow in the earlier stage of the life of the debts and will reverse itself as the debt is paid off.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes:**

**A. Cash and investments:**

Cash and investments for the primary government are reported in governmental and business-type activities. The balances at June 30, 2013 are:

	Primary Government	Fiduciary Activities	Total Government	Component Unit (PDC)	Total
Cash on hand	\$ 20,132	\$ -	\$ 20,132	\$ 500	\$ 20,632
Deposits with financial institutions	18,955,313	-	18,955,313	564,311	19,519,624
Investments	736,991,457	61,341,905	798,333,362	159,077,200	957,410,562
<b>Total cash and investments</b>	<b>\$ 755,966,902</b>	<b>\$ 61,341,905</b>	<b>\$ 817,308,807</b>	<b>\$ 159,642,011</b>	<b>\$ 976,950,818</b>

\*PDC cash and investments with the City included \$655,354 outstanding payroll, payroll taxes, and cash in transit from the City.

**Restricted cash and investments**

	Governmental Activities	Business-type Activities	Total Primary Government	Fiduciary Activities	Total Government	Component Unit (PDC)	Total
Unrestricted	\$256,633,553	\$109,917,644	\$366,551,197	\$ 39,516,667	\$ 406,067,864	\$ 159,642,011	\$ 565,709,875
Restricted	171,120,494	218,295,211	389,415,705	21,825,238	411,240,943	-	411,240,943
<b>Total</b>	<b>\$427,754,047</b>	<b>\$328,212,855</b>	<b>\$755,966,902</b>	<b>\$ 61,341,905</b>	<b>\$ 817,308,807</b>	<b>\$ 159,642,011</b>	<b>\$ 976,950,818</b>

Cash and investments at June 30, 2013, restricted by legal or contractual requirements, are reported in governmental activities, business-type activities and in fiduciary funds as follows:

**Governmental activities:**

General fund:	
Business license overpayments	\$ 5,785,176
Transportation fund:	
Capital projects	26,652,459
Grants fund:	
Federal and state grants	6,463,900
Nonmajor governmental funds:	
Debt service	49,293,750
Federal and state grants	691,844
Voter approved special levies	5,694,250
Capital projects	49,882,748
Public safety	1,588,272
Parks, recreation and culture	781,089
Community development	24,105,349
Permanent endowment	181,657
<b>Total governmental activities</b>	<b>171,120,494</b>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

**Business-type activities:**

Sewage Disposal fund:	
Debt service for capital projects related debt	28,070,500
Water fund:	
Debt service for capital projects related debt	174,175,890
Nonmajor enterprise funds:	
Debt service	4,884,594
Renewal and replacement	10,154,717
Environment Remediation	<u>1,009,510</u>
Total business-type activities	<u>218,295,211</u>
Total primary government restricted cash	389,415,705
Total fiduciary activities	<u>21,825,238</u>
Total restricted cash and investments	<u><u>\$ 411,240,943</u></u>

Component unit - Portland Development Commission

Total cash reported by PDC for fiscal year ending June 30, 2013 was \$159.6 million, none of which was restricted.

Deposits

Primary government

*Custodial credit risk—deposits.* There is a risk that, in the event of a bank failure, the City's deposits may not be returned. The City's deposit policy is in accordance with ORS 295. All deposits are collateralized with eligible securities in amounts determined by the Oregon State Treasury (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, 2013, the book value of all the City's deposits was \$52 million.

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 and are held for the benefit of the OST on behalf of the public depositors.

The FDIC's standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category.

Component unit - Portland Development Commission

Total deposits for PDC were \$564,311 which is FDIC insured to \$250,000. The excess is collateralized with eligible securities.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Investments

Primary government

All investment pool purchases and sales are part of the City's cash management activity and considered cash and cash equivalents. Activities undertaken by the pool on behalf of the proprietary funds are not part of operating, capital, investing, or financing activities of the proprietary funds, and details of these transactions are not reported in the statement of cash flows.

Interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund. The City has recorded investments at fair value.

Public Finance & Treasury (PF&T) assesses a management fee that is deducted from investment income before distributions are made to all City funds. This fee is based on PF&T's net operating expenses and totaled \$996,204 for fiscal year ended June 30, 2013.

The City's investment policy is reviewed annually by the Office of Management and Finance, after consulting with the City's Investment Advisory Committee (IAC). Material changes to the policy require submission to the Oregon Short-Term Fund Board for review. Once completed, it is submitted annually for adoption by City Council. 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.

Investments in the Local Government Investment Pool (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. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. 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 LGIP exchanges shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the net asset value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

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
- Commercial paper issued by U.S. corporations
- Interest-bearing deposits in State of Oregon financial institutions collateralized with securities as required by Oregon Revised Statute 295
- State of Oregon Local Government Investment Pool
- Repurchase agreements secured by United States Treasury debt obligations
- Corporate debt obligations issued by U.S. corporations

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Investments, continued:

Interest rate risk. As of June 30, 2013, the weighted-average maturity of the City's investment portfolio was 1.35 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.

Credit risk. Credit risk is the financial risk of not receiving principal and interest when due from an issuer. The City's 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 financial institutions and issuers of commercial paper and by monitoring their credit quality on an ongoing basis. A portfolio policy stressing a relatively short maturity and highly rated investment grade debt serves to minimize credit risk.

The City's investments in United States Treasury and Agency debt obligations have short-term credit ratings of P-1 / A-1 / F1+, by Moody's Investor Services, Standard & Poor's, and Fitch Ratings respectively. Long-term credit ratings show in the table below. The City's investments in Corporate Debt Obligations in the table below represent either short-term or long-term credit ratings. As of June 30, 2013, the LGIP was not rated. The credit quality distribution for securities with credit exposure as a percentage of total investments as of June 30, 2013 is:

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 Bank	Aaa	AA+	AAA	9.16%
Federal Home Loan Mortgage Corporation	Aaa	AA+	AAA	12.31%
Federal National Mortgage Association	Aaa	AA+	AAA	19.50%
Federal Farm Credit Bank	Aaa	AA+	AAA	6.35%
Federal Agriculture Mortgages Corporation	N/R*	N/R*	N/R*	8.59%
Financing Corporation (FICO)	Aaa	N/R*	N/R*	0.89%
U.S. Treasury Debt Obligations	Aaa	AA+	AAA	3.97%
Total U.S. Agency Debt Obligations				60.77%
Corporate bonds	Aa3	AA-	AA-	20.65%
Commercial paper	P -1	A -1	F-1	8.44%
Time/Interest Bearing Deposits	N/R*	N/R*	N/R*	5.44%
Local Government Investment Pool	N/R*	N/R*	N/R*	4.70%
Total Investments				100.00%
*N/R = Not Rated				

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Investments, continued:

Concentration of credit risk. Of the City's total investments, as of June 30, 2013, 60.7 percent were United States Agency debt obligations or short-term investments (see table on the previous page for individual distributions). All other investments not explicitly guaranteed by the United States Government were limited to 5 percent per issuer. 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. The restrictions of the portfolio 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.portlandoregon.gov/bfs/60661>

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. All trades are executed by delivery vs. payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. The City's investment policy complies with ORS 294.035 and ORS 294.810 that list acceptable investments that are identified below. As of June 30, 2013, 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, 2013, the City had the following investments and maturities (this table includes fiduciary activities):

Investment Type	Book Value	Fair Market Value	Fair Value Investment Maturity (Years)		Weighted Average Maturity (Years)
			Less Than 1	1 - 5	
U.S. Treasury Debt Obligations	\$ 38,043,335	\$ 38,016,837	\$ 5,035,457	\$ 32,981,380	0.06
U.S. Agencies	544,314,281	544,194,393	162,851,070	381,343,323	0.96
Corporate bonds	198,376,158	197,880,232	49,096,927	148,783,305	0.32
Commerical paper	80,830,865	80,830,865	80,830,865	-	0.01
Time/Interest bearing deposits	52,110,594	52,110,594	52,110,594	-	-
Local Government Investment Pool	45,032,995	45,032,995	45,032,995	-	-
<b>Total investments</b>	<b>\$ 958,708,228</b>	<b>\$ 958,065,916</b>	<b>\$ 394,957,908</b>	<b>\$ 563,108,008</b>	<b>1.35</b>
Portfolio weighted average maturity					61.46%
Net portfolio yield		0.44%			

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**B. Receivables:**

Receivables as of June 30, 2013, are as follows:

Governmental Activities						
	General	Transportation Operating	Grants	Nonmajor Funds	Internal Service	Total
Taxes	\$ 21,603,090	\$ -	\$ -	\$ 9,159,840	\$ -	\$ 30,762,930
Accounts	30,456,675	11,000,065	-	3,397,060	1,684,668	46,538,468
Assessments	16,072	778,445	-	84,179,099	-	84,973,616
Notes and loans	-	-	3,042,414	355,420,678	429,600	358,892,692
Advances	2,764,629	-	11,797	3,923	3,123	2,783,472
Grants	-	-	15,680,722	663,188	-	16,343,910
Interest	160,500	61,067	11,681	1,065,082	286,396	1,584,726
Total receivables	55,000,966	11,839,577	18,746,614	453,888,870	2,403,787	541,879,814
Allowance for doubtful accounts	(464,928)	(161,920)	(1,938,705)	(301,096,206)	(11,274)	(303,673,033)
Receivables, net	<u>\$ 54,536,038</u>	<u>\$ 11,677,657</u>	<u>\$ 16,807,909</u>	<u>\$ 152,792,664</u>	<u>\$ 2,392,513</u>	<u>\$ 238,206,781</u>
Not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ 462,490</u>	<u>\$ 1,103,275</u>	<u>\$ 116,838,635</u>	<u>\$ -</u>	<u>\$ 118,404,400</u>
Delinquent special assessments	<u>\$ 16,072</u>	<u>\$ 156,451</u>	<u>\$ -</u>	<u>\$ 12,337,098</u>	<u>\$ -</u>	<u>\$ 12,509,621</u>

Business-type Activities				
	Sewage Disposal	Water	Nonmajor Funds	Total
Accounts	\$ 52,943,183	\$ 25,017,956	\$ 1,478,511	\$ 79,439,650
Assessments	4,276,155	380,616	-	4,656,771
Advances	-	307,848	67,069	374,917
Interest	153,460	294,317	71,948	519,725
Total receivables	57,372,798	26,000,737	1,617,528	84,991,063
Allowance for doubtful accounts	(4,443,583)	(3,238,838)	(10,000)	(7,692,421)
Receivables, net	<u>\$ 52,929,215</u>	<u>\$ 22,761,899</u>	<u>\$ 1,607,528</u>	<u>\$ 77,298,642</u>
Not scheduled for collection during the subsequent year	<u>\$ 3,576,109</u>	<u>\$ 183,540</u>	<u>\$ -</u>	<u>\$ 3,759,649</u>
Delinquent special assessments	<u>\$ 309,098</u>	<u>\$ 5,108</u>	<u>\$ -</u>	<u>\$ 314,206</u>

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 \$12.8 million.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**B. Receivables, continued:**

Loans Receivable

Loans receivable are comprised of: 1) Portland Housing Bureau loans to qualified borrowers for rehabilitation and restoration of single and multi-family residences which are collateralized by real property; 2) Portland Parks and Recreation loans to tax-exempt non-profit corporations; and 3) CityFleet loan to Legacy Emanuel Hospital and Health Center.

Portland Housing Bureau Loans

The Portland Housing Bureau (PHB) loans receivable balances as of June 30, 2013 are as follows:

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance
Major governmental fund:				
Grants Fund				
Multi-family housing:				
Cash flow loans	30 yrs	0.00-3.00 %	\$ 891,149	\$ (846,592)
Equity gap loans	Indefinite	0.00	601,617	(366,990)
Amortized loans	30 yrs	0.00-3.00	1,379,920	(689,960)
Single-family housing:				
Deferred payment loans	30 yrs	0.00-3.00	169,728	(35,163)
Total Grants Fund			3,042,414	(1,938,705)
Total Net Grants Fund				1,103,709
Other nonmajor special revenue funds:				
Community Development Block Grant (CDBG) Fund				
Multi-family housing:				
Cash flow loans	30 yrs	0.00-3.00	9,898,726	(9,403,790)
Equity gap loans	Indefinite	0.00	22,696,360	(22,441,655)
Amortized loans	30 yrs	0.00-3.00	7,760,139	(3,877,925)
Deferred payment loans	60 yrs	0.00-8.00	3,595,854	(1,797,927)
Single-family housing:				
Amortized loans	26 yrs	0.00-5.00	504,862	(26,610)
Deferred payment loans	Indefinite	0.00	5,496,959	(548,329)
Shared appreciation mortgage	Indefinite	0.00	324,500	(81,125)
Total gross CDBG Fund			50,277,400	(38,177,361)
Total net CDBG Fund				12,100,039
HOME Grant Fund:				
Multi-family housing:				
Cash flow loans	45 yrs	0.00-3.00	21,462,513	(20,692,131)
Equity gap loans	Indefinite	0.00	23,925,438	(23,925,437)
Amortized loans	30 yrs	1.00-3.00	3,719,435	(1,859,718)
Deferred payment loans	20 yrs	0.00-3.00	1,817,684	(908,842)
Single-family housing:				
Deferred payment loans	Indefinite	0.00	61,751	(6,175)
Shared appreciation mortgage	Indefinite	0.00	474,097	(118,525)
Total gross HOME Grant Fund			51,460,918	(47,510,828)
Total net HOME Grant Fund				3,950,090

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**B. Receivables, continued:**

Loans Receivable, continued:

Portland Housing Bureau Loans, continued:

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance
Housing Investment Fund:				
Multi-family housing:				
Cash flow loans	40 yrs	0.00-5.00	6,707,920	(6,468,218)
Equity gap loans	Indefinite	0.00	13,992,651	(13,992,651)
Amortized loans	30 yrs	0.00-7.00	8,938,088	(4,469,044)
Deferred payment loans	20 yrs	0.00-3.00	2,352,151	(1,176,075)
Single-family housing:				
Amortized loans	20 yrs	0.00-3.00	18,812	(941)
Deferred payment loans	30 yrs	0.00-3.00	279,939	(9,803)
Total gross Housing Investment Fund			<u>32,289,561</u>	<u>(26,116,732)</u>
Total net Housing Investment Fund				<u>6,172,829</u>
Tax Increment Reimbursement Fund:				
Multi-family housing:				
Cash flow loans	30 - 60 yrs	1.00-9.00	147,833,983	(140,508,711)
Equity gap loans	Indefinite	0.00	32,905,503	(32,905,503)
Amortized loans	30 yrs	0.00-7.00	21,918,599	(10,961,444)
Deferred payment loans	20 - 50 yrs	0.00-9.00	7,242,385	(3,621,193)
Single-family housing:				
Amortized loans	20 -30 yrs	1.00-5.00	252,637	(12,632)
Deferred payment loans	30 yrs	0.00-4.00	8,270,557	(827,056)
Shared appreciation mortgage	Indefinite	0.00	1,790,637	(447,659)
Total gross Tax Increment Reimbursement Fund			<u>220,214,301</u>	<u>(189,284,198)</u>
Total net Tax Increment Reimbursement Fund				<u>30,930,103</u>
Total gross all funds			<u>\$ 357,284,594</u>	<u>\$ (303,027,824)</u>
Total net all funds				<u>\$ 54,256,770</u>

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 contains 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, and that such additional security 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.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**B. Receivables, continued:**

Portland Housing Bureau Loans, continued:

HUD Section 108 Loan Guarantees, continued:

Finally, the loan guarantee contracts provide that HUD may use existing pledged grants to prepay (or defeasance of) 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.

Housing Preservation Loan Fund Project. In April, 2009, the City of Portland received approval confirmation from the 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-41-003 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, 2013, the City had nine outstanding loans receivable under the HUD Section 108 Loan Guarantee program Contract B-08-MC-41-003 totaling \$7.2 million, for which the City is contingently liable. 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 6/30/2013</u>	<u>Outstanding Balance As of 6/30/2013</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Cash Flows Begin Date</u>	<u>Allowance</u>	<u>Loan Type</u>
<u>Cash Flow Loans:</u>								
Roselyn Renewal, LLC	\$ 830,000	\$ 830,000	\$ 830,000	0.50%	June, 2059	4/1/2011	\$ 788,500	Cash flow
Reach Walnut Partners, LP	1,641,000	1,641,000	1,554,192	0.50%	May, 2071	4/1/2012	1,476,482	Cash flow
Villa De Suenos, LP Loan # 2	750,000	750,000	750,000	0.00%	June, 2041	5/1/2012	712,500	Cash flow
Uptown Tower Apartments, LP	700,000	700,000	700,000	4.50%	December, 2035	1/1/2026	665,000	Cash Flow
Total Cash Flow	3,921,000	3,921,000	3,834,192				3,642,482	
<u>Multi-Family Housing Amortized (MFHA) Loans:</u>								
Halsey Center	650,000	650,000	586,480	3.00%	November, 2030	12/1/2010	293,241	MFHA*
Upshur Renewal Housing, LP	415,000	415,000	391,086	5.00%	June, 2031	7/1/2011	195,543	MFHA*
Villa De Suenos, LP Loan # 1	750,000	750,000	702,518	4.00%	June, 2031	7/1/2011	351,259	MFHA*
Human Solutions Inc.	1,439,000	1,373,547	1,351,859	4.25%	October, 2031	10/1/2011	675,929	MFHA*
Los Jardines, LP	400,000	396,019	385,692	2.72%	March, 2032	8/1/2012	192,846	MFHA*
Total MFHA Loans	3,654,000	3,584,566	3,417,635				1,708,818	
Total	<u>\$7,575,000</u>	<u>\$7,505,566</u>	<u>\$7,251,827</u>				<u>\$5,351,300</u>	

Annual repayment amounts for cash flow loan types 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 cash flow loans based on their non-amortizing repayment terms. Some of the borrowers reported no excess cash flow for the calendar year ended December 31, 2012, and accordingly 2013 payments on those loans were not received.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**B. Receivables, continued:**

Portland Housing Bureau Loans, continued:

HUD Section 108 Loan Guarantees, continued:

Annual repayments for multi-family amortized loans follow various set repayment schedules. An allowance for uncollectibility was established at 50 percent for these loans based on their amortized repayment terms.

Annual City repayments of principal are due to HUD August 1st of each year and mature on August 1, 2032, in accordance with the corresponding HUD Guaranteed Loan Program Variable/Fixed Rate Notes. For the corresponding note payable to HUD see Note III.I. Long-term debt, Loans Payable.

Portland Parks and Recreation Loans:

The Portland Parks and Recreation loans receivable balances include loans to the Oregon Rail Heritage Foundation (ORHF) and Portland City United (PCU) as described below and are reported in the nonmajor capital projects funds totaling \$1.2 million for the fiscal year ended June 30, 2013.

Oregon Rail Heritage Foundation

Under Ordinance No. 183280, the City loaned the ORHF, an Oregon tax exempt non-profit corporation, \$978,598 to purchase property for permanent maintenance and operation of historic steam locomotives owned by the City. The outstanding loan balance was \$0.9 million at June 30, 2013. Ordinance No. 184775, on July 27, 2011, revised the loan and authorized a new loan agreement with ORHF to construct an engine house and rail interpretive center for the City-owned historic locomotives. The revised loan, at 3.41 percent per annum, shall terminate upon payment in full, but no later than September 30, 2016.

The revised loan calls for periodic payments of principal and interest as follows:

Fiscal Year Ending June 30,	Payment Date	Principal	Interest	Total
2014	09/01/13	\$ 200,000	\$ 16,353	\$ 216,353
2014	03/01/14	-	12,942	12,942
2015	09/01/14	210,000	12,943	222,943
2015	03/01/15	-	9,362	9,362
2016	09/01/15	220,000	9,362	229,362
2016	03/01/16	-	5,611	5,611
2017	09/01/16	316,099	5,611	321,710
	Total	<u>\$ 946,099</u>	<u>\$ 72,184</u>	<u>\$ 1,018,283</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**B. Receivables, continued:**

Loans Receivable, continued:

Portland Parks and Recreation Loans, continued:

Portland City United

On November 15, 2010, the City entered into an agreement with PCU, an Oregon tax-exempt non-profit corporation, to loan PCU \$350,000 to pay for field improvements at Buckman Field. The loan interest rate is 4.5 percent per annum. Funding for this loan came from the Parks and Recreation System Development Charge program, and all payments shall be reimbursed to this program. Effective October 28, 2011, the loan payment schedule was amended to move the maturity date from November 15, 2014 to May 15, 2015. The loan agreement, as amended, calls for periodic payments of principal and interest as follows:

Fiscal Year Ending June 30,	Payment Date	Principal	Interest	Total
2014	11/15/13	\$ 87,102	\$ 10,457	\$ 97,559
2015	11/15/14	91,022	6,538	97,560
2015	05/15/15	54,274	1,221	55,495
Total		<u>\$ 232,398</u>	<u>\$ 18,216</u>	<u>\$ 250,614</u>

CityFleet Loans:

Legacy Emanuel Hospital and Health Center

Ordinance No. 185705 authorized the Office of Management and Finance (OMF) to exchange Real Property with Legacy Emanuel Hospital and Health Center. In exchange for the property, the Office of Management and Finance will receive proceeds including a one-time payment of \$1,100,000 and ten annual payments of \$53,700. The first of the ten annual payments were received on the closing date and the remaining eight payments totaling \$429,600 were accrued as a loan receivable in the CityFleet Operating Fund under the Office of Management and Finance. This loan carries out governmental objectives and bears zero-interest. The payment schedule is as follows:

Fiscal Year Ending June 30,	Payment Date	Payment
2014	12/31/2013	\$ 53,700
2015	12/31/2014	53,700
2016	12/31/2015	53,700
2017	12/31/2016	53,700
2018	12/31/2017	53,700
2019	12/31/2018	53,700
2020	12/31/2019	53,700
2021	12/31/2020	53,700
Total		<u>\$ 429,600</u>

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**C. Payables:**

Payables and other accrued liabilities at June 30, 2013, are as follows:

	Governmental Activities						Total
	General	Transportation Operating	Grants	Nonmajor Funds	Internal Service	Unallocated Governmental	
Accounts to vendors and contractors	\$ 12,932,959	\$ 4,454,255	\$ 3,826,506	\$ 5,892,828	\$ 10,258,578	\$ 7,770,556	\$ 45,135,682
Interest on bonds and notes	-	-	-	-	4,416,904	67,077,485	71,494,389
<b>Total payables</b>	<b>\$ 12,932,959</b>	<b>\$ 4,454,255</b>	<b>\$ 3,826,506</b>	<b>\$ 5,892,828</b>	<b>\$ 14,675,482</b>	<b>\$ 74,848,041</b>	<b>\$ 116,630,071</b>

	Business-type Activities			
	Sewage Disposal	Water	Nonmajor Funds	Total
Accounts to vendors and contractors	\$ 16,107,040	\$ 15,522,552	\$ 1,743,544	\$ 33,373,136
Interest on bonds and notes	21,128,238	13,265,363	1,471,820	35,865,421
<b>Total payables</b>	<b>\$ 37,235,278</b>	<b>\$ 28,787,915</b>	<b>\$ 3,215,364</b>	<b>\$ 69,238,557</b>

**D. Deferred inflows of resources 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." The City recognizes inflows of resources that relate to future periods as deferred inflows of resources. The various components of deferred inflows reports in the governmental funds at June 30, 2013 are as follows:

	Governmental Funds				
	General	Transportation Operating	Grants	Nonmajor Funds	Total
Receivables:					
Accounts	\$ 1,721,303	\$ 1,080,739	\$ 12,631,464	\$ 1,003,335	\$ 16,436,841
Liens - LID	-	-	-	12,071,975	12,071,975
Liens	16,072	778,445	-	71,440,213	72,234,730
Taxes	10,614,852	-	-	7,095,055	17,709,907
<b>Total unavailable revenue</b>	<b>\$ 12,352,227</b>	<b>\$ 1,859,184</b>	<b>\$ 12,631,464</b>	<b>\$ 91,610,578</b>	<b>\$ 118,453,453</b>

The various components of unearned revenue reported at June 30, 2013 are as follows:

	Governmental Activities					
	General	Transportation Operating	Grants	Nonmajor Funds	Internal Service	Total
Grants	\$ -	\$ -	\$ 5,323,666	\$ -	\$ -	\$ 5,323,666
Misc. unearned	121,292	509,263	-	16,908	69,148	716,611
<b>Total unearned revenue</b>	<b>\$ 121,292</b>	<b>\$ 509,263</b>	<b>\$ 5,323,666</b>	<b>\$ 16,908</b>	<b>\$ 69,148</b>	<b>\$ 6,040,277</b>

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

D. **Deferred inflows of resources and unearned revenue**, continued:

	Business-type Activities			
	Sewage	Nonmajor		Total
	Disposal	Water	Funds	
Total misc. unearned revenue	\$ 617,592	\$ 233,659	\$ 205,094	\$ 1,056,345

E. **Fund balances, governmental funds**

On the Balance Sheet – Governmental Funds, fund balances are reported in the aggregate in the classifications defined by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances by classification for the year ended June 30, 2013 were as follows:

	General	Transportation Operating	Grants	Other Governmental Funds	Total
Nonspendable:					
Inventories	\$ 352,483	\$ 4,910,307	\$ -	\$ -	\$ 5,262,790
Prepaid items	178,764	300,943	-	-	479,707
Permanent fund principal	-	-	-	163,182	163,182
Restricted:					
Public safety:					
Drug enforcement and education	-	-	-	1,485,977	1,485,977
Emergency facilities improvements	-	-	-	1,679,094	1,679,094
Emergency communications	-	-	-	12,601,330	12,601,330
Parks, recreation and culture:					
Capital improvement activities	-	-	-	23,646,988	23,646,988
Improvements or services	-	-	-	819,010	819,010
Operations, maintenance and capital programs	-	-	-	2,241,808	2,241,808
Promotion of program activities	-	-	-	18,805	18,805
Community development:					
Affordable housing	-	-	-	50,164,286	50,164,286
Childhood programs	-	-	-	1,532,001	1,532,001
Construction activities	-	-	-	16,755,681	16,755,681
Debt service:	-	-	-	167,039	167,039
Federal housing and other programs	-	-	-	11,987,073	11,987,073
Financing and construction of improvements	-	-	-	479,034	479,034
Transportation:					
Operations, maintenance and capital improvement	-	26,652,459	-	-	26,652,459
Street improvements	-	-	-	1,673,961	1,673,961
Legislative / admin / support services	-	-	-	7,253,324	7,253,324
Debt service	-	-	-	50,298,239	50,298,239

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**E. Fund balances, governmental funds, continued:**

	General	Transportation Operating	Grants	Other Governmental Funds	Total
Committed:					
Public safety:					
Emergency communications	-	-	-	11,663,577	11,663,577
Fire apparatus replacement	4,263,752	-	-	-	4,263,752
Parks, recreation and culture:					
Capital projects	-	-	-	656,470	656,470
Improvements and services	-	-	-	1,858,689	1,858,689
Community development:					
Affordable housing	-	-	-	8,032,276	8,032,276
Legislative / admin / support services:					
Activities of economic improvement districts	-	-	-	38,769	38,769
Promotion of convention business and tourism	-	-	-	183,160	183,160
Reserves for General Fund stabilization	45,666,368	-	-	-	45,666,368
Assigned:					
Parks, recreation and culture					
Capital projects	-	-	-	4,465,320	4,465,320
Improvements and services	-	-	-	254,379	254,379
Community development					
Affordable housing	-	-	-	2,462,715	2,462,715
Construction activities	-	-	-	7,251,814	7,251,814
Federal housing and other programs	-	-	-	20,716	20,716
Financing and construction of improvements	-	-	-	3,579,569	3,579,569
Housing projects	-	-	-	377,700	377,700
Transportation	-	20,578,265	-	-	20,578,265
Legislative / admin / support services	314,562	-	-	-	314,562
Debt service	-	-	-	15,444,913	15,444,913
Unassigned:	28,514,937	-	(7,280,204)	-	21,234,733
	<u>\$ 79,290,866</u>	<u>\$ 52,441,974</u>	<u>\$ (7,280,204)</u>	<u>\$ 239,256,899</u>	<u>\$ 363,709,535</u>

**F. Capital assets:**

Primary Government

In the governmental activities column of the statement of activities, capital asset reclassifications 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 \$1,410,890 in capital asset transfers from governmental activities to business-type activities.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes**, continued:

**F. Capital assets**, continued:

Capital assets activity for the primary government, which excludes fiduciary activities, for the year ended June 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated or amortized:					
Land	\$ 193,883,842	\$ 12,530,205	\$ (58,599)	\$ 8,083	\$ 206,363,531
Construction in progress	271,460,504	81,681,285	-	(209,362,128)	143,779,661
Intangible assets:					
Land use rights	16,996,167	4,108,022	-	1,149,979	22,254,168
Owning rights	28,953	-	-	-	28,953
Total capital assets, not being depreciated or amortized	<u>482,369,466</u>	<u>98,319,512</u>	<u>(58,599)</u>	<u>(208,204,066)</u>	<u>372,426,313</u>
Capital assets, being depreciated or amortized:					
Infrastructure	4,463,980,898	10,629,110	(62,000)	176,785,904	4,651,333,912
Buildings	338,582,274	3,601,870	-	6,323,454	348,507,598
Improvements to land	132,495,189	642,753	(4,316)	3,213,558	136,347,184
Equipment	155,472,379	1,625,710	(10,566,518)	21,949,727	168,481,298
Intangible assets:					
Software	62,205,303	82,721	(422,624)	1,304,893	63,170,293
Total capital assets being depreciated or amortized	<u>5,152,736,043</u>	<u>16,582,164</u>	<u>(11,055,458)</u>	<u>209,577,536</u>	<u>5,367,840,285</u>
Less accumulated depreciation or amortization for:					
Infrastructure	(3,024,347,289)	(153,444,737)	10,607	-	(3,177,781,419)
Buildings	(119,846,410)	(8,123,152)	-	(223,224)	(128,192,786)
Improvements to land	(55,771,814)	(5,627,678)	4,316	(770)	(61,395,946)
Equipment	(81,351,599)	(10,035,392)	8,991,917	261,414	(82,133,660)
Intangible assets:					
Software	(34,359,040)	(9,603,761)	420,624	-	(43,542,177)
Total accumulated depreciation or amortization	<u>(3,315,676,152)</u>	<u>(186,834,720)</u>	<u>9,427,464</u>	<u>37,420</u>	<u>(3,493,045,988)</u>
Total capital assets, being depreciated or amortized, net	<u>1,837,059,891</u>	<u>(170,252,556)</u>	<u>(1,627,994)</u>	<u>209,614,956</u>	<u>1,874,794,297</u>
Governmental activities capital assets, net	<u>\$ 2,319,429,357</u>	<u>\$ (71,933,044)</u>	<u>\$ (1,686,593)</u>	<u>\$ 1,410,890</u>	<u>\$ 2,247,220,610</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

F. **Capital assets**, continued:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated or amortized:					
Land	\$ 95,811,875	\$ 95,000	\$ (189,497)	\$ 7,015,234	\$ 102,732,612
Construction in progress	265,142,129	238,467,376	-	(155,992,114)	347,617,391
Intangible assets:					
Land use rights	14,442,270	1,688,669	-	201,653	16,332,592
Total capital assets, not being depreciated or amortized	<u>375,396,274</u>	<u>240,251,045</u>	<u>(189,497)</u>	<u>(148,775,227)</u>	<u>466,682,595</u>
Capital assets, being depreciated or amortized:					
Infrastructure	3,949,853,146	1,431,684	(16,056,937)	140,629,550	4,075,857,444
Buildings	249,772,042	225,179	(2,687,313)	(1,246,334)	246,063,574
Improvements to land	39,177,568	-	(14,524)	139,426	39,302,470
Equipment	60,768,565	561,966	(4,010,928)	6,031,790	63,351,394
Intangible assets:					
Land use rights	-	-	-	299,681	299,681
Owning rights	10,776	-	-	-	10,776
Software	11,372,683	-	(1,259,712)	1,547,645	11,660,616
Total capital assets being depreciated or amortized	<u>4,310,954,780</u>	<u>2,218,829</u>	<u>(24,029,414)</u>	<u>147,401,758</u>	<u>4,436,545,955</u>
Less accumulated depreciation or amortization for:					
Infrastructure	(650,433,097)	(56,301,714)	14,421,172	-	(692,313,640)
Buildings	(92,863,323)	(5,402,793)	2,225,472	201,424	(95,839,220)
Improvements to land	(11,482,777)	(1,471,251)	12,039	-	(12,941,989)
Equipment	(27,617,769)	(4,292,531)	3,523,656	(238,844)	(28,625,489)
Intangible assets:					
Owning rights	(770)	(770)	1	-	(1,539)
Software	(9,672,246)	(392,476)	1,224,646	-	(8,840,076)
Total accumulated depreciation or amortization	<u>(792,069,982)</u>	<u>(67,861,535)</u>	<u>21,406,986</u>	<u>(37,420)</u>	<u>(838,561,953)</u>
Total capital assets, being depreciated or amortized, net	<u>3,518,884,798</u>	<u>(65,642,706)</u>	<u>(2,622,428)</u>	<u>147,364,338</u>	<u>3,597,984,002</u>
Business-type activities	<u>\$ 3,894,281,072</u>	<u>\$ 174,608,339</u>	<u>\$ (2,811,925)</u>	<u>\$ (1,410,890)</u>	<u>\$ 4,064,666,597</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**F. Capital assets, continued:**

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
<b>Total:</b>					
Capital assets, not being depreciated or amortized:					
Land	\$ 289,695,717	\$ 12,625,205	\$ (248,096)	\$ 7,023,317	\$ 309,096,143
Construction in progress	536,602,633	320,148,661	-	(365,354,242)	491,397,052
Intangible assets:					
Land use rights	31,438,437	5,796,691	-	1,351,632	38,586,760
Owning rights	28,953	-	-	-	28,953
Total capital assets, not being depreciated or amortized	<u>857,765,740</u>	<u>338,570,557</u>	<u>(248,096)</u>	<u>(356,979,294)</u>	<u>839,108,908</u>
Capital assets, being depreciated or amortized:					
Infrastructure	8,413,834,044	12,060,794	(16,118,937)	317,415,454	8,727,191,355
Buildings	588,354,316	3,827,049	(2,687,313)	5,077,120	594,571,172
Improvements to land	171,672,756	642,753	(18,840)	3,352,984	175,649,653
Equipment	216,240,946	2,187,676	(14,577,446)	27,981,517	231,832,693
Intangible assets:					
Land use rights	-	-	-	299,681	299,681
Owning rights	10,776	-	-	-	10,776
Software	73,577,984	82,721	(1,682,337)	2,852,538	74,830,907
Total capital assets being depreciated or amortized	<u>9,463,690,822</u>	<u>18,800,993</u>	<u>(35,084,873)</u>	<u>356,979,294</u>	<u>9,804,386,237</u>
Less accumulated depreciation or amortization for:					
Infrastructure	(3,674,780,386)	(209,746,451)	14,431,779	-	(3,870,095,058)
Buildings	(212,709,733)	(13,525,945)	2,225,472	(21,800)	(224,032,006)
Improvements to land	(67,254,590)	(7,098,929)	16,355	(770)	(74,337,934)
Equipment	(108,969,370)	(14,327,923)	12,515,573	22,570	(110,759,150)
Intangible assets:					
Owning rights	(770)	(770)	1	-	(1,539)
Software	(44,031,284)	(9,996,237)	1,645,270	-	(52,382,251)
Total accumulated depreciation or amortization	<u>(4,107,746,133)</u>	<u>(254,696,255)</u>	<u>30,834,450</u>	<u>-</u>	<u>(4,331,607,938)</u>
Total capital assets, being depreciated or amortized, net	<u>5,355,944,689</u>	<u>(235,895,262)</u>	<u>(4,250,423)</u>	<u>356,979,294</u>	<u>5,472,778,299</u>
Total capital assets, net	<u>\$ 6,213,710,429</u>	<u>\$ 102,675,295</u>	<u>\$ (4,498,519)</u>	<u>\$ -</u>	<u>\$ 6,311,887,207</u>

**Capitalized interest**

Total interest costs incurred in business-type activities in fiscal year 2013 was \$103.4 million of which \$11.4 million was capitalized for a net interest expense of \$92 million.

**Depreciation and amortization**

Fully depreciated capital assets at June 30, 2013 totaled \$184 million, of which \$100 million pertains to governmental activities and \$84.4 million to business-type activities. The total remaining salvage value is \$3.1 million, of which \$2.6 million pertains to governmental activities and \$0.5 million to business-type activities. 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.

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**F. Capital assets, continued:**

Depreciation and amortization, continued:

Depreciation and amortization expenses of the primary government are as follows:

	Amount
<b>Governmental activities:</b>	
Public safety	\$ 7,323,453
Parks, recreation and culture	8,703,044
Community development	39,933
Transportation	150,575,056
Legislative/ admin/ support services	387,960
Total governmental funds	167,029,446
Internal service funds -	
Legislative/ admin/ support services	19,805,274
Total governmental activities	\$ 186,834,720
<b>Business-type activities:</b>	
Environmental services	\$ 39,536,828
Water	22,804,040
Hydroelectric power	607,392
Parking facilities	522,493
Golf	763,186
Motor sports	159,867
Spectator facilities	3,242,936
Housing	224,793
Total business-type activities	\$ 67,861,535

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**F. Capital assets, continued:**

Construction and technology project commitments

The City has active construction and technology projects as of June 30, 2013. These include building, remodeling and retrofitting fire facilities, park improvements, communication, sewer, transportation and water infrastructure upgrades.

At fiscal year end, the City's contractual commitments to complete the various projects were as follows:

Projects	Spent to Date	Remaining Commitments	Financing Source
<b>Governmental activities:</b>			
General fund: special projects	\$ 353,844	\$ 136,158	General obligation bonds / General Fund
Transportation	176,892,671	14,645,840	Intergovernmental cost sharing / Grants / System development charges / Local improvement districts / Transportation revenues
Fire facilities	3,863,450	2,461,827	General obligation bonds / Intergovernmental cost sharing
Parks, recreation and culture	19,781,713	3,312,851	Local option levy / Tax increment / Grants / General Fund discretionary
Facilities	10,979,546	4,715,066	Limited tax revenue bonds
Technology services	82,826	90,093	General Fund discretionary
Total governmental activities	211,954,050	25,361,835	
<b>Business-type activities:</b>			
Environmental services	73,714,477	59,290,959	Revenue bonds / Sewer rate revenues
Water	132,116,088	128,401,430	Revenue bonds / Water rate revenues / Project reimbursements
Motor sports	35,670	120	Portland International Raceway operating revenues
Total business-type activities	205,866,235	187,692,509	
Total project commitments	\$ 417,820,285	\$ 213,054,344	

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**F. Capital assets, continued:**

Component Unit - Portland Development Commission

Activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,646,050	\$ 788,604	\$ (632,263)	\$ 4,802,391
Capital assets, being depreciated or amortized:				
Buildings and improvements	2,707,441	-	-	2,707,441
Leasehold improvements	3,849,501	-	-	3,849,501
Vehicles and equipment	1,069,547	94,187	(163,431)	1,000,303
Intangible assets:				
Software	4,325,288	-	-	4,325,288
Total capital assets, being depreciated or amortized	11,951,777	94,187	(163,431)	11,882,533
Less accumulated depreciation or amortization for:				
Buildings and improvements	(1,299,567)	(54,147)	-	(1,353,714)
Leasehold improvements	(3,849,501)	-	-	(3,849,501)
Vehicles and equipment	(887,349)	(55,781)	163,431	(779,699)
Intangible assets:				
Software	(1,622,706)	(325,232)	-	(1,947,938)
Total accumulated depreciation	(7,659,123)	(435,160)	163,431	(7,930,852)
Total capital assets, being depreciated or amortized, net	4,292,654	(340,973)	-	3,951,681
Governmental activities capital assets, net	\$ 8,938,704	\$ 447,631	\$ (632,263)	\$ 8,754,072

**G. 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, 2013 was:

	Governmental Activities			Business-type Activities	Fiduciary Activities	Total Due To Other Funds
	General	Transportation Operating	Nonmajor Governmental Funds	Water		
<b>Governmental Activities:</b>						
General	\$ -	\$ -	\$ -	\$ -	\$ 7,770,556	\$ 7,770,556
Grants	-	37,958	929	8,175	-	47,062
Nonmajor funds	28,234	-	-	-	-	28,234
Total due from other funds	\$ 28,234	\$ 37,958	\$ 929	\$ 8,175	\$ 7,770,556	\$ 7,845,852

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Due to/from other funds, continued:

Component Unit - Portland Development Commission

The amount due from PDC to the City is \$4.1 million in accounts receivable 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 \$2.6 million.

	Governmental Activities					Business-type Activities	Portland Development Commission	Net Due (To) From Component Unit
	General	Transportation Operating	Grants	Nonmajor Governmental Funds	Internal Services	Nonmajor Enterprise Funds		
<b>Governmental Activities:</b>								
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,901,883)	\$ (1,901,883)
Grants	-	-	-	-	-	-	(97,450)	(97,450)
Nonmajor funds	-	-	-	-	-	-	(605,605)	(605,605)
<b>Business-type Activities:</b>								
Sew age Disposal	-	-	-	-	-	-	(25,000)	(25,000)
Total due (to) from component unit	-	-	-	-	-	-	(2,629,938)	(2,629,938)
<b>Portland Development Commission:</b>								
PDC - All funds	474,444	270	319,135	3,170,618	39,459	74,694	-	4,078,620
Net due from (to) component unit	\$ 474,444	\$ 270	\$ 319,135	\$ 3,170,618	\$ 39,459	\$ 74,694	\$ (2,629,938)	\$ 1,448,682

Interfund transfers

The primary purposes of the significant transfers that occur on a routine basis are as follows: General Fund's transfers to the Transportation Operating Fund are for street lighting. General Fund's transfers to nonmajor governmental funds are for various programs including: emergency communications, development services support, debt service payments, and General Fund's portion of the PERS debt. General Fund's transfers to internal service funds are for financial commitments to fund operating improvements.

Transportation Operating Fund's transfers to nonmajor governmental funds are for debt service payments and transportation fund's portion of the PERS debt. Nonmajor governmental fund's transfers to the Special Finance and Resource Fund are to provide PDC with cash for operations. Internal service funds' transfers to nonmajor governmental funds are for radio replacement for emergency communication. Nonmajor enterprise funds' transfers to transportation fund are for overhead charges.

In the governmental activities column of the statement of activities, transfers between governmental and internal service 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, 2013 consist of the following:

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Interfund transfers, continued:

	Governmental Activities					Business-type Activities			Total Transfers Out
	General	Transportation Operating	Grant	Nonmajor Funds	Internal Service	Sewage Disposal	Water	Nonmajor Funds	
<b>Governmental activities:</b>									
General	\$ -	\$ 7,486,980	\$ -	\$ 19,205,750	\$ 6,105,421	\$ -	\$ -	\$ -	\$ 32,798,151
Transportation	-	-	752,870	3,474,687	-	-	-	-	4,227,557
Grant	-	-	-	1,437,804	-	-	-	-	1,437,804
Nonmajor funds	982,494	141,757	-	60,244,922	-	-	-	-	61,369,173
Internal service	1,631,636	166,766	-	368,673	156,554	160,655	159,692	24,647	2,668,623
<b>Business-type activities:</b>									
Sewage Disposal	-	-	-	442,672	-	-	-	-	442,672
Water	-	-	-	462,762	-	-	-	-	462,762
Nonmajor funds	778,728	4,917,269	-	848,858	17,642	-	-	-	6,562,497
Total transfers in	\$ 3,392,858	\$ 12,712,772	\$ 752,870	\$ 86,486,128	\$ 6,279,617	\$ 160,655	\$ 159,692	\$ 24,647	109,969,239
<u>Reconciliation:</u>									
Total internal service funds									(2,668,623)
Total governmental funds									(99,832,685)
Capital assets transferred from business-type activities									568,554
Capital assets transferred from governmental activities									(35,851)
Internal service funds transfer to business-type activities									(344,994)
Total transfers per statement of activities									\$ 7,655,640

Internal loans

As of June 30, 2013, the General Fund received capital loans of \$521,509 from Facilities Services Operating Fund, \$521,509 from CityFleet Operating Fund, and \$417,208 from Technology Services Fund, all of which are internal service funds. The interfund loans to the General Fund are authorized by Resolution No. 36976 for reimbursement to the Water Bureau of expenditures for acquisition, construction and renovation of certain assets, for potential expenses associated with the Portland Harbor Superfund site, and to transfer management responsibility for certain assets between the Parks Bureau and Water Bureau. These loans are expected to be repaid by June 1, 2022.

The Grants Fund received temporary operating loans of \$1 million from the General Fund, \$2.5 million from the Transportation Operating Fund, and \$5.4 million from the Parking Facilities Fund which is a nonmajor enterprise fund. These loans are expected to be repaid during fiscal year 2013-14.

The Community Development Block Grant Fund, a nonmajor governmental fund, received temporary operating loans of \$150,000 from the General Fund. These loans are expected to be repaid during fiscal year 2013-14.

The Interfund loan balances at fiscal year-end June 30, 2013 were:

	Governmental Activities			Business-type Activities	Total Internal Loans Payable
	General	Transportation Operating	Internal Service Funds	Nonmajor Funds	
<b>Governmental activities:</b>					
General	\$ -	\$ -	\$ 1,460,226	\$ -	\$ 1,460,226
Grants	1,000,000	2,500,000	-	5,445,000	8,945,000
Nonmajor funds	150,000	-	-	-	150,000
Total internal loans receivable	\$ 1,150,000	\$ 2,500,000	\$ 1,460,226	\$ 5,445,000	\$ 10,555,226

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**H. Leases:**

Lessor Operating leases

The City is involved in various cancelable and non-cancelable leasing arrangements under operating leases for land, buildings, equipment and land use rights which are leased mainly to commercial and retail customers. The City's leasing arrangements also include long-term contracts where the purpose is to support benevolent causes for citizens rather than to generate rental income. Thereby, the facilities are rented at reduced rates to nonprofit social service agencies. Initial lease term ranges from zero to 99 years and renewable options from zero to 75 years. The straight-line method of accounting is used to depreciate and amortize the leased properties over the term of the lease.

The total cost and accumulated depreciation includes leased space which represents a percentage of the total square feet of each structure. Included among the leased properties are land use rights. These properties were donated to the City, but no costs were attributed to them. Governmental activities generated \$2.3 million in rental income in FY13 and \$2.4 million in FY12. Business-type activities generated \$2.1 million in FY13 and \$1.8 million in FY12. Contingent rent was insignificant in both FY13 and FY12.

As of June 30, 2013, the City's investment into operating leases is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land and improvements	\$ 6,221,955	\$ 2,027,061	\$ 4,194,894
Buildings	20,595,181	9,003,411	11,591,770
Equipment	<u>4,899,172</u>	<u>1,022,156</u>	<u>3,877,016</u>
Net investments	<u>\$ 31,716,308</u>	<u>\$ 12,052,628</u>	<u>\$ 19,663,680</u>

As of June 30, 2013, future minimum rents to be received from non-cancelable operating leases are contractually due as follows:

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

H. **Leases, continued:**

Lessor Operating leases, continued:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2014	\$ 1,777,334	\$ 1,866,559	\$ 3,643,893
2015	1,629,551	1,538,371	3,167,922
2016	1,301,099	1,409,147	2,710,246
2017	1,026,939	1,407,294	2,434,233
2018	927,056	1,121,641	2,048,697
2019-2023	2,717,074	4,324,377	7,041,451
2024-2028	2,365,417	3,315,357	5,680,774
2029-2033	1,647,487	2,408,345	4,055,832
2034-2038	843,268	2,628,239	3,471,507
2039-2043	790,578	2,284,105	3,074,683
2044-2048	838,930	-	838,930
2049-2053	906,976	-	906,976
2054-2058	567,708	-	567,708
2059-2063	330,796	-	330,796
2064-2068	362,726	-	362,726
2069-2073	397,738	-	397,738
2074-2078	436,130	-	436,130
2079-2083	249,602	-	249,602
Total	<u>\$ 19,116,409</u>	<u>\$ 22,303,435</u>	<u>\$ 41,419,844</u>

Lessee Operating leases

The City has various non-cancelable operating lease commitments including land, buildings and equipment with lease terms varying from one to 99 years and renewal options from zero to 25 years. Provisions for future rent adjustments or rent free periods are specified in the lease agreement; usually, rental increases are predetermined, affixed to a range from 3 percent to 5 percent or contains an escalation clause linked to the consumer price index. The rental payments are recorded as expenditures or expenses of the related fund when incurred. The City also has non-cancelable sublease agreements for certain communication towers, office and parking spaces.

Total operating lease expenditures includes contingent rent attributed to the consumer price index. For the year ended June 30, 2013, operating expenses are summarized as follows:

	Fiscal Year Ending June 30,	
	2013	2012
Minimum rents	\$ 4,061,388	\$ 3,542,698
Contingent rents	1,096,728	495,163
Sublease rental income	<u>(835,726)</u>	<u>(428,593)</u>
Total rental expense	<u>\$ 4,322,390</u>	<u>\$ 3,609,268</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**H. Leases, continued:**

Lessee Operating leases, continued:

The City leases land, buildings and equipment under non-cancelable operating leases. Costs for such leases were \$1.7 million for governmental activities and \$0.5 million for business-type activities.

As of June 30, 2013, future minimum payments for these operating leases are contractually due as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	Fiduciary Activities	Net Lease Commitments
	Minimum Lease Commitments	Sublease Income	Minimum Lease Commitments	Minimum Lease	
2014	\$ 1,719,225	\$ 861,394	\$ 517,628	\$ 180,571	\$ 2,417,424
2015	1,345,962	395,758	501,721	184,182	2,031,865
2016	373,454	403,119	505,965	187,866	1,067,285
2017	331,609	71,311	500,491	191,623	1,023,723
2018	205,144	4,261	-	15,995	221,139
2019-2023	490,715	-	-	-	490,715
2024-2028	338,364	-	-	-	338,364
2029-2033	353,650	-	-	-	353,650
2034-2038	292,135	-	-	-	292,135
2039-2043	180,000	-	-	-	180,000
2044-2048	180,000	-	-	-	180,000
2049-2053	180,000	-	-	-	180,000
2054-2058	180,000	-	-	-	180,000
2059-2063	180,000	-	-	-	180,000
2064-2068	180,000	-	-	-	180,000
2069-2073	180,000	-	-	-	180,000
2074-2078	180,000	-	-	-	180,000
2079-2083	180,000	-	-	-	180,000
2084-2088	180,000	-	-	-	180,000
2089-2093	180,000	-	-	-	180,000
2094-2098	180,000	-	-	-	180,000
2099-2103	72,000	-	-	-	72,000
	<u>\$ 7,682,258</u>	<u>\$ 1,735,843</u>	<u>\$ 2,025,805</u>	<u>\$ 760,237</u>	<u>\$ 10,468,300</u>

**I. 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, 2013.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

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

General obligation bonds

The City issues general obligation bonds for the acquisition and construction of capital improvements of major capital facilities. General obligation bonds are currently outstanding for only governmental activities. The City has issued \$89.7 million of unlimited tax general obligation bonds for governmental activities. Currently \$62.7 million of these bonds are 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 for these bonds.

General obligation 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, 2013
<u>Governmental activities:</u>						
Parks	2010A	4.00%	04/16/2010	2010-2015	\$ 19,960,000	\$ 8,455,000
Emergency Facilities	2004A	3.375-4.250	01/28/2004	2004-2024	13,965,000	8,930,000
Emergency Facilities	2008A	3.50-4.75	11/18/2008	2008-2028	15,360,000	13,215,000
Emergency Facilities	2009A	2.20-4.00	07/10/2009	2010-2019	14,560,000	9,035,000
Emergency Facilities	2011A	2.000-4.125	05/13/2011	2011-2026	25,835,000	23,040,000
Total General Obligation Bonds: Governmental activities					<u>\$ 89,680,000</u>	<u>\$ 62,675,000</u>

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2014	\$ 8,355,000	\$ 2,321,015
2015	8,650,000	2,019,471
2016	4,455,000	1,722,046
2017	4,590,000	1,578,871
2018	4,750,000	1,429,197
2019-2023	19,350,000	4,715,398
2024-2028	12,525,000	1,321,300
Total	<u>\$ 62,675,000</u>	<u>\$ 15,107,298</u>

Limited tax improvement bonds

The City has \$50.7 million of outstanding limited tax improvement bonds. These bonds were issued for the purpose of financing local improvement projects. These bonds are expected to be fully self-supporting from assessment payments received from property owners benefiting from the improvement projects. In addition, the City has pledged its full faith and credit to pay the bonds. Interest rates on the outstanding bonds range from 2 to 5 percent.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Limited tax improvement 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, 2013
<u>Governmental activities:</u>						
Limited Tax Improvement	2003A	4.35%	05/22/2003	2003-2023	\$ 21,430,000	\$ 5,385,000
Limited Tax Improvement	2007A	5.00	06/28/2007	2007-2027	41,745,000	26,045,000
Limited Tax Improvement	2010A	2.000-4.125	04/20/2010	2010-2030	22,305,000	16,455,000
Limited Tax Improvement	2011A	3.00-4.00	12/13/2011	2012-2032	3,400,000	2,815,000
Total Limited Tax Improvement Bonds: Governmental activities					<u>\$ 88,880,000</u>	<u>\$ 50,700,000</u>

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2014	\$ 1,525,000	\$ 2,248,186
2015	1,365,000	2,202,434
2016	215,000	2,161,486
2017	6,365,000	2,155,034
2018	-	1,836,786
2019-2023	10,480,000	8,777,624
2024-2028	19,680,000	6,212,188
2029-2033	11,070,000	1,000,075
Total	<u>\$ 50,700,000</u>	<u>\$ 26,593,813</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 nine of its urban renewal districts including; Airport Way, Oregon Convention Center, South Park Blocks, Downtown Waterfront, Interstate Corridor, Lents Town Center, North Macadam, Central Eastside, and River District. The \$519.8 million outstanding balances on these bonds are paid from tax increment revenues generated from the respective urban renewal areas. No additional City revenues are pledged to the repayment of these bonds. Interest rates on the outstanding bonds range from 1.615 to 6.294 percent.

In July 2012, the City issued \$73.7 million of urban renewal and redevelopment bonds for the River District Urban Renewal Area. These bonds were used to pay off the 2003 Series A and three lines of credit. The bonds are secured by and payable from the tax increment revenues from the River District Urban Renewal Area. The Bonds will be paid back over 20 years with interest rates ranging from 1.253 to 5.00 percent.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

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

Urban renewal and redevelopment bonds, continued:

Urban renewal 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, 2013
<u>Governmental activities:</u>						
South Park Blocks	2008A	6.031-6.081%	07/01/2008	2009-2019	\$ 34,580,000	\$ 25,985,000
South Park Blocks	2008B	5.00	07/01/2008	2009-2024	32,020,000	32,020,000
Waterfront Renewal	2008A	4.96-6.30	04/23/2008	2008-2024	50,165,000	40,330,000
Waterfront Renewal	2011A	3.00-5.00	07/09/2011	2012-2020	30,370,000	30,115,000
Central East Side	2011A	3.632-6.246	03/31/2011	2011-2021	10,205,000	8,550,000
Central East Side	2011B	4.000-5.375	03/31/2011	2011-2031	19,485,000	19,485,000
Airport Way	2005A	4.00-5.00	09/29/2005	2006-2020	45,370,000	32,650,000
Oregon Convention Center	2012A	3.623-4.323	05/17/2012	2012-2025	69,760,000	69,760,000
Oregon Convention Center	2011B	4.00-5.00	07/09/2011	2012-2020	29,685,000	28,775,000
River District	2003B	4.02-4.10	06/17/2003	2004-2015	28,760,000	3,625,000
River District	2012A	1.615-4.430	06/27/2012	2013-2026	24,250,000	22,770,000
River District	2012B	3.00-5.00	06/27/2012	2013-2032	34,140,000	34,140,000
River District	2012C	3.75-5.00	06/27/2012	2013-2031	15,275,000	15,275,000
Lents District	2010A	4.253-6.284	06/18/2010	2010-2024	21,240,000	17,720,000
Lents District	2010B	4.25-5.00	06/18/2010	2010-2030	15,650,000	15,650,000
North Macadam	2010A	3.610-5.574	09/23/2010	2011-2022	29,645,000	22,405,000
North Macadam	2010B	3.75-5.00	09/23/2010	2011-2030	35,280,000	35,280,000
Interstate Corridor	2004A	4.00-5.25	12/09/2004	2005-2025	32,310,000	22,480,000
Interstate Corridor	2011A	2.955-6.294	08/11/2011	2012-2021	28,890,000	25,525,000
Interstate Corridor	2011B	4.50-5.00	08/11/2011	2012-2031	17,245,000	17,245,000
Total Urban Renewal & Redevelopment Bonds: Governmental activities					<u>\$ 604,325,000</u>	<u>\$ 519,785,000</u>

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2014	\$ 29,050,000	\$ 24,912,833
2015	30,640,000	23,708,839
2016	31,930,000	22,430,959
2017	33,455,000	20,899,747
2018	35,125,000	19,240,926
2019-2023	204,705,000	67,370,589
2024-2028	111,680,000	23,132,321
2029-2033	43,200,000	4,216,287
Total	<u>\$ 519,785,000</u>	<u>\$ 205,912,501</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

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.

Non-self-supporting general fund obligations

Limited tax revenue bonds. As of June 30, 2013, the City had \$103.2 million of outstanding limited tax revenue bonds and \$17.4 million in limited tax housing revenue bonds outstanding, which are backed primarily from General Fund resources.

In September 2012 the City sold \$36.2 million of 2012 Series C limited tax revenue bonds to pay for its portion of the construction costs of the Milwaukie Light Rail Project. These bonds will be paid off over 20 years and interest rates range from 3 to 4 percent.

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, 2013
<u>Governmental activities:</u>						
Capital Financing - Facilities	2008A	3.75-5.00%	06/10/2008	2008-2018	\$ 17,725,000	\$ 9,640,000
Emergency Coordination Center	2011B	2.00-3.00	12/15/2011	2012-2026	5,445,000	5,115,000
Police Training Facility	2012B	3.00-4.00	05/24/2012	2012-2022	13,305,000	12,160,000
EBS Project	2007A	4.25	04/24/2007	2007-2016	22,480,000	7,065,000
EBS Project	2009B	3.00-4.00	12/17/2009	2010-2017	9,400,000	7,705,000
Capital Improvement & Renovation	2010A	3.000-3.125	04/22/2010	2010-2020	4,840,000	3,910,000
800MHz	2012B	3.00-4.00	05/24/2012	2012-2016	8,473,650	6,445,000
Milwaukie Light Rail	2012C	3.00-5.00	09/11/2012	2013-2032	36,160,000	36,160,000
CAD project	2009B	3.00-4.00	12/17/2009	2010-2017	8,210,000	4,285,000
Archives Space Project	2007C	4.00-4.50	10/11/2007	2008-2028	11,925,000	9,765,000
Total Non-self-supporting Limited Tax Revenue Bonds: Governmental activities					137,963,650	102,250,000
<u>Business-type activities:</u>						
Portland International Raceway	LOC	6.14	10/25/2007	2008-2017	2,010,000	955,000
Total Non-self-supporting Limited Tax Revenue Bonds					<u>\$ 139,973,650</u>	<u>\$ 103,205,000</u>

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

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

Limited tax revenue bonds, continued:

Non-self-supporting general fund obligations, continued:

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, 2013
<u>Governmental activities:</u>						
Housing Projects	2005C	4.45%	06/21/2005	2005-2014	\$ 3,170,000	\$ 300,000
Housing Projects	2005D	4.00-5.00	06/21/2005	2005-2025	6,975,000	6,720,000
Total Non-self-supporting Ltd Tax Housing Revenue Bonds: Governmental activities					10,145,000	7,020,000
<u>Business-type activities:</u>						
Headwaters Apt Project	2005A	3.93-4.71	04/18/2005	2005-2035	10,480,000	9,280,000
Headwaters Apt Project	2005B	4.70	04/18/2005	2005-2035	1,260,000	1,120,000
Total Non-self-supporting Ltd Tax Housing Revenue Bonds: Business-Type activities					11,740,000	10,400,000
Total Non-self-supporting Ltd Tax Housing Revenue Bonds					<u>\$ 21,885,000</u>	<u>\$ 17,420,000</u>

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 Public Employees Retirement System (PERS) unfunded actuarial accrued pension liability with the State of Oregon PERS. 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, 2013, interest rates of the outstanding bonds, \$57.3 million of 1999 Series D variable rate bonds and \$57.3 million of 1999 Series E variable rate bonds, were 0.09 percent and 0.08 percent respectively. Interest rates on the fixed rate \$134.5 million of 1999 Series C bonds ranges from 7.701 to 7.93 percent.

The \$300.8 million liability has been distributed as follows:

	Original Distribution	Liability June 30, 2013
<u>Governmental activities:</u>		
Governmental funds	\$ 211,379,554	\$ 175,058,037
Internal service funds	16,741,773	13,865,023
Total governmental activities	228,121,327	188,923,060
Business-type activities	72,201,017	59,794,667
Fiduciary activities	526,002	435,619
Total	<u>\$ 300,848,346</u>	<u>\$ 249,153,346</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Limited tax and limited tax revenue bonds, continued:

Non-self-supporting general fund obligations, continued:

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, 2013
<u>Governmental activities:</u>						
Allocation of Limited Tax Pension Obligation	1999C	7.701%	11/01/1999	2000-2022	\$ 84,292,006	\$ 71,898,226
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2000-2029	30,090,299	30,090,310
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2000-2019	56,869,511	43,467,262
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2000-2019	56,869,511	43,467,263
Total Governmental activities					<u>228,121,327</u>	<u>188,923,061</u>
<u>Business-type activities:</u>						
Allocation of Limited Tax Pension Obligation	1999C	7.701	11/01/1999	2000-2022	26,678,633	22,755,991
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2000-2029	9,523,664	9,523,654
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2000-2019	17,999,360	13,757,511
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2000-2019	17,999,360	13,757,511
Total Business Type activities					<u>72,201,017</u>	<u>59,794,667</u>
<u>Fiduciary activities:</u>						
Allocation of Limited Tax Pension Obligation	1999C	7.701	11/01/1999	2000-2022	194,360	165,783
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2000-2029	69,382	69,381
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2000-2019	131,130	100,227
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2000-2019	131,130	100,227
Total Fiduciary activities					<u>526,002</u>	<u>435,618</u>
Total Limited Tax Pension Bonds					<u>\$ 300,848,346</u>	<u>\$ 249,153,346</u>

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, 2013, \$92.5 million of outstanding principal remained on the portion of the bonds is projected to be repaid with General Fund resources.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes**, continued:

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

Limited tax and limited tax revenue bonds, continued:

Self-supporting obligations

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

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2013
<u>Governmental activities:</u>						
Oregon Convention Center	2011A	5.00%	10/06/2011	2012-2030	\$ 67,015,000	\$ 65,920,000
Deferred Interest	2001B	4.95-5.36	02/13/2001	2001-2022	18,058,888	12,805,684
Portland Center for Performing Arts	2011A	2.36	12/15/2011	2012-2021	1,315,000	1,060,000
Portland Mall Revitalization	2007B	4.00-4.50	08/02/2007	2008-2017	16,860,000	7,550,000
North Macadam Investors, LLC	LOC	5.75	11/20/2006	2007-2016	2,500,000	1,974,864
Total Self-supporting Limited Tax Revenue Bonds: Governmental activities					<u>105,748,888</u>	<u>89,310,548</u>
<u>Business-type activities:</u>						
Central City Streetcar	2009A	2.50-4.00	05/21/2009	2009-2024	21,450,000	16,575,000
Arena	2005B	5.00	03/03/2005	2005-2017	17,810,000	11,730,000
Civic Stadium	2001D	6.50-7.00	05/15/2001	2001-2023	35,000,000	21,710,000
Jeld-Wen Field	2012A	3.25-3.50	04/24/2012	2012-2027	12,000,000	12,000,000
Total Self-supporting Limited Tax Revenue Bonds: Business-type activities					<u>86,260,000</u>	<u>62,015,000</u>
Total Self-supporting Limited Tax Revenue Bonds					<u>\$ 192,008,888</u>	<u>\$ 151,325,548</u>

Annual debt service requirements to maturity for all of the above types of limited tax revenue bonds at June 30, 2013, are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities		Fiduciary Funds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 26,305,418	\$ 16,038,136	\$ 9,723,883	\$ 5,691,172	\$ 23,997	\$ 14,771
2015	28,868,331	16,176,163	10,630,866	5,704,411	27,362	17,178
2016	31,263,271	16,297,246	11,604,848	5,474,505	31,034	17,985
2017	31,625,639	15,803,128	10,614,830	5,036,338	34,968	17,489
2018	25,993,660	14,913,286	9,282,808	4,585,499	39,252	16,507
2019-2023	137,113,273	74,749,428	52,631,566	21,648,250	220,718	99,492
2024-2028	73,801,499	160,858,759	23,022,626	49,388,373	49,485	340,914
2029-2033	32,532,518	36,398,145	4,263,240	11,642,660	8,802	78,890
2034-2038	-	-	1,390,000	103,295	-	-
Total	<u>\$ 387,503,609</u>	<u>\$ 351,234,291</u>	<u>\$ 133,164,667</u>	<u>\$ 109,274,503</u>	<u>\$ 435,618</u>	<u>\$ 603,226</u>

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**I. 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, 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.

In May 2013, the City issued \$76.5 million of Revenue Bonds backed by Water receipts. The Revenue Bonds were issued to fund capital improvements to the Water System. The final maturity of the 2012 Series A Bonds will occur in 2037 with interest rates ranging from 3 to 5 percent.

In August 2012, the City issued \$253.6 million of Revenue Bonds backed by Water receipts. The Revenue Bonds were issued to fund capital improvements to the Water System, and to refund the 2004 Series A bonds, 2004 Series B bonds and 2006 Series A bonds. The final maturity of the 2013 Series A Bonds will occur in 2037 with interest rates ranging from 2 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 the fiscal year ended June 30, 2013.

Revenue bonds outstanding at June 30, 2013 are as follows:

Purpose	Interest Rates	Principal Outstanding
Gas Tax Revenue Bonds:		
Public street improvements	3.00-5.00%	\$ 16,820,000
Sewage System Revenue Bonds:		
Sewer improvements and maintenance	4.00-5.25	1,494,980,000
Water System Revenue Bonds:		
Water lines improvement and maintenance	2.00-5.00	588,095,000
Hydroelectric Pwer Revenue Bonds:		
Electrical power generating plant	5.523	8,905,000
Total		<u>\$ 2,108,800,000</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Revenue bonds, continued:

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, 2013
<u>Governmental activities:</u>						
Gas Tax	1998A	4.80-5.00%	06/01/1998	1999-2018	\$ 3,070,000	\$ 1,050,000
Gas Tax	2005A	3.50-3.75	03/17/2005	2005-2016	4,400,000	1,435,000
Gas Tax	2011A	3.00-5.00	11/22/2011	2012-2023	15,400,000	14,335,000
Total Governmental activities Revenue Bonds					22,870,000	16,820,000
<u>Business-type activities:</u>						
Water	2004B	5.00	05/06/2004	2004-2023	61,900,000	2,900,000
Water	2006B	4.00-5.00	09/21/2006	2007-2020	44,000,000	37,455,000
Water	2008A	4.00-5.00	08/07/2008	2008-2033	79,680,000	72,245,000
Water	2010A	4.00-5.00	02/11/2010	2010-2035	73,440,000	68,710,000
Water	2011A	3.00-5.00	03/22/2011	2011-2036	82,835,000	79,360,000
Water	2012A	3.00-5.00	07/24/2012	2013-2037	76,510,000	73,790,000
Water	2013A	2.00-5.00	05/02/2013	2014-2038	253,635,000	253,635,000
Sewage Disposal	2003A	5.00-5.25	04/03/2003	2004-2023	88,370,000	30,850,000
Sewage Disposal	2004A	4.00-5.00	11/30/2004	2005-2024	163,500,000	116,300,000
Sewage Disposal	2004B	5.00	11/30/2004	2005-2017	93,080,000	81,200,000
Sewage Disposal	2005A	5.00	06/16/2005	2005-2020	144,850,000	144,850,000
Sewage Disposal	2006A	4.50-5.00	05/25/2006	2007-2031	177,845,000	147,380,000
Sewage Disposal	2006B	4.50-5.00	05/25/2006	2007-2031	87,135,000	72,445,000
Sewage Disposal	2007A	5.00	03/08/2007	2007-2015	193,510,000	61,550,000
Sewage Disposal	2008A	4.25-5.00	04/21/2008	2008-2033	333,015,000	279,315,000
Sewage Disposal	2008B	5.00	04/21/2008	2008-2033	195,700,000	189,130,000
Sewage Disposal	2010A	4.00-5.00	08/19/2010	2010-2035	407,850,000	371,960,000
Hydroelectric Power	2006	5.523	04/05/2006	2006-2016	21,370,000	8,905,000
Total Business-type activities Revenue Bonds					2,578,225,000	2,091,980,000
Total Revenue Bonds					\$ 2,601,095,000	\$ 2,108,800,000

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

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

Revenue bonds, continued:

Remaining future payments to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 1,850,000	\$ 645,663	\$ 98,210,000	\$ 97,090,117
2015	1,915,000	584,443	101,740,000	93,338,758
2016	1,980,000	507,962	108,990,000	88,293,518
2017	1,555,000	428,000	113,875,000	82,845,619
2018	1,630,000	363,600	118,560,000	77,227,369
2019-2023	7,890,000	818,100	657,725,000	292,650,334
2024-2028	-	-	367,560,000	167,538,241
2029-2033	-	-	382,260,000	81,700,169
2034-2038	-	-	143,060,000	12,212,626
	<u>\$ 16,820,000</u>	<u>\$ 3,347,768</u>	<u>\$ 2,091,980,000</u>	<u>\$ 992,896,751</u>

The City issues debt backed solely by future fees received for certain services. At June 30, 2013, 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	Revenue, Net of Related Expenses For the Year Ended June 30, 2013	Debt Payments For the Year Ended June 30, 2013
Gas Tax Revenue Bonds:						
Public street improvements	State gas tax	2023	\$ 20,167,768	3.03 %	\$ 56,054,056	\$ 2,499,950
Transportation Line of Credit:						
Public street improvements	State gas tax	2015	4,042,069	3.48	(included above)	3,043,294
Transportation Loan:						
Public street improvements	State gas tax	2019	455,774	0.28	(included above)	88,817
Urban Renewal & Redevelopment:						
Fund improvements in the urban renewal & redevelopment area	Tax increment property tax	2032	768,627,221	23.96	109,425,369	56,814,984
Sewer State Revolving Fund Loans:						
Financing energy, sewer system improvements	Sewer fees	2031	20,302,002	0.28	190,222,495	1,512,984
Sewage System Revenue Bonds:						
Sewer improvement & maintenance	Sewer fees	2035	2,261,961,812	24.8	(included above)	146,881,832
Sewage System Revenue Note:						
Sewer improvement & maintenance	Sewer fees	2018	279,065	0.02	(included above)	56,372
Water System Revenue Bonds:						
Water lines improvement & maintenance	Water fees	2038	892,310,949	12.72	80,643,665 *	35,081,870
Hydroelectric Power Revenue Bonds:						
Electrical power generating plant	Power sales	2016	9,847,914	66.21	2,822,309	2,696,058
Total			<u>\$ 3,977,994,574</u>		<u>\$ 439,167,894</u>	<u>\$ 248,676,161</u>
Governmental activities			\$ 793,292,832		\$ 165,479,425	\$ 62,447,045
Business-type activities			3,184,701,742		273,688,469	186,229,116
Total			<u>\$ 3,977,994,574</u>		<u>\$ 439,167,894</u>	<u>\$ 248,676,161</u>

\* same revenue source pledged for two purposes

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City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Refundings

On July 10, 2012, the City issued \$34.1 million of River District Urban Renewal and Redevelopment Bonds, 2012 Series B to payoff balances on outstanding interim lines of credit, refund the outstanding balance on the River District Urban Renewal and Redevelopment Bonds, 2003 Series A, and to fund a cash reserve. The proceeds were sufficient to pay the principal and interest on \$33.2 million of the refunded bonds. As a result, the refunded bonds have been fully redeemed in the current fiscal year and the liability has been removed from the governmental activities column in the statement of net position. This refunding was undertaken to reduce total debt service payments by \$3.9 million over eleven years and resulted in an economic gain of \$3.2 million.

On May 2, 2013, the City issued \$253.6 million of 2<sup>nd</sup> Lien Water System Revenue and Refunding Bonds, 2013 Series A. Approximately \$103.4 million was used to refund the outstanding balance of the Water System Revenue Refunding Bonds, 2004 Series A, the Water System Revenue Bonds, 2006 Series A, and the 2014-2023 maturities of the Water System Revenue Bonds, 2004 Series B (collectively "the Refunded Bonds"). The par amount of the bonds plus premium was sufficient to pay the principal and interest on \$105.7 million of the Refunded Bonds, pay costs of issuance, and fund the required cash reserve. As a result, the Refunded Bonds have been fully redeemed in the current fiscal year and the liability has been removed from the business type activities column in the statement of net position. This refunding was undertaken to reduce total debt service payments by \$8.5 million over nineteen years and resulted in an economic gain of \$6.8 million. The remaining \$150.3 million was new money issued to finance capital projects.

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 from these bonds. No holder or holders of these 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 against any property of the City. 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, 2013 is \$124.1 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 \$25.1 million remains outstanding.

Notes, lines of credit and loans payable

Notes payable. The City issues Notes to finance equipment acquisitions and improvements, improving streets and sidewalks, and to provide interim financing of urban renewal plans. Sewage Disposal Fund's \$0.2 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 payable on June 30, 2013 is five percent.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

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

Notes, lines of credit and loans payable, continued:

Lines of credit. As of June 30, 2013, the City has \$142.8 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	\$42.7 million
Finance various City backed projects, including:	
Various transportation improvements	4.0 million
Local improvement district projects	13.3 million
Improvements to parks	4.2 million
Improvements to environmental services	78.6 million

The City expects to retire \$7.6 million of the lines of credit with working capital. The rest will be replaced with long-term bonds. Interest rates on the outstanding line of credit balances are variable rates tied to either prime or the London Interbank Offered Rate (LIBOR). As of June 30, 2013 those rates ranged from 0.61 to 2.49 percent.

Loans Payable. The City has entered into various loan arrangements for the purpose of financing sewer system improvements, transportation projects and housing loan programs. Additions during fiscal year 2013 were \$0.6 million in transportation loans to purchase equipment for the streetcar system. The principal balance of these loans on June 30, 2013 is \$26.4 million. Interest rates vary from 1.00 to 4.41 percent with maturities to fiscal year 2032. Details for the activity of notes, lines of credit and loans payable can be found in the changes in long-term liabilities schedule at the end of this note.

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014 *	\$ 58,794,224	\$ 653,734	\$ 79,985,349	\$ 826,229
2015	2,930,970	327,749	1,386,781	184,125
2016	895,842	292,088	1,400,676	168,230
2017	1,032,866	271,881	1,414,725	152,180
2018	720,735	247,395	1,433,944	135,920
2019-2023	3,623,751	869,921	7,046,548	451,871
2024-2028	2,283,000	483,555	4,951,190	107,227
2029-2033	1,407,000	74,037	176,887	3,109
Total	<u>\$ 71,688,388</u>	<u>\$ 3,220,360</u>	<u>\$ 97,796,100</u>	<u>\$ 2,028,891</u>

\* Most of the amounts being paid in 2014 will be paid by selling bonds, so the amount being paid in 2014 is not equal to short term liabilities.

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

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

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

Other liabilities

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 \$15 million and \$0.8 million respectively at June 30, 2013. The total amount outstanding at June 30, 2013 was \$53.2 million for governmental activities and \$8.7 million for business-type activities.

Other postemployment benefits are described in Note IV.C. The total amount outstanding at June 30, 2013 was \$33 million for governmental activities and \$3.3 million for business-type activities.

The police and fire pension liability is described in Note IV.D. \$1,298 million was outstanding at June 30, 2013 and it is solely a governmental activities liability.

The long-term portions of compensated absences, other postemployment benefits and police and fire pension liabilities are expected to be paid in future years from future resources. In prior years, compensated absences and other postemployment benefits have been liquidated primarily by the governmental and enterprise funds for which the employees who earned the benefits were assigned. The General Fund liquidates the police and fire pension liability. Compensated absences and other post employment benefits are liquidated by the General Fund, Transportation Operating Fund, Grants Fund, Emergency Communication Fund, Development Services Fund, Housing Investment Fund, Parks Local Option Levy Fund, Children's Investment Fund, Community Development Block Grant Fund, HOME Grant Fund, Portland Parks Memorial Fund, Tax Increment Reimbursement Fund, and Parks Capital Improvement Program Fund.

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, 2013, exclusive of discounts and premiums, internal service funds had \$71.8 million of bonds outstanding. For fiscal year 2013, there were no governmental fund resources committed to liquidate other long-term liabilities. The governmental funds and internal service funds, which have a long-term liability, paid the debt service obligations from current resources, except for lines of credit paid off by selling long-term bonds. Long-term liability activity for the year ended June 30, 2013, was as follows:

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. **Detailed notes**, continued:

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Government Activities:</b>					
Bonds payable:					
General obligation bonds	\$ 70,740,000	\$ -	\$ 8,065,000	\$ 62,675,000	\$ 8,355,000
Limited tax improvement bonds					
payable from assessment payments	55,940,000	-	5,240,000	50,700,000	1,525,000
Urban renewal and redevelopment bonds	508,130,000	73,665,000	62,010,000	519,785,000	29,050,000
Limited tax and limited tax revenue bonds	376,042,730	36,160,000	24,699,121	387,503,609	26,305,418
Revenue bonds	18,515,000	-	1,695,000	16,820,000	1,850,000
Unamortized premium and discounts on bonds	28,556,970	8,189,496	4,886,363	31,860,103	4,801,280
Total bonds payable	<u>1,057,924,700</u>	<u>118,014,496</u>	<u>106,595,484</u>	<u>1,069,343,712</u>	<u>71,886,698</u>
Notes, loans and line of credit payable	97,914,167	19,821,072	46,046,850	71,688,389	2,755,127
Self insurance claims	23,143,803	55,088,171	52,368,911	25,863,063	-
Net pension obligation	1,169,340,301	128,193,975	-	1,297,534,276	-
Other postemployment benefits	29,337,547	3,658,582	-	32,996,129	-
Compensated absences	50,216,772	45,327,520	42,331,208	53,213,084	38,218,829
Total other long-term liabilities	<u>1,369,952,590</u>	<u>252,089,320</u>	<u>140,746,969</u>	<u>1,481,294,941</u>	<u>40,973,956</u>
Governmental activities long-term liabilities	<u>\$ 2,427,877,290</u>	<u>\$ 370,103,816</u>	<u>\$ 247,342,453</u>	<u>\$ 2,550,638,653</u>	<u>\$ 112,860,654</u>
<b>Business-type Activities:</b>					
Bonds payable:					
Limited tax and limited tax revenue bonds	\$ 142,052,566	\$ -	\$ 8,887,899	\$ 133,164,667	\$ 9,723,883
Revenue bonds	1,957,895,000	330,145,000	196,060,000	2,091,980,000	98,210,000
Unamortized premium and discounts on bonds	87,643,791	37,517,171	9,279,087	115,881,875	11,490,216
Total bonds payable	<u>2,187,591,357</u>	<u>367,662,171</u>	<u>214,226,986</u>	<u>2,341,026,542</u>	<u>119,424,099</u>
Notes and loans payable	20,815,849	78,764,644	1,784,393	97,796,100	1,368,041
Compensated absences	8,538,598	9,424,482	9,250,825	8,712,255	7,905,769
Other postemployment benefits	3,041,622	324,029	-	3,365,651	-
Total other long-term liabilities	<u>32,396,069</u>	<u>88,513,155</u>	<u>11,035,218</u>	<u>109,874,006</u>	<u>9,273,810</u>
Business-type activities long-term liabilities	<u>\$ 2,219,987,426</u>	<u>\$ 456,175,326</u>	<u>\$ 225,262,204</u>	<u>\$ 2,450,900,548</u>	<u>\$ 128,697,909</u>

**Auction Rate Securities**

As of June 30, 2013, the City had \$114.7 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

III. Detailed notes, continued:

I. Long-term debt, continued:

Auction Rate Securities, continued:

All \$114.7 million of these securities remain outstanding as of November 6, 2013. 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. 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 rate since July 1, 2013 has been 0.094 percent, plus a 0.25 percent broker/dealer fee, for an average all-in cost of 0.344 percent. For the week of October 21, 2013, the all in rate was 0.355 percent for Series D and 0.325 percent for Series E bonds. 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

As of June 30, 2013, the City has approximately \$137.8 million face amount of debt service reserve fund surety policies ("credit facilities") relating to outstanding sewer, water, and gas tax revenue bonds, as well as urban renewal and redevelopment bonds issued for the Airport Way and Interstate Corridor urban renewal areas. The City has historically 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 November 1, 2013, 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)	Not Rated	\$ 5,591,500
Assured Guaranty Municipal Corporation (formerly FSA)	A2 / AA+	72,331,361
National Public Finance Guarantee Corporation (formerly MBIA)	Baa1 / A	46,422,150
Total		\$ 124,345,011

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**J. 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 \$57.45 million in overnight bonds in fiscal year 2013 and redeemed those bonds within five days. At June 30, 2013, there were no outstanding overnight bonds.

At the beginning of the fiscal year, the City issued \$21.03 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, 2013 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Over night bonds	\$ -	\$ 57,454,885	\$ 57,454,885	\$ -
Tax anticipation notes	-	21,030,000	21,030,000	-
	<u>\$ -</u>	<u>\$ 78,484,885</u>	<u>\$ 78,484,885</u>	<u>\$ -</u>

**K. 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 various bureaus in specific instances offering health care continuation and are generally offered for up to six months of coverage. There were fourteen (14) employees affected, and the net cost of these termination benefits for fiscal year ending June 30, 2013 was \$48,422.

The Voluntary Retirement Incentive Program was implemented in accordance with Ordinance No. 185968 to provide an incentive for employees to voluntarily retire from the City during the period of May 1, 2013 through June 30, 2013. To qualify, Bureaus needed to demonstrate savings to programs or positions to offset the cost of a \$20,000 contribution to a Health Reimbursement Account (HRA) for the retiring participant. Seventy-three (73) participants were approved for the program. BenefitHelp Solutions administers the HRA account, and bills the City as claims are made against the accounts. The expected cost to the City is \$1.5 million.

Due to the short duration of the termination plans, payments have not been discounted. This plan has no effect on the actuarial accrued liability related to other postemployment benefits.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**III. Detailed notes, continued:**

**L. Special item:**

Payment for Temporary Sewage Connection by the Bureau of Environmental Services

The City of Portland's Bureau of Environmental Services and Clean Water Services entered into a revised wholesale sewer service agreement in 1998. This agreement was for the conveyance and treatment of each other's sewage flows in anticipation of the Fanno Basin Pump Station and Garden Home/Multnomah pressure line project. After this agreement was reached, there were a number of breaks or leaks in the pressure lines resulting in City of Portland sewage being diverted to Clean Water Services for treatment.

The 1998 agreement did not anticipate the frequency of breaks or leaks and the volume of sewage being diverted to Clean Water Services. A new agreement was therefore reached in 2012. Central to this agreement was concurrence that the City had received temporary capacity to Clean Water Services' conveyance and treatment facilities without payment of Systems Development Charges (SDC's). A onetime payment of \$7 million was made, in FY13, by the Bureau of Environmental Services to Clean Water Services to cover SDC fees for a temporary connection.

This payment of \$7 million is being categorized as a special item since it is significant, unusual in nature, infrequent in occurrence, and within the control of City management. It was previously not known that this payment would be necessary and it could not have been reasonably estimated prior to this fiscal year.

**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 (ORS) 30.272 limitations on liability of public bodies for personal injury to any single claimant for causes of action arising on or after July 1, 2012 and before July 1, 2013 may not exceed \$600,000 for single claimant and \$1,200,000 for multiple claimants. For causes of action arising on or after July 1, 2013 and before July 1, 2014, limitations increase to \$633,300 for single claimant and \$1,266,700 for multiple claimants.

Per ORS 30.273 limitations on liability of public bodies for property damage arising on or after July 1, 2012 and before July 1, 2013 may not exceed \$104,300 for single claimant and \$521,400 for multiple claimants. For causes of action arising on or after July 1, 2013 and before July 1, 2014, limitations increase to \$106,700 for single claimant and \$533,400 for multiple claimants.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

**A. Risk management**, continued:

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 position). 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, 2014, the expected rate of return used was 0.40 percent. For fiscal year ending June 30, 2015, and subsequent years, the expected rate of return used was 0.50 percent and 0.60 percent respectively. 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 to policy limits, and an excess workers' compensation coverage insurance policy covers claims in excess of \$850,000 for occurrences after July 1, 2012. The City purchases commercial insurance for claims in excess of coverage provided by the self-insurance fund. The City's limits of coverage on the excess liability policy is \$10 million per claim above the \$1 million self-insurance retention for covered torts occurring after November 12, 2012.

Liabilities are reported in the applicable fund when it is probable that a loss has occurred and the amount of 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 any are allocated to specific claims. Estimated recoveries, from salvage or subrogation for example, 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, 2013	Year ended June 30, 2012
Balance, beginning of fiscal year	\$ 23,143,803	\$ 22,013,115
Incurred claims and adjustments	55,088,171	52,986,156
Claim cash payments	<u>(52,368,911)</u>	<u>(51,855,468)</u>
Unpaid claims, end of fiscal year	<u>\$ 25,863,063</u>	<u>\$ 23,143,803</u>

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information, continued:**

**B. Landfill closure and postclosure care:**

The Killingsworth Fast Disposal (KFD) Landfill was permitted as a Municipal Solid Waste Landfill that primarily accepted construction and demolition waste for disposal. In the early 1980's, the KFD Landfill was permitted by the Oregon Department of Environmental Quality ("DEQ") and franchised by the Metro Regional Government to Riedel Waste Systems, Inc. ("RWS"), owners of the property. In 1990, the KFD Landfill was permanently closed. After closure of the landfill, per DEQ requirements, RWS installed a geomembrane cap and a gas extraction system. In 1995, RWS, finding it financially unable to perform the DEQ required maintenance and monitoring of the system, abandoned the property. Following abandonment, DEQ, in 1995, began conducting monitoring and maintenance activities at the KFD Property, and in 1999 DEQ began installation of a new gas extraction system, repair of damaged areas of the geomembrane cap, drainage system improvements and associated improvements to mitigate threats to human health posed by the site. On March 7, 2002, DEQ issued a Solid Waste Disposal Site Closure Permit (No. 1204) to the City of Portland to assure that, through the City, post-closure care of the closed KFD Landfill would take place. This post-closure care included the proper operation, maintenance and monitoring of the post-closure equipment and systems installed on the KFD Property.

Federal and State laws and regulations require the City of Portland, as the permittee, to perform postclosure care of the site including operation, maintenance, and monitoring of the methane gas extraction and leachate collection systems; site membrane cap and final cover maintenance; site drainage systems maintenance; and groundwater monitoring wells maintenance for a period of 30 years from the March 7, 2002 execution date of the Solid Waste Disposal Site Closure Permit (from 2002 to 2032).

The KFD Landfill property and responsibility for post-closure care was transferred to the City only after 100 percent of the fill capacity of the site was reached, operations ceased, and the landfill was permanently closed. Prior to transfer of the property to the City, DEQ installed, monitored, operated, and maintained site closure systems. On February 25, 2002, the City of Portland and Oregon DEQ entered into Intergovernmental Agreement (DEQ. No. R001-02) wherein the City agreed to manage and pay for the overall post-closure care and maintenance of the site until no longer required; to partially reimburse DEQ (\$500,000) for its cost of installing a new gas extraction/flare and leachate collection system at the site; and, wherein, DEQ agreed, that upon satisfactory performance by the City of Portland of its obligations under the Agreement, the City would be released from a significant part of the environmental liabilities at the site. The City has completed payment of the \$500,000 to DEQ for partial reimbursement of the capital investments made to install the post-closure systems.

The City has established future annual post-closure care cost projections (2012–2032) based on the average actual annual costs of the first 10 years of the City's operation, maintenance, and monitoring of the site closure systems (2002–2012). Based on these actual costs and projections, the thirty-year post closure care cost, as of June 30, 2013, is estimated to be \$1.46 million under current Federal and State laws and regulations. (Note: costs going forward have been inflated by 2.5 percent annually). Actual costs may be higher due to inflation, changes in technology, changes in regulations, or the need for repair or replacement of site equipment.

As of June 30, 2013, the City of Portland and Metro (through Intergovernmental Agreement (IGA) No. 51802) have paid a total of \$446,541 in post-closure care costs. This reduces the remaining estimated liability to \$1.01 million for the remaining 20 years of post-closure care, of which \$871,474 is the City's responsibility.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information, continued:**

**B. Landfill closure and postclosure care, continued:**

Metro, through IGA No. 51802, will provide \$260,205 in site maintenance and monitoring services from fiscal years 2002 through 2022. In addition, Parks has established a committed account in its Portland Parks Memorial fund, a special revenue fund, for the purpose of future payment of post-closure liabilities with a fund balance of \$98,291 and a cash and investments balance of \$123,291 as of June 30, 2013. The City's initial annual on-going general fund contributions into the committed account within the parks memorial fund were \$25,000 from fiscal years 2002 through 2010. In fiscal year 2011, annual contributions were increased to \$36,200 thereafter through June 30, 2032. For fiscal years 2014 through 2015, the City will increase the annual contribution to \$61,200. For fiscal year 2016, the annual contribution will be \$47,983. Increases in funding for these years balance increases in costs in prior years.

Additional resources will be infused by the City, if needed, to meet ongoing costs of postclosure care. The closure plan for the closed KFD Landfill is in compliance with the plan filed with the Oregon Department of Environmental Quality.

**C. 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 and fiduciary 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.

**Labor agreements**

There are nine labor agreements between the City and its employees, six of which expired on June 30, 2013. The PPA and COPPEA contracts have been settled and ratified by City Council and are currently in effect. A tentative agreement has been reached with PPCOA. The three agreements that are still in negotiations are: BOEC, DCTU, and Laborers' Local 483 - Recreation Employees.

	<u>Effective Dates</u>
Portland Police Association (PPA)	7/1/2013 - 6/30/2017
The City of Portland Professional Employees Association (COPPEA)	7/1/2013 - 6/30/2017
The Portland Fire Fighters' Association (PFFA) - Local 43	7/1/2012 - 6/30/2016
Portland Housing Bureau (PHB)	7/1/2011 - 6/30/2015
Laborers' Local 483 - Seasonal Maintenance Workers	7/1/2011 - 6/30/2014
The Portland Police Commanding Officers Association (PPCOA)	7/1/2010 - 6/30/2013
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 - Recreation Employees	7/1/2010 - 6/30/2013

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Bonds

The City's general credit is obligated on limited tax improvement bonds totaling \$50.7 million at June 30, 2013, only to the extent that liens foreclosed against properties involved in the assessment districts and collections of related assessments and interest are insufficient to retire outstanding bonds and pay bond interest.

Contractual commitments

Non-construction contractual commitments at June 30, 2013 amounted to:

Governmental activities	\$ 28,385,218
Business-type activities	5,512,816
Total	\$ 33,898,034

Included in these amounts are uncompleted balances of professional service contracts, goods and services contracts, and intergovernmental agreements. Construction commitments of \$213.1 million are presented in Note III. F. Capital Assets, Construction and technology project commitments.

HUD Section 108 Loan Guarantee

The City is also party to a Section 108 loan guarantee contract (B97-MC-41-0003) with HUD for the Commercial Revitalization Loan Fund Program, administered by the Portland Development Commission (PDC). The HUD contract, signed in December 1999, was for \$8 million. There are seven outstanding loans totaling \$4 million in original principal, with remaining balances of \$2.7 million at June 30, 2013. The table below presents a list of borrowers and their respective loan principal balances:

Borrower Name	Original Principal Amount	Principal Balance June 30,	
		2013	2012
HUD Offering Rate Variance	\$ 31,000	\$ 25,000	\$ 21,000
Killingsworth / McCuller Crossing	143,000	90,000	100,000
MRK - Alberta Street Market	850,000	648,000	686,000
OUV2	800,000	639,000	665,000
PCRI / Alberta Simmons	375,000	220,000	240,000
PCRI / Maggie Gibson	670,000	425,000	465,000
PUB Group	875,000	460,000	510,000
Rachel Elizabeth / Rexall	290,000	165,000	182,000
Total	\$ 4,034,000	\$ 2,672,000	\$ 2,869,000

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

HUD Section 108 Loan Guarantee, continued:

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 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 Economic Development Initiatives (EDI) grant reserve funds also held in trust by BNY. Collective loan balances under this HUD contract, for which the City is contingently liable should the borrowers default, is \$2.7 million. For further information on the HUD Section 108 Loan Guarantee Program, refer to the Loans Receivable section of Note III.B., Receivables.

Hydroelectric Power Fund

Hydroelectric Power Fund's (Hydro) agreement with a private utility (the utility) requires that the cost to the utility for 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, 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, 2013, the total accumulated excess cost was \$21,551,450, 50 percent of this total was \$10,775,725, and the carrying value of the renewal and replacement assets was \$10,202,433.

Environmental Remediation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* established accounting and financial reporting standards for pollution remediation obligations. Multiple remediation projects have been recognized by the City of Portland and accounted for in accordance to GASB Statement No. 49. The details of these projects are discussed below under Portland Harbor Superfund Site and Portland Housing Bureau.

Portland Harbor Superfund Site

Portland Harbor was listed as a federal Superfund site in December of 2000. In 2001, the City of Portland and nine other potentially responsible parties entered into an Administrative 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).

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

*Portland Harbor Superfund Site*, continued:

Signatories to the AOC have agreed upon a cost allocation plan to fund the Remedial Investigation/Feasibility Study (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 assessment costs and bears no relationship to the City's potential liability for cleanup 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 stormwater 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 liability associated with the RI/FS activities through 2015 is expected to range between \$0.5 million and \$1.33 million; which was accrued at fiscal year ended June 30, 2013 using the expected cash flow technique as required by GASB Statement No. 49. Since 2001, the City has contributed over \$25 million to the Lower Willamette Group for the RI/FS. The City believes that an estimate of maximum exposure of the Portland Harbor cleanup cannot be made but could be material to the period in which it is recorded.

Total costs of cleaning up the site and restoration of natural resources will be estimated at the completion of the RI/FS but will not include estimates of any individual party's share of those costs. 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 EPA to recover their full share of liability for cleanup and restoration activity, including imposition of fines and other financially punitive measures. The draft FS was submitted to EPA in March and the proposed plan is not expected to be done for several years. The City's ultimate liability is undeterminable at this time. However, it is expected to be a material amount.

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 140 entities and property owners along the Willamette River, including the City, that they were potentially responsible for further investigation and cleanup of contaminated sediments in Portland Harbor. The City is participating in voluntary negotiations with approximately 95 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. The administrative costs are shared among the participating parties. The City's share of administrative process costs for fiscal year ended June 30, 2013 have not been determined, but are expected to be approximately \$30,000 to \$60,000.

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. 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 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Environmental Remediation, continued:

Portland Housing Bureau

Portland Development Commission (PDC) Housing Department merged with the City's Bureau of Housing and Community Development into a new bureau, the Portland Housing Bureau (PHB). The final transition took place on July 1, 2010. Seventeen properties were contributed by PDC to PHB, of which four properties have potential environmental remediation issues.

Through an intergovernmental agreement, PHB continues to rely upon the knowledge and expertise from PDC and PDC's consultants to continue estimating the remediation costs. The potential obligations are estimates by PDC staff and consultants and are based upon prior experience in identifying and funding similar remediation activities. Site investigation, planning and design, cleanup, and site monitoring are typical remediation activities underway across many PDC properties, and therefore PDC has programs, rules, and regulations that routinely deal with remediation-related issues. Much of PDC's mission is to deal with blighted properties, which sometimes include pollution conditions. PDC has the knowledge and expertise to estimate the remediation but also employs consultants when expedient. The standards require that pollution remediation liabilities be calculated using the expected cash flow technique. When an estimate cannot be reasonably made, a pollution remediation obligation is not reported.

The remediation obligation estimates that appear in this report are subject to change over time. Costs may vary due to price fluctuation, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations, and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the City's obligation.

For the properties that are part of Block U, there is contaminated soil removal to address. The property in the vicinity of 99th Avenue and Glisan Street has potential underground storage tank (UST) and cesspool remediation which will be addressed as part of the development of the property as the property is conveyed to the developer. The Fairfield Hotel and Jefferson West Apartment properties have potential UST remediation, and it is anticipated that remediation (if required) would occur as part of the redevelopment of those properties. During the fiscal year, the City recognized estimated additional expense which increased the liability to \$713,648 for these properties.

Other Remediation Obligations

There are other sites where the City expects to conduct remediation activities in FY2013-14. These sites consist of City-owned contaminated properties where remediation activities are required by Oregon Department of Environmental Quality (DEQ) and City-acquired contaminated properties where remediation activities are being done voluntarily before constructing new facilities. The total estimated remediation liabilities at these sites are insignificant and have been accrued. These liabilities are estimated using the expected cash flow technique based on professional experience in estimating staff time, consultant costs, analytical costs, agency oversight, and equipment costs for similar work. Potential changes in estimates are expected to be low to moderate. Significant cost recovery is not expected at these sites and does not reduce estimated liability.

**D. 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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

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 an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would 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:* The City collects insurance premiums from participating retirees each month in order to fund the Health Insurance Continuation option. 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 latest actuarial report, 948 retirees and 444 spouses were participating in the plan.

The City has elected not to pre-fund the fiscal year 2013 employer's annual required contribution (ARC) to the plan.

The Health Insurance Continuation "blended" premium rates, according to the most recent actuarial valuation, dated July 1, 2011, are:

All Employee Groups Except Portland Police Association (PPA)			
	Medical Only	Dental	Vision
<b>City Health Care Plan</b>			
Participants	\$ 518.19	\$57.97	\$5.05
Participant and Spouses	1,004.07	100.11	9.19
<b>Kaiser</b>			
Participants	\$ 542.39	\$58.96	\$4.08
Participant and Spouses	1,067.20	101.41	8.28
Portland Police Association (PPA)			
	Medical Only	Dental	Vision
<b>City Health Care Plan</b>			
Participants	\$ 633.28	\$58.00	\$4.22
Participant and Spouses	1,244.08	100.19	7.68
<b>Kaiser</b>			
Participants	\$ 521.62	\$49.97	\$4.48
Participant and Spouses	1,025.03	85.95	9.10

*Annual OPEB Cost and Net OPEB Obligation:* The City's annual other postemployment benefit cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. 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.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Health Insurance Continuation, continued:

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
Annual Required Contribution (ARC)	\$ 10,194,079
Interest on net OPEB obligation	1,134,555
Adjustment to annual required contribution	(1,762,493)
Annual OPEB Cost	9,566,141
Less expected contribution	(5,582,943)
Increase in Net OPEB obligation	3,983,198
Net OPEB obligation - beginning of year	32,415,855
Net OPEB obligation - end of year	\$ 36,399,053
Governmental activities	\$ 32,996,129
Business-type activities	3,365,651
Fiduciary activities	37,273
Net OPEB obligation - end of year	\$ 36,399,053

On November 6, 2007, voters in the City of Portland passed a measure that changed the medical coverage for retirees of the Fire and Police Disability and Retirement (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. Information on these obligations is included in Note IV.E., under the Fire and Police Disability and Retirement Plan.

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, 2013, were as follows:

Health Insurance Continuation				
Fiscal Year Ended	Annual OPEB Cost	Contribution	Percent of Annual OPEB Cost Contributions	Net OPEB Obligation
6/30/2011 *	\$ 13,442,894	\$ 5,641,935	41.97 %	\$ 28,721,772
6/30/2012	9,395,189	5,701,106	60.68	32,415,855
6/30/2013	9,566,141	5,582,943	58.36	36,399,053

\* OPEB cost includes prior year adjustment for HCR Excise Tax

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Health Insurance Continuation, continued:

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2011 (the date of the most recent actuarial valuation):

	Health Insurance Continuation
Actuarial accrued liability (AAL)	\$ 104,946,292
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 104,946,292
Actuarial valuation method	Entry age normal
Amortization of unfunded AAL	30 years open
Funded ratio	0%
Investment return assumption	3.5%
Inflation rate assumption	2.3%
Merit increase	0.33-2.55%
Healthcare cost trend rate	1.0-9.5%
Covered payroll (active plan members)	\$ 326,480,413
UAAL as a percentage of covered payroll	32%

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, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return and an annual healthcare cost trend rate of 1 to 9.5 percent for health insurance, 0 to 6 percent for dental insurance and 0 to 3 percent for vision. The UAAL is amortized over an open period of 30 years using the level percentage of projected pay.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

**D. 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, 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).

*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 for Tier One and Two employees, and 0.50 percent for OPSRP employees. 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 No. 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
6/30/2011	\$ 702,335
6/30/2012	1,637,795
6/30/2013	1,651,130

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information, continued:**

**E. 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 8 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.

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 were 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; however, 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. For Tiers One and Two, vesting also occurs upon attaining age 50 regardless of time worked. Tier One general service employees may retire with unreduced benefits after reaching age 55 with 30 years of service (age 50 for fire and police personnel with 25 years of service), or they can retire at age 58 with less than 30 years service (age 55 for fire and police personnel with less than 25 years service). 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 or at age 55 with 30 years of service. Police and fire personnel are eligible for retirement with full benefits at age 55 or at age 50 with 25 years of service. Similar to Tier One, Tier Two general service employee benefits are reduced when retirement occurs before age 60 with less than 30 years of service and benefits are reduced for fire and police retirements at age 55 or earlier with less than 25 years service. OPSRP general service members are eligible for full benefits at age 58 with 30 years of service or age 65 with less than 30 years. OPSRP fire and police members are eligible for full benefits at age 53 with 25 years of service or at age 60 with less than 25 years.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information, continued:**

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

State of Oregon Public Employees Retirement System, continued:

Tier One retirement benefits are based on final average salary and length of service and are calculated by either money match or full formula methods, whichever produces the greatest benefit. For members hired before August 21, 1981 there is a third calculation method available, formula plus annuity. Tier Two uses the money match and full formula methods. OPSRP only uses full formula. Tier One and Two fire and police personnel may purchase increased benefits that are payable between the date of retirement and age 65. This benefit is not available in OPSRP. 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 (FPDR) fund for retirement purposes. They will remain under the City's FPDR plan for disability payments.

Funding policy: The rate of employer contributions to PERS is determined periodically by PERS based on actuarial valuations performed biennially. 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 of 9.89 percent benefit increase on benefits earned before October 1991 after a Court decision mandating taxation of state PERS benefits for retirees and due to the interpretation of PERS statutes by the PERS Board increasing 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. 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. Proceeds of the 1999 Series C, D & E Bonds (the "Bonds") were used to finance all of the estimated UAAL of the City with PERS as of December 31, 1997. This resulted in the City having an over-funded actuarial accrued liability (AAL) 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. The 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 used to set employer contribution rates was prepared for the period ending December 31, 2011 and was issued October 2012. Based on that valuation, the City's contribution rates increased for fiscal year 2014.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

State of Oregon Public Employees Retirement System, continued:

Annual pension cost. PERS sets the rate for the SLGRP based on the independent actuarial study that is performed every year. The actuarial 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.

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

	General Service					
	2011		2012		2013	
	PERS	OPSRP	PERS	OPSRP	PERS	OPSRP
PERS Defined Benefit Plan	4.30 %	5.04 %	9.30 %	7.69 %	9.30 %	7.69 %
Employee IAP*	6.00	6.00	6.00	6.00	6.00	6.00
Total contribution rate	10.30 %	11.04 %	15.30 %	13.69 %	15.30 %	13.69 %

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

	Firefighters & Police Officers					
	2011		2012		2013	
	PERS	OPSRP	PERS	OPSRP	PERS	OPSRP
PERS Defined Benefit Plan	4.30 %	7.75 %	9.30 %	10.40 %	9.30 %	10.40 %
Employee IAP*	6.00/9.00 **	9.00	6.00/9.00 **	9.00	6.00/9.00 **	9.00
Total contribution rate	10.30/13.30 %	16.75 %	15.30/18.30 %	19.40 %	15.30/18.30 %	19.40 %

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

\*\* The City pays 6.00% for firefighters and police officers in this tier who were hired before 01/01/07. 9.00% is paid for those who were hired since then.

The City sold bonds in 1999 and deposited the proceeds in an account with PERS. 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:

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

State of Oregon Public Employees Retirement System, continued:

	2011	2012	2013
Governmental funds	\$ 103,408,807	\$ 97,793,849	\$ 92,178,891
Internal Service funds	10,277,578	9,719,518	9,161,458
Governmental activities	113,686,385	107,513,367	101,340,349
Business-type activities	44,323,396	41,916,695	39,509,994
Fiduciary funds	322,911	305,378	287,845
Total prepaid	<u>\$ 158,332,692</u>	<u>\$ 149,735,440</u>	<u>\$ 141,138,188</u>

The amounts contributed to PERS during the years ended June 30, 2011, 2012, and 2013 were equal to the required contribution for each year. The amounts contributed by the City were as follows:

	2011	2012	2013
Cash contribution during year	\$ 33,622,080	\$ 45,229,731	\$ 45,278,556
Amortization of deposit with PERS	8,597,252	8,597,252	8,597,252
Total	<u>\$ 42,219,332</u>	<u>\$ 53,826,983</u>	<u>\$ 53,875,808</u>

Fire and Police Disability and Retirement Plan

Description of plan: As of June 30, 2013, membership data related to the Fire and Police Disability, Retirement and Death Benefit Plan (the Plan) was as follows:

	FPDR One	FPDR Two	FPDR Three	Total
Retirees, beneficiaries and participants with disabilities currently receiving pension and long-term disability benefits	633	1,230	-	1,863
Terminated employees that are vested, but not yet receiving benefits	-	66	-	66
Current members on short-term disability	-	11	4	15
Current members:				
Vested	-	1,208	-	1,208
Non-vested	-	-	-	-
Not in FPDR pension plan	-	-	386	386
Total current members	<u>-</u>	<u>1,208</u>	<u>386</u>	<u>1,594</u>

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Fire and Police Disability and Retirement Plan, continued:

The Plan consists of three tiers, two of which are now closed to new employees. The Plan's authority for vesting and benefit provisions are provided by 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 hired before January 1, 2007 participate, are single employer defined-benefit plans, administered by the FPDR Board of Trustees. As of June 30, 2013, there were 633 members and beneficiaries subject to the Plan as constituted prior to July 1, 1990, now called FPDR One; 2,504 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 are 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, 2013, the number of FPDR Three members was 386.

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, and then 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.

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 effective after June 30, 1990. Under the old plan, now called FPDR One, 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 years of service (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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Fire and Police Disability and Retirement Plan, continued:

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 greatest 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 2013 Oregon State Legislature amended the statutes so that members not subject to Oregon income tax will no longer be eligible for the additional benefit, effective January 1, 2014.

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. The Charter also provides for FPDR One members, to receive a refund of contributions if they terminate employment before vesting. As of June 30, 2013, there were no unvested FPDR One or FPDR Two members.

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 the case of a nonservice-connected death if the member has sufficient service time, as defined by the plan, and for death after retirement.

On November 6, 2007, voters in the City of Portland passed a measure that expanded the types of members who are eligible under the Plan for post-retirement medical treatment required as a result of the member's claim, approved before retirement, for a job-related injury or illness, or for an occupational disability. The change was effective for retirees from active service after January 1, 2007. For additional information on FPDR's other post-retirement benefit obligations, see Fiduciary activities in Note IV.D., Health Insurance Continuation.

Oregon House Bill 2420 governing workers' compensation law became effective January 1, 2010. The bill established the presumption that twelve types of 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.

On November 6, 2012 voters approved eleven plan amendments referred to them by the Portland City Council. These amendments made a number of material changes to plan benefits provisions, including a revised definition of final pay (used to calculate FPDR Two pensions), a reduction in the years of service required for FPDR Two and Three members' survivors to claim nonservice death benefits, a new requirement that employees complete six months of service before becoming covered by the FPDR Plan, a provision to allow interim disability benefits during claim review, and elimination of a provision that allowed vested pension benefits to be increased under certain circumstances. The plan amendments were effective January 1, 2013.

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.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Fire and Police Disability and Retirement Plan, continued:

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. Ten subsequent amendments have been made by voters with the last one being November 6, 2012.

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 was fully funded at June 30, 2013.

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, 2012, the weighted levy rate per \$1,000 of real market value under the special property tax levy was \$1.45.

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

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Fire and Police Disability and Retirement Plan, continued:

Total actual contributions to the Plan for fiscal year ended June 30, 2013, consisted of the special property tax levy of \$104.8 million, which is 79.3 percent of the annual covered payroll of \$135.4 million. The City has recognized a net pension obligation (NPO) of \$1,297.5 million. The NPO was determined in accordance with GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. 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 position.

For measurement dates before June 30, 2013, FPDR had two valuations; one for post-retirement medical expenses and one for all other plan benefits. Following discussions with the external financial auditors and the independent actuaries, the separate valuation for post-retirement medical expenses was discontinued. Disability medical expenses covered by the FPDR plan after retirement, which are exclusively for disabilities incurred before retirement, are not other postemployment benefits as defined by Governmental Accounting Standards Board (GASB) Statement No. 45. Therefore, the June 30, 2012 figures discussed above incorporate all plan benefits, including post-retirement medical expenses. Post-retirement medical benefits are estimated at 0.5 percent of all plan benefits.

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

**SCHEDULES OF FUNDING PROGRESS**

**Fire and Police Disability and Retirement Pension 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
6/30/2013 *	\$ 17,155,015	\$ 2,979,161,360	\$ 2,962,006,345	0.58%	\$ 135,372,631	2188.04%

\* Actuarial valuations are not performed in odd-numbered years. The AAL shown in this year is a rollforward of the AAL from the 6/30/2012 actual valuation, assuming no gains or losses. Covered Payroll has been estimated.

\*\* For 6/30/2013 onwards, the AAL shown includes a load factor for the value of post-retirement medical benefits.

**Fire and Police Disability and Retirement Direct Subsidy Other  
Postemployment Retirement Benefits 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
7/1/2012 *	\$ -	\$ 5,405,084	\$ 5,405,084	0.00%	\$ 132,069,810	4.09%

\* The AAL is a rollforward from the 7/1/2010 actuarial valuation, assuming no gains or losses.

For measurement dates after 6/30/2012, the value of the direct post-retirement medical benefits provided by FPDR will be included with the pension plan via a loading factor. Separate exhibits will no longer be maintained.

Does not reflect the implicit subsidy benefits for FPDR members included in the City of Portland's OPEB.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Fire and Police Disability and Retirement Plan, continued:

**SCHEDULES OF ANNUAL PENSION COST  
Fire and Police Disability and Retirement Pension Plan**

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
2013 *	\$ 235,778,077	\$ 107,584,102	45.63 %	\$ 1,297,534,276

\* For 6/30/2013 onwards, results shown include a load for the post-retirement medical expenses. Does not reflect the implicit subsidy benefits for FPDR members included in the City of Portland's OPEB.

**Fire and Police Disability and Retirement Pension Plan \***

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 173,983,893	\$ 105,100,343	60.41 %	\$ 1,005,686,675
2011	183,194,176	107,210,358	58.52	1,081,670,493
2012	182,008,383	99,569,443	54.71	1,164,109,433

\* For 6/30/2013 onwards, the value of Pension and Disability Plan will include a load for the post-retirement medical expenses. Separate exhibits will no longer be maintained. See table above.

**Fire and Police Disability and Retirement Direct Subsidy Other  
Postemployment Retirement Benefits Plan \***

Fiscal Year Ended June 30,	Annual Pension Cost (APC)	Contribution	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 1,795,545	\$ 767,366	42.74 %	\$ 5,356,445
2011	386,309	442,173	114.46	5,300,581
2012	387,181	456,894	118.01	5,230,868

\* For 6/30/2013 onwards, the value of disability-related medical expenses after retirement will be included with the pension plan figures in the table above. Separate exhibits will no longer be maintained.

Does not reflect the implicit subsidy benefits for FPDR members included in the City of Portland's OPEB.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

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

Fire and Police Disability and Retirement Plan, continued:

<b>NET PENSION OBLIGATION</b>		Fiscal Year Ended June 30, 2013
<b>Fire and Police Disability and Retirement Pension Plan</b>		
Net pension asset (obligation), beginning of year		\$ (1,169,340,301)
Annual Required Contribution	\$ (271,497,569)	
Interest on pension asset (obligation)	(40,926,911)	
Adjustment to Annual Required Contribution	76,646,403	
Annual Pension Cost	(235,778,077)	
Contributions made	107,584,102	
Change in pension asset (obligation)		(128,193,975)
Net pension asset (obligation), end of year		\$(1,297,534,276)

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	June 30, 2012
Actuarial cost method	Entry Age Normal
Amortization method	15-year level percent of payroll
Remaining amortization period	15 years closed
Asset valuation method	Market value of the portion of FPDR Fund that is not invested in capital assets and the Reserve Fund
Actuarial assumption methods:	
Investment rate of return	3.50%
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%

OPEB direct subsidy (retiree medical expense reimbursement) liabilities valued as a 0.5% load on pension liabilities

\* 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%.

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information, continued:**

**F. Related Parties:**

The City of Portland (City), through the Portland Housing Bureau (PHB) and Portland Development Commission (PDC), has a working relationship with Portland New Markets Fund I, LLC (PNMF), a subsidiary owned by the Portland Family of Funds Holdings, Inc. (PFF). PFF is an Oregon mutual-benefit corporation, for purposes of obtaining New Market Tax Credit (NMTC) allocations from the U.S. Treasury.

PNMF was certified as a Community Development Entity in August 2002, by the Community Development Financial Institutions Fund of the U.S. Department of the Treasury in order to become eligible for tax credits through the NMTC program. PNMF was awarded \$100 million in NMTC allocation authority as part of the NMTC program established by Congress. All of the tax credits awarded have been committed to City projects.

It is intended that through the NMTC program and PNMF, PDC will be able to advance beneficial development projects in the City. The "NMTC Collaboration Agreement" between PDC, PFF, and PNMF dated May 11th, 2005, outlines the respective roles and responsibilities of the working relationship between the entities. This agreement will continue in force for any future awards of NMTC allocation authority given to PFF or any of its subsidiaries.

PDC's role consists of project identification and sourcing, as well as veto and joint approval rights of proposed projects. The functions of PNMF include ongoing day-to-day management control, fundraising activities, and the recording of all tax-credit related financial transactions. PNMF is charged with activities for raising private equity capital, lending their own credit, and owning private equity. Such activities are constitutionally prohibited to PDC by Article XI, Section 9 of the Oregon Constitution.

Portland Small Business Investment Fund, LLC (PSB) is another subsidiary of PFF. PDC has an unsecured non-recourse loan with PSB, for a maximum amount of \$4 million. The purpose of this program is to finance subordinated loans to qualified small businesses to enable the use of New Market Tax Credits. PDC underwrites loans to these borrowers. At present, six fund-level loans between PDC and PSB have a total balance of \$4 million at June 30, 2013. Each advance to PSB was exactly matched by a corresponding note and deed of trust from a small business borrower in favor of PSB. PSB passes on payments received to PDC.

All such loans are interest-only and are unsecured during the seven-year holding period required to obtain the maximum benefit from New Market Tax Credits. Borrowers may not prepay loans during this period, interest rates during the first seven years range from 1 to 3 percent. The loans then convert to fully amortizing loans at interest rates ranging from 3 to 6 percent for the next 13 years, at that time PDC receives a security interest in the loans. Interstate Corridor Urban Renewal Area (URA), Lents URA, and Oregon Convention Center URA all reserve these loans at a 10 percent rate.

Unrelated to the tax credit program are two deferred payment loans for the historic Armory restoration project totaling \$4.6 million from PDC to the Portland New Markets Investment Fund, another PFF subsidiary. One loan for \$2.6 million carries an interest rate of 3 percent, and the other loan for \$2 million has no stated interest rate. Both loans mature in June 2014 and March 2014, respectively. They are reserved at 50 percent in the River District Urban Renewal Fund at PDC.

PHB made a grant of \$4 million using urban renewal monies, to assist with the Blanchet House development project to build a community facility for the provision of meals for needy individuals, and to provide transitional housing for homeless men earning at or below 30 percent of median gross household income in the City. PFF, through one of its subsidiaries, United Fund Advisors, was involved with structuring the financial transactions that made the project possible using NMTC among other strategies.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information, continued:**

**F. Related Parties, continued:**

The Portland Family of Funds has three individuals who had prior relationship with PDC. They are:

- Former PDC Commissioner serves as the chief executive officer and president, and chair of the board of director.
- Former PDC Executive Director serves on the PFF Board
- Former PDC Commission Chair also serves on the PFF Board

Other

In the course of carrying out the City's housing, economic development, transportation, and other policies involving the City's urban renewal districts, the City engaged in numerous transactions with PDC, including but not limited to the provision of materials and services, as well as real property acquisition, development, transfers, and sales. PDC also participates in the City's cash investment pool.

On September 18, 2013 the City Council adopted Resolution No. 37032 to authorize the Mayor to sign the *Oregon Convention Center Hotel Project Memorandum of Understanding* with Metro and Multnomah County. The resolution authorizes the Mayor to sign on to the MOU which outlines the expectations for terms and conditions that Metro will negotiate as part of the Oregon Convention Center (OCC) Hotel Project Development Agreement. This resolution is a companion action to Ordinance No. 186263, adopted on September 25, 2013, to amend the Visitor Facilities Intergovernmental Agreement (IGA) with Multnomah County and Metro and the Intergovernmental Amended Agreement Regarding Consolidation of Regional Convention, Trade, Spectator and Performing Arts Facilities with Metro. This ordinance approves amendments to the Visitor Facilities IGA which provides mechanisms to support the development of the OCC Hotel Project.

**G. Subsequent events:**

Fire and Police Disability and Retirement

The Multnomah County Circuit Court approved a settlement to a lawsuit, *Tim Anderson, et al. v. City of Portland, by and through the Bureau of Fire and Police Disability and Retirement Fund* in October 2013. The FPDR Board of Trustees, plaintiffs' class representatives, and the Internal Revenue Service had approved the settlement previously. The case disputed the authority of the FPDR Board to hold back annual benefit adjustments for FPDR Two beneficiaries in order to recoup \$2.8 million in pension overpayments made between February 1997 and December 2008. The settlement allows FPDR to recover only 60% of the overpaid pension amounts unless the beneficiary authorized recovery prior to August 29, 2012. FPDR Two beneficiaries whose recovery has not yet reached 60 percent will continue to repay via benefit adjustment hold back until they reach 60 percent, while FPDR Two beneficiaries whose recovery exceeds 60 percent will be issued refunds. Under the settlement terms, FPDR will recover an estimated \$1.8 million of the \$2.8 million overpaid to FPDR Two beneficiaries. In addition, those FPDR One beneficiaries who had an actuarial reduction applied to their benefits to recover their overpayments will have a smaller reduction going forward, such that 60 percent of the overpayment will be collected over their expected lives rather than 100 percent.

In August 2013, tax anticipation notes were issued for \$26.7 million with a true interest cost of 0.18 percent. The notes are due for repayment on June 25, 2014.

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

**G. Subsequent events**, continued:

In September 2013, the Multnomah County Circuit Court issued an order in the case *State Ex Rel Joseph Gray, et al. v. Sam Hutchison and City of Portland, by and through Bureau of Fire and Police Disability and Retirement*. The suit concerns whether apparatus operator pay, which was added in the Portland Fire Fighters Association contract effective July 1, 2007, should be included in determining FPDR One Fire members' retirement benefits. The order directs FPDR to begin including apparatus operator pay in the calculation of the named plaintiffs' retirement benefits beginning in November 2013. The financial impact of the order is minimal as there are only three named plaintiffs. The larger class action law suit on this matter is still pending. In October 2013, a special session of the Oregon Legislature passed Senate Bill 861, which makes changes to the Oregon Public Employees Retirement System (PERS) cost of living adjustments in fiscal years beginning after June 30, 2014. The maximum adjustment will now be 1.25 percent rather than 2.0 percent. The City of Portland Charter limits FPDR Two benefit adjustments to the rate paid by PERS to fire and police participants. Therefore, future FPDR Two benefit adjustments will be limited to 1.25 percent.

Debt activity

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

<b>Debt Redeemed:</b>	Event Date	Principal
Gas Tax Revenue Bonds, Series 1998A	08/06/13	\$ 1,050,000
Second Lien Sewer System Revenue and Refunding Bonds, Series 2003A	09/17/13	28,425,000
Limited Tax Improvement Bonds, Series 2003A	11/30/12	465,000
Limited Tax Improvement Bonds, Series 2007A	11/30/12	1,070,000
Limited Tax Improvement Bonds, Series 2010A	11/30/12	145,000
Limited Tax Improvement Bonds, Series 2011A	11/30/12	95,000
Limited Tax Revenue Bonds-Civic Stadium Project, Series 2001D	12/11/13	20,070,000

Subsequent to fiscal year-end, the City made draws on the following 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
Bureau of Environmental Services:						
Line of Credit Draw	03/29/12	95,000,000	08/16/13	\$ 9,770,040	1.5	Variable
Line of Credit Payment	03/29/12	95,000,000	09/17/13	(88,387,347)	1.5	Variable
Transportation 2013						
Line of Credit Draw	05/01/13	13,200,000	09/13/13	263,874	3	Variable
Urban Renewal Lines of Credit						
Line of Credit Draw	12/10/13	64,875,000	12/10/13	42,684,000	3	Variable
Line of Credit Payment	11/03/10	92,100,000	12/10/13	(42,659,087)	3	Variable

Continued next page

City of Portland, Oregon  
Notes to the Financial Statements, Continued  
For the Fiscal Year Ended June 30, 2013

**IV. Other information**, continued:

**G. Subsequent events**, continued:

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

<u>Notes and Loans:</u>	Issue Date	Principal	Length in Years	Interest Rate
Tax Anticipation Notes, Series 2013 Fire and Police Disability and Retirement Fund	08/15/13	\$ 26,685,000	0.95	1.25%

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

<u>Bonds and Terms:</u>	Origination Date	Principal	Length in Years	Interest Rate
Second Lien Sewer System Revenue and Refunding Bonds 2013 Series A Interest payable semi-annually on February 1 and August 1 Refinance Sewer System Revenue Bonds, Sewer System Lines of Credit, and to fund construction projects.	09/17/13	\$ 210,965,000	25	1.00-5.00%
Gas Tax Refunding Bonds 2013 Series A Interest payable semi-annually on December 1 and June 1 Refinance Gas Tax Bonds	08/06/13	1,073,000	5	1.94
Taxable Limited Tax Revenue Refunding Bonds 2013 Series A (Stadium Project) Interest payable semi-annually on December 1 and June 1 Refinance Civic Stadium Bonds, Series 2001D	12/11/13	21,915,000	10	3.27

Labor agreements

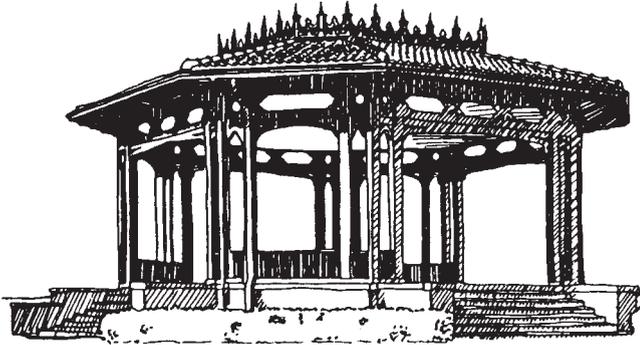
Subsequent to fiscal year-end, the City Council settled and ratified the contract with Portland Police Association (PPA). The City has reached a tentative agreement with the Portland Police Commanding Officers Association (PPCOA), which will go to the City Council in January 2014. For the current effective dates, see Note IV.C. on page 119.



City Hall in Fall

# Required Supplementary Information

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Peninsula Park Bandstand, 1913

37062 Exhibit B

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**City of Portland, Oregon**  
**General Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 193,048,000	\$ 193,048,000	\$ 192,728,091	\$ (319,909)
Prior year property	4,180,000	4,180,000	4,779,010	599,010
Lodging	18,050,550	18,050,550	21,616,835	3,566,285
<b>Total taxes</b>	<b>215,278,550</b>	<b>215,278,550</b>	<b>219,123,936</b>	<b>3,845,386</b>
Licenses and permits:				
Business licenses, net	76,563,447	76,713,447	78,214,550	1,501,103
Public utility licenses	72,200,963	72,200,963	76,046,626	3,845,663
Construction permits	1,110,000	1,110,000	1,626,660	516,660
Other permits	3,718,513	3,734,074	3,921,330	187,256
<b>Total licenses and permits</b>	<b>153,592,923</b>	<b>153,758,484</b>	<b>159,809,166</b>	<b>6,050,682</b>
Intergovernmental:				
Federal cost sharing	105,000	105,000	242,492	137,492
State revenue sharing	12,882,863	12,882,863	14,386,248	1,503,385
State cost sharing	25,000	25,000	75,922	50,922
Multnomah County cost sharing	2,097,136	2,017,404	1,751,625	(265,779)
Local revenue sharing	3,251,489	3,401,489	3,132,790	(268,699)
Local cost sharing	4,669,928	5,364,803	6,406,892	1,042,089
Grant revenue	614,519	659,734	577,217	(82,517)
Overhead charges	48,347	48,347	48,347	-
<b>Total intergovernmental</b>	<b>23,694,282</b>	<b>24,504,640</b>	<b>26,621,533</b>	<b>2,116,893</b>
Service charges and fees:				
Inspection fees	1,190,000	1,190,000	1,083,909	(106,091)
Rents and reimbursements	4,008,341	3,934,080	4,180,073	245,993
Parking fees	361,598	312,658	337,286	24,628
Concessions	-	-	29,053	29,053
Parks and recreation facilities fees	10,055,944	10,899,589	11,320,567	420,978
Other service charges	2,104,329	2,125,220	1,561,715	(563,505)
<b>Total service charges and fees</b>	<b>17,720,212</b>	<b>18,461,547</b>	<b>18,512,603</b>	<b>51,056</b>
Billings to other funds for services	24,744,605	25,788,298	24,081,119	(1,707,179)
Billings to other funds for overhead	24,239,120	24,239,120	24,239,120	-
Other:				
Loan repayments	-	-	5,822	5,822
Assessments	-	-	26,914	26,914
Sales - other	1,040,796	1,089,226	1,024,247	(64,979)
Refunds	165,000	278,024	283,473	5,449
Donations	10,000	58,000	139,234	81,234
Investment earnings	1,921,738	1,906,300	1,044,026	(862,274)
Payment in lieu of taxes	707,167	707,167	1,177,430	470,263
Fines	257,150	257,150	140,523	(116,627)
Miscellaneous	581,725	1,141,017	1,434,538	293,521
<b>Total other</b>	<b>4,683,576</b>	<b>5,436,884</b>	<b>5,276,207</b>	<b>(160,677)</b>
<b>Total revenues</b>	<b>463,953,268</b>	<b>467,467,523</b>	<b>477,663,684</b>	<b>10,196,161</b>

Continued next page

**City of Portland, Oregon**  
**General Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2013**

	<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	312,114,180	316,794,737	313,943,171	2,851,566
Materials and services	128,919,124	133,380,377	123,800,579	9,579,798
General operating contingencies	9,566,477	8,591,776	-	8,591,776
Debt service and related costs:				
Principal	3,855,483	3,855,483	3,855,483	-
Interest	2,597,386	2,607,386	2,420,444	186,942
Capital outlay	-	2,281,563	2,242,769	38,794
	<u>457,052,650</u>	<u>467,511,322</u>	<u>446,262,446</u>	<u>21,248,876</u>
Revenues over (under) expenditures	<u>6,900,618</u>	<u>(43,799)</u>	<u>31,401,238</u>	<u>31,445,037</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Emergency Communication	-	518,216	518,216	-
Police Special Revenue	300,000	300,000	300,000	-
Pension Debt Redemption	166,540	166,540	163,540	(3,000)
Hydroelectric Power Operating	500,000	500,000	500,000	-
Parking Facilities	263,356	263,356	263,356	-
Spectator Facilities Operating	15,372	15,372	15,372	-
Health Insurance Operating	500,000	500,000	301,820	(198,180)
Facilities Services Operating	-	51,690	51,690	-
CityFleet Operating	-	25,510	25,510	-
Printing and Distribution Services Operating	25,983	37,392	37,392	-
Insurance and Claims Operating	-	55,092	55,092	-
Workers' Compensation Self Insurance Operating	-	6,077	6,077	-
Technology Services	3,018,950	1,096,574	1,096,574	-
Enterprise Business Solutions Services	16,030	57,481	57,481	-
	<u>4,806,231</u>	<u>3,593,300</u>	<u>3,392,120</u>	<u>(201,180)</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, 2013**

	<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	(7,601,599)	(7,486,980)	(7,486,980)	-
Assessment Collection	(73)	(73)	(73)	-
Emergency Communication	(13,256,068)	(12,978,997)	(12,978,997)	-
Development Services	(2,291,994)	(2,243,613)	(2,243,613)	-
Private for Hire Transportation Safety	(267)	(267)	(267)	-
General Reserve	(1,852,234)	(1,852,234)	(1,852,234)	-
Parks Local Option Levy	(4,838)	(4,838)	(4,838)	-
Portland Parks Memorial	(36,200)	(51,740)	(51,740)	-
Pension Debt Redemption	(1,274,042)	(1,274,042)	(1,274,042)	-
Governmental Bond Redemption	(1,434,839)	(1,434,839)	(1,434,839)	-
Parks Capital Improvement Program	(1,226,090)	(1,217,342)	(1,217,342)	-
Water	-	(712,486)	(712,486)	-
Health Insurance Operating	-	(771,000)	(771,000)	-
Facilities Services Operating	(4,310,963)	(4,554,182)	(4,554,180)	2
	<u>(33,289,207)</u>	<u>(34,582,633)</u>	<u>(34,582,631)</u>	<u>2</u>
Total transfers to other funds				
Internal loan proceeds	6,600,000	7,351,000	5,447,037	(1,903,963)
Internal loan remittances	-	(143,686)	(135,811)	7,875
Sale of capital asset	-	-	21,307	21,307
	<u>(21,882,976)</u>	<u>(23,782,019)</u>	<u>(25,857,978)</u>	<u>(2,075,959)</u>
Total other financing sources (uses)				
Net change in fund balance	(14,982,358)	(23,825,818)	5,543,260	29,369,078
Fund balance - beginning	14,982,358	23,825,818	23,825,818	-
	<u>14,982,358</u>	<u>23,825,818</u>	<u>23,825,818</u>	<u>-</u>
Fund balance - ending	\$ <u>-</u>	\$ <u>-</u>	29,369,078	\$ <u>29,369,078</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			49,930,120	
Unrealized gain (loss) on investments			(50,589)	
Internal loans			1,150,000	
Internal loans payable			(1,460,226)	
Inventories			352,483	
			<u>49,930,120</u>	
Fund balance - GAAP basis			\$ <u>79,290,866</u>	

**City of Portland, Oregon**  
**Transportation Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 1,511,000	\$ 1,546,496	\$ 3,373,135	\$ 1,826,639
Other permits	-	-	191,487	191,487
Total licenses and permits	<u>1,511,000</u>	<u>1,546,496</u>	<u>3,564,622</u>	<u>2,018,126</u>
Intergovernmental:				
Federal cost sharing	200,000	200,000	13,969	(186,031)
State revenue sharing	31,742,620	31,742,620	32,116,353	373,733
Multnomah County cost sharing	100,000	100,000	74,838	(25,162)
Local revenue sharing	25,905,938	25,905,938	28,362,965	2,457,027
Local cost sharing	3,833,528	13,938,528	10,142,279	(3,796,249)
Grant revenue	320,023	-	-	-
Total intergovernmental	<u>62,102,109</u>	<u>71,887,086</u>	<u>70,710,404</u>	<u>(1,176,682)</u>
Service charges and fees:				
Public works and utility charges	4,101,040	3,826,040	10,614,017	6,787,977
Inspection fees	250,500	250,500	494,860	244,360
Rents and reimbursements	265,000	265,000	584,768	319,768
Parking fees	30,376,564	30,696,564	31,903,343	1,206,779
Other service charges	1,634,863	1,670,935	4,017,751	2,346,816
Total service charges and fees	<u>36,627,967</u>	<u>36,709,039</u>	<u>47,614,739</u>	<u>10,905,700</u>
Billings to other funds for services	<u>27,710,207</u>	<u>30,165,873</u>	<u>29,314,512</u>	<u>(851,361)</u>
Other:				
Donations	1,254,034	1,254,034	182,813	(1,071,221)
Investment earnings	50,000	50,000	209,581	159,581
Assessments	450,000	450,000	555,116	105,116
Sales - other	861,820	861,820	307,124	(554,696)
Miscellaneous	841,000	841,000	1,125,254	284,254
Total other	<u>3,456,854</u>	<u>3,456,854</u>	<u>2,379,888</u>	<u>(1,076,966)</u>
Total revenues	<u>131,408,137</u>	<u>143,765,348</u>	<u>153,584,165</u>	<u>9,818,817</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	66,195,699	66,993,751	61,067,576	5,926,175
Materials and services	167,640,154	112,708,294	106,313,474	6,394,820
General operating contingencies	17,955,542	17,145,262	-	17,145,262
Overhead charges - General Fund	5,802,573	5,802,573	5,802,573	-

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, 2013**

	<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	5,024,950	6,439,950	6,347,767	92,183
Interest	1,767,765	1,767,765	1,616,473	151,292
Debt issuance costs	-	-	248,222	(248,222)
Capital outlay	17,825,261	9,623,106	6,399,684	3,223,422
Total expenditures	<u>282,211,944</u>	<u>220,480,701</u>	<u>187,795,769</u>	<u>32,684,932</u>
Revenues over (under) expenditures	<u>(150,803,807)</u>	<u>(76,715,353)</u>	<u>(34,211,604)</u>	<u>42,503,749</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	7,601,599	7,486,980	7,486,980	-
Local Improvement District	2,644,654	7,110,148	141,757	(6,968,391)
Parking Facilities	5,970,244	4,849,824	4,827,269	(22,555)
Spectator Facilities Operating	90,000	90,000	90,000	-
Facilities Services Operating	-	7,311	7,311	-
CityFleet Operating	-	23,340	23,340	-
Printing and Distribution Services Operating	6,129	9,430	9,430	-
Insurance and Claims Operating	-	3,548	3,548	-
Workers' Compensation Self Insurance	-	3,554	3,554	-
Technology Services	90,531	109,335	109,335	-
Enterprise Business Services Operating	5,562	10,248	10,248	-
Total transfers from other funds	<u>16,408,719</u>	<u>19,703,718</u>	<u>12,712,772</u>	<u>(6,990,946)</u>
Transfers to other funds:				
Grants	-	(900,000)	(752,870)	147,130
Pension Debt Redemption	(622,882)	(622,882)	(622,882)	-
Gas Tax Bond Redemption	(1,087,578)	(2,829,951)	(2,814,861)	15,090
Parks Capital Improvement Program	-	-	(36,944)	(36,944)
Sewer System Operating	(50,000)	(21,080)	(21,080)	-
Health Insurance Operating	-	(120,000)	(120,000)	-
Total transfers to other funds	<u>(1,760,460)</u>	<u>(4,493,913)</u>	<u>(4,368,637)</u>	<u>125,276</u>
Bonds and notes issued	116,500,000	41,850,000	37,335,808	(4,514,192)
Bonds and notes premium	-	-	2,784,389	2,784,389
Sale of capital asset	-	-	72,799	72,799
Total other financing sources (uses)	<u>131,148,259</u>	<u>57,059,805</u>	<u>48,537,131</u>	<u>(8,522,674)</u>
Net change in fund balance	<u>(19,655,548)</u>	<u>(19,655,548)</u>	<u>14,325,527</u>	<u>33,981,075</u>
Fund balance - beginning	<u>19,655,548</u>	<u>19,655,548</u>	<u>30,721,573</u>	<u>11,066,025</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>45,047,100</u>	<u>\$ 45,047,100</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			17,935	
Unrealized gain (loss) on investments			(33,368)	
Internal loans receivable			2,500,000	
Inventories			4,910,307	
Fund balance - GAAP basis			<u>\$ 52,441,974</u>	

**City of Portland, Oregon**  
**Grants Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Grant revenue	\$ 61,188,674	\$ 75,509,832	\$ 49,749,618	\$ (25,760,214)
Service charges and fees:				
Other service charges	-	-	118	118
Other:				
Loan repayments	-	-	46,391	46,391
Investment earnings	-	-	33,751	33,751
	<u>61,188,674</u>	<u>75,509,832</u>	<u>49,829,878</u>	<u>(25,679,954)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Personal services	8,943,216	12,255,589	8,093,036	4,162,553
Materials and services	26,565,576	43,278,170	29,452,406	13,825,764
General operating contingencies	-	900,000	-	900,000
Capital outlay	25,679,882	20,313,322	13,371,918	6,941,404
	<u>61,188,674</u>	<u>76,747,081</u>	<u>50,917,360</u>	<u>25,829,721</u>
Total expenditures				
Revenues over (under) expenditures	<u>-</u>	<u>(1,237,249)</u>	<u>(1,087,482)</u>	<u>149,767</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Transportation Operating	-	900,000	752,870	(147,130)
Internal loan proceeds	-	18,726,000	8,945,000	(9,781,000)
Internal loan remittances	<u>(5,400,000)</u>	<u>(8,100,000)</u>	<u>(8,100,000)</u>	<u>-</u>
	<u>(5,400,000)</u>	<u>11,526,000</u>	<u>1,597,870</u>	<u>(9,928,130)</u>
Total other financing sources (uses)				
Net change in fund balance	(5,400,000)	10,288,751	510,388	(9,778,363)
Fund balance - beginning	5,400,000	8,437,249	50,699	(8,386,550)
Fund balance - ending	<u>\$ -</u>	<u>\$ 18,726,000</u>	561,087	<u>\$ (18,164,913)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Loans receivable, net			1,103,709	
Internal loans payable			<u>(8,945,000)</u>	
Fund balance (deficit) - GAAP basis			<u>\$ (7,280,204)</u>	

City of Portland, Oregon  
Notes to the Required Supplementary Information  
For the Fiscal Year Ended June 30, 2013

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

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

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

Inventories and prepaid expenses, reported in General Fund and Transportation Operating Fund, are resources not available for spending in the subsequent year.

The Grants Fund reports \$1.1 million of loans receivable, net of allowance for uncollectible. These loans are comprised of Portland Housing Bureau loans to qualified borrowers for the rehabilitation and restoration of single and multi-family residences which are collateralized by real property.

Internal loans receivable, reported in General Reserve Fund, that folds into the General Fund for GAAP, as \$1.15 million, Transportation Reserve Fund, that folds into the Transportation Operating Fund for GAAP, as \$2.5 million and a one nonmajor enterprise funds as \$5.45 million, are temporary operating loans to Grants Fund and the CDBG Grant Fund. These internal loans provide interim funding to cover lags in federal, state and other grant reimbursements per Council Resolution #37022. The corresponding internal loans payable are reported in the Grants Fund and the CDBG Grant Fund as \$8.95 million \$0.15 million respectively.

A separate budgetary report, General Fund by Function, is included as part of the Governmental Funds' Budget and Actual section of the CAFR.

**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 grant appropriation and appropriation transfers requiring approval by City Council during fiscal year ended June 30, 2013.

City of Portland, Oregon  
Notes to the Required Supplementary Information, Continued  
For the Fiscal Year Ended June 30, 2013

**C. Other postemployment benefits:**

**SCHEDULE OF FUNDING PROGRESS**

City Employees Health Continuation Plan Other Postemployment Retirement Benefits

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	0.00 %	N/A	N/A
7/1/2009 *	-	113,446,149	113,446,149	0.00	N/A	N/A
7/1/2011 **	-	104,946,292	104,946,292	0.00	326,480,413	32.14%

N/A = not available  
\* restated to reflect impact of HRC Excise Tax  
\*\* restated to reflect impact of change in discount rate

**D. 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) **** (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2008	\$ 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
6/30/2011 *	25,681,493	2,610,360,794	2,584,679,301	0.98	126,440,943	2044.18
6/30/2012	20,287,803	2,674,072,175	2,653,784,372	0.76	132,069,810	2009.38
6/30/2013 ***	17,155,015	2,979,161,360	2,962,006,345	0.58	135,372,631	2188.04

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

\*\* Revised

\*\*\* The AAL shown in this year is a rollforward of the AAL from the 6/30/2012 actual valuation, assuming no gains or losses. Covered Payroll has been estimated.

\*\*\*\* Beginning 6/30/2013, the AAL shown includes a load for the post-retirement medical expenses. Separate exhibits will no longer be maintained.

City of Portland, Oregon  
Notes to the Required Supplementary Information, Continued  
For the Fiscal Year Ended June 30, 2013

**D. Employee retirement pension benefits, continued:**

Fire and Police Disability and Retirement Direct Subsidy Other Postemployment Retirement Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) *** (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2008	\$ -	\$ 20,308,278	\$ 20,308,278	0.00 %	\$ 116,960,994 **	17.36 %
7/1/2010	-	5,118,095	5,118,095	0.00	121,080,178	4.23
7/1/2012	-	5,405,084	5,405,084	0.00	132,069,810	4.09

Note: For 6/30/2013 onwards, the value of disability-related medical expenses after retirement will be included with the pension plan figures in the table above. Separate exhibits will no longer be maintained.

\*\* Revised

\*\*\* AAL was calculated under Attained Age cost method for 2008, and Entry Age cost method beginning in 2010.



Portland Skyline



Police Horse

# Combining and Individual Fund Statements and Schedules

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Fried/Durkheimer Residence, 1800-81

37062 Exhibit B

Back of Tab

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# 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 used 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.

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**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>ASSETS</b>					
Unrestricted:					
Cash and investments	\$ 14,571,581	\$ 15,303,879	\$ 17,255,379	\$ -	\$ 47,130,839
Receivables:					
Accounts, net	2,795,499	-	558,177	-	3,353,676
Assessments	-	1,381,004	-	-	1,381,004
Notes and loans, net	6,172,829	-	-	-	6,172,829
Accrued interest	380,315	30,466	8,802	-	419,583
Due from other funds	-	-	929	-	929
Restricted:					
Cash and investments	32,860,804	49,293,750	37,997,196	181,657	120,333,407
Receivables:					
Taxes	801,004	8,358,836	-	-	9,159,840
Accounts, net	36,297	-	-	-	36,297
Assessments	11,705,972	56,443,892	14,648,231	-	82,798,095
Notes and loans, net	46,980,232	-	1,178,498	-	48,158,730
Advances	3,923	-	-	-	3,923
Grants	663,188	-	-	-	663,188
Accrued interest	355,982	207,373	81,814	330	645,499
Due from component unit	883,316	-	2,287,302	-	3,170,618
Property held for sale	14,132,595	-	-	-	14,132,595
<b>Total assets</b>	<b>\$ 132,343,537</b>	<b>\$ 131,019,200</b>	<b>\$ 74,016,328</b>	<b>\$ 181,987</b>	<b>\$ 337,561,052</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 179,607	\$ -	\$ -	\$ -	\$ 179,607
Unearned revenue	16,908	-	-	-	16,908
Liabilities payable from restricted assets:					
Accounts payable	2,662,715	-	3,050,506	-	5,713,221
Due to other funds	28,234	-	-	-	28,234
Due to component unit	605,605	-	-	-	605,605
Internal loans payable	150,000	-	-	-	150,000
<b>Total liabilities</b>	<b>3,643,069</b>	<b>-</b>	<b>3,050,506</b>	<b>-</b>	<b>6,693,575</b>
Deferred inflows of resources:					
Unavailable revenue - unrestricted	701,842	1,270,436	-	-	1,972,278
Unavailable revenue - restricted	12,658,418	62,331,651	14,648,231	-	89,638,300
<b>Total deferred inflows of resources</b>	<b>13,360,260</b>	<b>63,602,087</b>	<b>14,648,231</b>	<b>-</b>	<b>91,610,578</b>
Fund balances:					
Nonspendable	-	-	-	163,182	163,182
Restricted	92,318,341	51,972,200	38,494,304	18,805	182,803,650
Committed	12,654,543	-	9,778,398	-	22,432,941
Assigned	10,367,324	15,444,913	8,044,889	-	33,857,126
<b>Total fund balances</b>	<b>115,340,208</b>	<b>67,417,113</b>	<b>56,317,591</b>	<b>181,987</b>	<b>239,256,899</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 132,343,537</b>	<b>\$ 131,019,200</b>	<b>\$ 74,016,328</b>	<b>\$ 181,987</b>	<b>\$ 337,561,052</b>

**City of Portland, Oregon**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2013**

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Development Services</u>	<u>Property Management License</u>	<u>Private for Hire Transportation Safety</u>
<b>ASSETS</b>					
Unrestricted:					
Cash and investments	\$ -	\$ 1,223,140	\$ 6,598,090	\$ 56,591	\$ -
Receivables:					
Accounts, net	-	2,024,728	744,845	-	-
Notes and loans, net	-	-	-	-	-
Accrued interest	-	5,250	34,702	955	-
Restricted:					
Cash and investments	79,037	-	16,755,681	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts, net	-	-	-	-	-
Assessments	3,086	-	11,674,151	-	-
Notes and loans, net	-	-	-	-	-
Advances	-	-	-	-	-
Grants	-	-	-	-	-
Accrued interest	144	-	-	-	-
Due from component unit	-	-	-	-	-
Property held for sale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 82,267</b>	<b>\$ 3,253,118</b>	<b>\$ 35,807,469</b>	<b>\$ 57,546</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ -	\$ 11,469	\$ 107,158	\$ 18,777	\$ -
Unearned revenue	-	-	16,908	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to component unit	-	-	-	-	-
Internal loans payable	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>11,469</b>	<b>124,066</b>	<b>18,777</b>	<b>-</b>
Deferred inflows of resources:					
Unavailable revenue - unrestricted	-	700,000	1,757	-	-
Unavailable revenue - restricted	3,086	-	11,674,151	-	-
<b>Total deferred inflows of resources</b>	<b>3,086</b>	<b>700,000</b>	<b>11,675,908</b>	<b>-</b>	<b>-</b>
Fund balances:					
Restricted	79,181	-	16,755,681	-	-
Committed	-	2,541,649	-	38,769	-
Assigned	-	-	7,251,814	-	-
<b>Total fund balances</b>	<b>79,181</b>	<b>2,541,649</b>	<b>24,007,495</b>	<b>38,769</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 82,267</b>	<b>\$ 3,253,118</b>	<b>\$ 35,807,469</b>	<b>\$ 57,546</b>	<b>\$ -</b>

<u>Convention and Tourism</u>	<u>Housing Investment</u>	<u>Parks Local Option Levy</u>	<u>Children's Investment</u>	<u>Community Development Block Grant</u>	<u>HOME Grant</u>
\$ 217,251	\$ 1,885,393	\$ -	\$ -	\$ 20,716	\$ -
-	24,943	-	-	-	-
-	6,172,829	-	-	-	-
1,935	332,044	-	-	-	-
-	-	2,236,391	3,457,859	348,794	343,050
-	-	14,247	786,757	-	-
-	-	-	-	-	-
-	-	-	-	28,735	-
-	-	-	-	12,100,039	3,950,090
-	-	-	3,923	-	-
-	-	-	-	454,668	208,520
-	-	4,300	8,646	16,869	88,781
-	-	-	-	268,968	-
-	-	-	-	-	-
<u>\$ 219,186</u>	<u>\$ 8,415,209</u>	<u>\$ 2,254,938</u>	<u>\$ 4,257,185</u>	<u>\$ 13,238,789</u>	<u>\$ 4,590,441</u>
\$ 36,026	\$ 5,233	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	2,087,361	126,887	260,041
-	-	-	-	28,234	-
-	-	-	-	598,183	-
-	-	-	-	150,000	-
<u>36,026</u>	<u>5,233</u>	<u>-</u>	<u>2,087,361</u>	<u>903,304</u>	<u>260,041</u>
-	-	-	-	-	-
-	-	13,130	637,823	327,696	2,532
-	-	<u>13,130</u>	<u>637,823</u>	<u>327,696</u>	<u>2,532</u>
-	-	2,241,808	1,532,001	11,987,073	4,327,868
183,160	8,032,276	-	-	-	-
-	377,700	-	-	20,716	-
<u>183,160</u>	<u>8,409,976</u>	<u>2,241,808</u>	<u>1,532,001</u>	<u>12,007,789</u>	<u>4,327,868</u>
<u>\$ 219,186</u>	<u>\$ 8,415,209</u>	<u>\$ 2,254,938</u>	<u>\$ 4,257,185</u>	<u>\$ 13,238,789</u>	<u>\$ 4,590,441</u>

Continued next page

**City of Portland, Oregon**  
**Combining Balance Sheet, Continued**  
**Nonmajor Special Revenue Funds**  
**June 30, 2013**

	<u>Portland Parks Memorial</u>	<u>Tax Increment Reimbursement</u>	<u>Police Special Revenue</u>	<u>Arts Education and Access</u>	<u>Total</u>
<b>ASSETS</b>					
Unrestricted:					
Cash and investments	\$ 2,107,685	\$ 2,462,715	\$ -	\$ -	\$ 14,571,581
Receivables:					
Accounts, net	983	-	-	-	2,795,499
Notes and loans, net	-	-	-	-	6,172,829
Accrued interest	5,429	-	-	-	380,315
Restricted:					
Cash and investments	781,089	22,246	1,588,272	7,248,385	32,860,804
Receivables:					
Taxes	-	-	-	-	801,004
Accounts, net	36,000	297	-	-	36,297
Assessments	-	-	-	-	11,705,972
Notes and loans, net	-	30,930,103	-	-	46,980,232
Advances	-	-	-	-	3,923
Grants	-	-	-	-	663,188
Accrued interest	1,921	227,314	3,068	4,939	355,982
Due from component unit	-	614,348	-	-	883,316
Property held for sale	-	14,132,595	-	-	14,132,595
Total assets	<u>\$ 2,933,107</u>	<u>\$ 48,389,618</u>	<u>\$ 1,591,340</u>	<u>\$ 7,253,324</u>	<u>\$ 132,343,537</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities payable from unrestricted assets:					
Accounts payable	\$ 944	\$ -	\$ -	\$ -	\$ 179,607
Unearned revenue	-	-	-	-	16,908
Liabilities payable from restricted assets:					
Accounts payable	-	83,063	105,363	-	2,662,715
Due to other funds	-	-	-	-	28,234
Due to component unit	-	7,422	-	-	605,605
Internal loans payable	-	-	-	-	150,000
Total liabilities	<u>944</u>	<u>90,485</u>	<u>105,363</u>	<u>-</u>	<u>3,643,069</u>
Deferred inflows of resources:					
Unavailable revenue - unrestricted	85	-	-	-	701,842
Unavailable revenue - restricted	-	-	-	-	12,658,418
Total deferred inflows of resources	<u>85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,360,260</u>
Fund balances:					
Restricted	819,010	45,836,418	1,485,977	7,253,324	92,318,341
Committed	1,858,689	-	-	-	12,654,543
Assigned	254,379	2,462,715	-	-	10,367,324
Total fund balances	<u>2,932,078</u>	<u>48,299,133</u>	<u>1,485,977</u>	<u>7,253,324</u>	<u>115,340,208</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,933,107</u>	<u>\$ 48,389,618</u>	<u>\$ 1,591,340</u>	<u>\$ 7,253,324</u>	<u>\$ 132,343,537</u>



Rose Festival Fireworks

**City of Portland, Oregon**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**June 30, 2013**

	<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:				
Assessments	-	-	-	-
Accrued interest	-	-	-	-
Restricted:				
Cash and investments	8,589,908	364,690	7,133,596	6,480,444
Receivables:				
Taxes	2,051,485	736,851	751,492	992,496
Assessments	-	-	-	-
Accrued interest	43,070	13,597	24,308	26,856
Total assets	<u>\$ 10,684,463</u>	<u>\$ 1,115,138</u>	<u>\$ 7,909,396</u>	<u>\$ 7,499,796</u>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Deferred inflows of resources:				
Unavailable revenue - unrestricted	\$ -	\$ -	\$ -	\$ -
Unavailable revenue - restricted	1,568,859	576,980	588,856	755,969
Total deferred inflows of resources	<u>1,568,859</u>	<u>576,980</u>	<u>588,856</u>	<u>755,969</u>
Fund balances				
Restricted	9,115,604	538,158	7,320,540	6,743,827
Assigned	-	-	-	-
Total fund balances	<u>9,115,604</u>	<u>538,158</u>	<u>7,320,540</u>	<u>6,743,827</u>
Total deferred inflows of resources and fund balances	<u>\$ 10,684,463</u>	<u>\$ 1,115,138</u>	<u>\$ 7,909,396</u>	<u>\$ 7,499,796</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>
\$ 1,203,673	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
4,939	-	-	-	-
-	8,506,913	1,385,505	1,673,145	3,059,853
-	519,357	429,195	-	666,240
-	-	-	-	-
-	23,479	9,583	816	13,942
<u>\$ 1,208,612</u>	<u>\$ 9,049,749</u>	<u>\$ 1,824,283</u>	<u>\$ 1,673,961</u>	<u>\$ 3,740,035</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	400,569	339,301	-	505,785
-	400,569	339,301	-	505,785
-	8,649,180	1,484,982	1,673,961	3,234,250
1,208,612	-	-	-	-
<u>1,208,612</u>	<u>8,649,180</u>	<u>1,484,982</u>	<u>1,673,961</u>	<u>3,234,250</u>
<u>\$ 1,208,612</u>	<u>\$ 9,049,749</u>	<u>\$ 1,824,283</u>	<u>\$ 1,673,961</u>	<u>\$ 3,740,035</u>

Continued next page

**City of Portland, Oregon**  
**Combining Balance Sheet, Continued**  
**Nonmajor Debt Service Funds**  
**June 30, 2013**

	<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	\$ -	\$ 14,070,280	\$ -	\$ -
Receivables:				
Assessments	-	1,381,004	-	-
Accrued interest	-	25,440	-	-
Restricted:				
Cash and investments	2,488,306	411,036	3,725,063	4,976,132
Receivables:				
Taxes	367,591	-	791,194	783,242
Assessments	-	54,461,778	-	-
Accrued interest	9,265	3,242	16,111	19,245
Total assets	\$ 2,865,162	\$ 70,352,780	\$ 4,532,368	\$ 5,778,619
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Deferred inflows of resources:				
Unavailable revenue - unrestricted	\$ -	\$ 1,270,436	\$ -	\$ -
Unavailable revenue - restricted	279,102	53,905,434	620,565	604,288
Total deferred inflows of resources	279,102	55,175,870	620,565	604,288
Fund balances				
Restricted	2,586,060	970,622	3,911,803	5,174,331
Assigned	-	14,206,288	-	-
Total fund balances	2,586,060	15,176,910	3,911,803	5,174,331
	\$ 2,865,162	\$ 70,352,780	\$ 4,532,368	\$ 5,778,619

<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>
\$ -	\$ -	\$ -	\$ 29,926	\$ 15,303,879
-	-	-	-	1,381,004
-	-	-	87	30,466
45,905	392,500	60,754	-	49,293,750
-	214,106	55,587	-	8,358,836
1,982,114	-	-	-	56,443,892
422	2,898	539	-	207,373
<u>\$ 2,028,441</u>	<u>\$ 609,504</u>	<u>\$ 116,880</u>	<u>\$ 30,013</u>	<u>\$ 131,019,200</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,270,436
1,982,114	160,785	43,044	-	62,331,651
<u>1,982,114</u>	<u>160,785</u>	<u>43,044</u>	<u>-</u>	<u>63,602,087</u>
46,327	448,719	73,836	-	51,972,200
-	-	-	30,013	15,444,913
<u>46,327</u>	<u>448,719</u>	<u>73,836</u>	<u>30,013</u>	<u>67,417,113</u>
<u>\$ 2,028,441</u>	<u>\$ 609,504</u>	<u>\$ 116,880</u>	<u>\$ 30,013</u>	<u>\$ 131,019,200</u>

**City of Portland, Oregon  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2013**

	<b>Special Finance and Resource</b>	<b>BFRES Facilities GO Bond Construction</b>	<b>Local Improvement District</b>	<b>Parks Capital Improvement Program</b>	<b>Public Safety GO Bond Construction</b>	<b>Total</b>
<b>ASSETS</b>						
Unrestricted:						
Cash and investments	\$ -	\$ -	\$ 3,531,407	\$ 4,602,044	\$ 9,121,928	\$ 17,255,379
Receivables:						
Accounts, net	-	-	39,360	518,817	-	558,177
Accrued interest	-	-	8,802	-	-	8,802
Due from other funds	-	-	-	929	-	929
Restricted:						
Cash and investments	87,687	1,732,972	479,034	22,097,474	13,600,029	37,997,196
Receivables:						
Assessments	-	-	12,900,976	1,747,255	-	14,648,231
Notes and loans, net	-	-	-	1,178,498	-	1,178,498
Accrued interest	171	3,158	-	35,323	43,162	81,814
Due from component unit	-	-	-	2,287,302	-	2,287,302
<b>Total assets</b>	<b>\$ 87,858</b>	<b>\$ 1,736,130</b>	<b>\$ 16,959,579</b>	<b>\$ 32,467,642</b>	<b>\$ 22,765,119</b>	<b>\$ 74,016,328</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities payable from restricted assets:						
Accounts payable	\$ -	\$ 57,036	\$ -	\$ 1,951,609	\$ 1,041,861	\$ 3,050,506
<b>Total liabilities</b>	<b>-</b>	<b>57,036</b>	<b>-</b>	<b>1,951,609</b>	<b>1,041,861</b>	<b>3,050,506</b>
Deferred inflows of resources:						
Unavailable revenue - restricted	-	-	12,900,976	1,747,255	-	14,648,231
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>12,900,976</b>	<b>1,747,255</b>	<b>-</b>	<b>14,648,231</b>
Fund balances:						
Restricted	87,858	1,679,094	479,034	23,646,988	12,601,330	38,494,304
Committed	-	-	-	656,470	9,121,928	9,778,398
Assigned	-	-	3,579,569	4,465,320	-	8,044,889
<b>Total fund balances</b>	<b>87,858</b>	<b>1,679,094</b>	<b>4,058,603</b>	<b>28,768,778</b>	<b>21,723,258</b>	<b>56,317,591</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 87,858</b>	<b>\$ 1,736,130</b>	<b>\$ 16,959,579</b>	<b>\$ 32,467,642</b>	<b>\$ 22,765,119</b>	<b>\$ 74,016,328</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, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>REVENUES</b>					
Taxes:					
Property	\$ 10,010,661	\$ 119,808,056	\$ -	\$ -	\$ 129,818,717
Lodging	7,130,085	-	-	-	7,130,085
Miscellaneous	7,815,970	-	-	-	7,815,970
Licenses and fees	33,194,365	-	-	-	33,194,365
Intergovernmental	46,353,358	5,981,102	6,763,330	-	59,097,790
Charges for services	2,580,068	-	12,953,635	-	15,533,703
Interagency	955,256	-	109,003	-	1,064,259
Parking fees	-	-	61,243	-	61,243
Rents and reimbursements	282,077	-	23,388	-	305,465
Miscellaneous service charges	10,166,118	-	1,132,801	-	11,298,919
Assessments	1,872,999	5,355,677	1,209,055	-	8,437,731
Investment earnings	1,953,570	3,118,616	175,756	134	5,248,076
Miscellaneous	910,623	549,197	708,392	-	2,168,212
	<u>123,225,150</u>	<u>134,812,648</u>	<u>23,136,603</u>	<u>134</u>	<u>281,174,535</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
Public safety	19,480,307	-	556,398	-	20,036,705
Parks, recreation and culture	1,661,808	-	1,158,431	1,100	2,821,339
Community development	86,345,727	-	75,534,537	-	161,880,264
Legislative / admin / support services	13,061,974	-	-	-	13,061,974
Debt service and related costs:					
Principal	1,832,926	124,147,635	582,161	-	126,562,722
Interest	772,076	40,041,689	336,006	-	41,149,771
Debt issuance costs	-	756,725	47,181	-	803,906
Capital outlay	833,312	-	22,545,223	-	23,378,535
	<u>123,988,130</u>	<u>164,946,049</u>	<u>100,759,937</u>	<u>1,100</u>	<u>389,695,216</u>
Total expenditures					
Revenues over (under) expenditures	<u>(762,980)</u>	<u>(30,133,401)</u>	<u>(77,623,334)</u>	<u>(966)</u>	<u>(108,520,681)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	19,417,753	7,546,713	59,521,662	-	86,486,128
Transfers out	(3,570,289)	(57,618,425)	(180,459)	-	(61,369,173)
Bonds and notes issued	-	-	18,645,264	-	18,645,264
Refunding bonds issued	-	73,665,000	-	-	73,665,000
Bonds and notes premium	-	5,405,107	-	-	5,405,107
	<u>15,847,464</u>	<u>28,998,395</u>	<u>77,986,467</u>	<u>-</u>	<u>122,832,326</u>
Total other financing sources (uses)					
Net change in fund balances	<u>15,084,484</u>	<u>(1,135,006)</u>	<u>363,133</u>	<u>(966)</u>	<u>14,311,645</u>
Fund balances - beginning	82,559,693	68,552,119	55,824,114	182,953	207,118,879
Restatement per GASB 62 implementation (see Note I.D.17)	17,696,031	-	-	-	17,696,031
Major fund reclassified to nonmajor fund	-	-	130,344	-	130,344
	<u>100,255,724</u>	<u>68,552,119</u>	<u>55,954,458</u>	<u>182,953</u>	<u>224,945,254</u>
Fund balances - beginning, as restated					
Fund balances - ending	<u>\$ 115,340,208</u>	<u>\$ 67,417,113</u>	<u>\$ 56,317,591</u>	<u>\$ 181,987</u>	<u>\$ 239,256,899</u>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Assessment Collection</u>	<u>Emergency Communication</u>	<u>Development Services</u>	<u>Property Management License</u>
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	-
Lodging	-	-	-	-
Miscellaneous	-	-	-	-
Licenses and fees	-	-	27,676,745	5,022,146
Intergovernmental	-	5,963,971	2,274	-
Charges for services	-	-	1,898,443	-
Interagency	-	-	955,256	-
Rents and reimbursements	-	-	-	-
Miscellaneous service charges	-	473,014	9,252,567	377
Assessments	-	-	1,854,766	-
Investment earnings	282	3,850	345,883	1,961
Miscellaneous	-	9,759	1,005	-
	<u>282</u>	<u>6,450,594</u>	<u>41,986,939</u>	<u>5,024,484</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Public safety	-	18,998,669	-	-
Parks, recreation and culture	-	-	-	-
Community development	1,508	-	29,510,820	-
Legislative / admin / support services	-	-	-	5,025,881
Debt service and related costs:				
Principal	-	1,082,517	489,409	-
Interest	-	251,870	306,494	-
Capital outlay	-	143,468	71,861	-
	<u>1,508</u>	<u>20,476,524</u>	<u>30,378,584</u>	<u>5,025,881</u>
Total expenditures				
Revenues over (under) expenditures	<u>(1,226)</u>	<u>(14,025,930)</u>	<u>11,608,355</u>	<u>(1,397)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	81	13,053,499	2,310,211	-
Transfers out	-	(550,441)	(161,726)	-
	<u>81</u>	<u>12,503,058</u>	<u>2,148,485</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balances	<u>(1,145)</u>	<u>(1,522,872)</u>	<u>13,756,840</u>	<u>(1,397)</u>
Fund balances - beginning as previously stated	80,326	4,064,521	10,250,655	40,166
Restatement per GASB 62 implementation (see Note I.D.17)	-	-	-	-
Fund balances - beginning, as restated	<u>80,326</u>	<u>4,064,521</u>	<u>10,250,655</u>	<u>40,166</u>
Fund balances - ending	<u>\$ 79,181</u>	<u>\$ 2,541,649</u>	<u>\$ 24,007,495</u>	<u>\$ 38,769</u>

Private for Hire Transportation Safety	Convention and Tourism	Housing Investment	Parks Local Option Levy	Children's Investment	Community Development Block Grant	HOME Grant
\$ -	\$ -	\$ -	\$ 5,593	\$ 10,005,068	\$ -	\$ -
-	7,130,085	-	-	-	-	-
-	-	-	-	-	-	-
79,141	-	-	-	-	-	-
-	-	158,878	-	-	11,795,243	4,305,524
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	365,379	-	-	5,164	292
-	-	16,833	-	-	1,400	-
615	2,838	307,804	1,306	2,676	349,396	157,543
-	-	7,677	-	-	6,489	153
<u>79,756</u>	<u>7,132,923</u>	<u>856,571</u>	<u>6,899</u>	<u>10,007,744</u>	<u>12,157,692</u>	<u>4,463,512</u>
-	-	-	-	-	-	-
-	-	-	660,896	-	-	-
-	-	3,323,419	-	9,505,702	10,651,754	4,856,969
302,081	7,171,366	-	-	-	-	-
-	-	-	-	-	261,000	-
-	-	-	-	-	213,712	-
-	-	32,676	-	-	20,354	199,742
<u>302,081</u>	<u>7,171,366</u>	<u>3,356,095</u>	<u>660,896</u>	<u>9,505,702</u>	<u>11,146,820</u>	<u>5,056,711</u>
<u>(222,325)</u>	<u>(38,443)</u>	<u>(2,499,524)</u>	<u>(653,997)</u>	<u>502,042</u>	<u>1,010,872</u>	<u>(593,199)</u>
267	53	1,495,475	4,882	1,456	2,072,239	59,229
(738)	-	(2,227,279)	(13,230)	-	(204,022)	(30,927)
<u>(471)</u>	<u>53</u>	<u>(731,804)</u>	<u>(8,348)</u>	<u>1,456</u>	<u>1,868,217</u>	<u>28,302</u>
<u>(222,796)</u>	<u>(38,390)</u>	<u>(3,231,328)</u>	<u>(662,345)</u>	<u>503,498</u>	<u>2,879,089</u>	<u>(564,897)</u>
222,796	221,550	10,235,923	2,904,153	1,028,503	6,233,370	3,134,208
-	-	1,405,381	-	-	2,895,330	1,758,557
<u>222,796</u>	<u>221,550</u>	<u>11,641,304</u>	<u>2,904,153</u>	<u>1,028,503</u>	<u>9,128,700</u>	<u>4,892,765</u>
<u>\$ -</u>	<u>\$ 183,160</u>	<u>\$ 8,409,976</u>	<u>\$ 2,241,808</u>	<u>\$ 1,532,001</u>	<u>\$ 12,007,789</u>	<u>\$ 4,327,868</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 June 30, 2013**

	<u>Portland Parks Memorial</u>	<u>Tax Increment Reimbursement</u>	<u>Police Special Revenue</u>	<u>Arts Education and Access</u>	<u>Total</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	10,010,661
Lodging	-	-	-	-	7,130,085
Miscellaneous	-	-	-	7,815,970	7,815,970
Licenses and fees	416,333	-	-	-	33,194,365
Intergovernmental	-	23,478,962	648,506	-	46,353,358
Charges for services	681,625	-	-	-	2,580,068
Interagency	-	-	-	-	955,256
Rents and reimbursements	42,963	239,114	-	-	282,077
Miscellaneous service charges	-	69,325	-	-	10,166,118
Assessments	-	-	-	-	1,872,999
Investment earnings	4,900	773,652	864	-	1,953,570
Miscellaneous	581,309	213,026	91,205	-	910,623
	<u>1,727,130</u>	<u>24,774,079</u>	<u>740,575</u>	<u>7,815,970</u>	<u>123,225,150</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	481,638	-	19,480,307
Parks, recreation and culture	1,000,912	-	-	-	1,661,808
Community development	-	28,495,555	-	-	86,345,727
Legislative / admin / support services	-	-	-	562,646	13,061,974
Debt service and related costs:					
Principal	-	-	-	-	1,832,926
Interest	-	-	-	-	772,076
Capital outlay	-	295	364,916	-	833,312
	<u>1,000,912</u>	<u>28,495,850</u>	<u>846,554</u>	<u>562,646</u>	<u>123,988,130</u>
Total expenditures					
Revenues over (under) expenditures	<u>726,218</u>	<u>(3,721,771)</u>	<u>(105,979)</u>	<u>7,253,324</u>	<u>(762,980)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	108,346	312,015	-	-	19,417,753
Transfers out	(43,000)	(38,926)	(300,000)	-	(3,570,289)
	<u>65,346</u>	<u>273,089</u>	<u>(300,000)</u>	<u>-</u>	<u>15,847,464</u>
Total other financing sources (uses)					
Net change in fund balances	<u>791,564</u>	<u>(3,448,682)</u>	<u>(405,979)</u>	<u>7,253,324</u>	<u>15,084,484</u>
Fund balances - beginning as previously stated	2,140,514	40,111,052	1,891,956	-	82,559,693
Restatement per GASB 62 implementation (see Note I.D.17)	-	11,636,763	-	-	17,696,031
Fund balances - beginning, as restated	<u>2,140,514</u>	<u>51,747,815</u>	<u>1,891,956</u>	<u>-</u>	<u>100,255,724</u>
Fund balances - ending	<u>\$ 2,932,078</u>	<u>\$ 48,299,133</u>	<u>\$ 1,485,977</u>	<u>\$ 7,253,324</u>	<u>\$ 115,340,208</u>



Feathered Water Customer

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2013**

	<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	\$ 30,410,410	\$ 10,382,687	\$ 9,505,366	\$ 15,798,973
Intergovernmental	-	-	-	-
Assessments	-	-	-	-
Investment earnings	67,151	20,628	23,163	31,209
Miscellaneous	-	-	-	-
	<u>30,477,561</u>	<u>10,403,315</u>	<u>9,528,529</u>	<u>15,830,182</u>
Total revenues				
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	79,728,033	8,065,000	5,570,000	2,895,000
Interest	4,737,677	2,601,553	4,022,843	3,432,429
Debt issuance costs	416,352	-	-	-
	<u>84,882,062</u>	<u>10,666,553</u>	<u>9,592,843</u>	<u>6,327,429</u>
Total expenditures				
Revenues over (under) expenditures	<u>(54,404,501)</u>	<u>(263,238)</u>	<u>(64,314)</u>	<u>9,502,753</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(25,290,000)	-	-	(11,275,000)
Refunding bonds issued	73,665,000	-	-	-
Bonds and notes premium	5,405,107	-	-	-
	<u>53,780,107</u>	<u>-</u>	<u>-</u>	<u>(11,275,000)</u>
Total other financing and uses				
Net change in fund balances	(624,394)	(263,238)	(64,314)	(1,772,247)
Fund balances - beginning	<u>9,739,998</u>	<u>801,396</u>	<u>7,384,854</u>	<u>8,516,074</u>
Fund balances - ending	<u>\$ 9,115,604</u>	<u>\$ 538,158</u>	<u>\$ 7,320,540</u>	<u>\$ 6,743,827</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>
\$ -	\$ 7,050,760	\$ 5,579,262	\$ -	\$ 10,214,835
6,382	-	-	-	-
-	-	-	-	-
6,634	19,051	12,108	5,810	18,379
549,197	-	-	-	-
<u>562,213</u>	<u>7,069,811</u>	<u>5,591,370</u>	<u>5,810</u>	<u>10,233,214</u>
1,986,688	3,695,000	3,815,000	2,005,000	1,190,000
1,244,161	3,358,185	1,769,500	816,130	1,838,885
339,123	-	-	-	-
<u>3,569,972</u>	<u>7,053,185</u>	<u>5,584,500</u>	<u>2,821,130</u>	<u>3,028,885</u>
<u>(3,007,759)</u>	<u>16,626</u>	<u>6,870</u>	<u>(2,815,320)</u>	<u>7,204,329</u>
3,285,460	-	-	2,814,861	-
(163,540)	-	-	-	(7,305,000)
-	-	-	-	-
-	-	-	-	-
<u>3,121,920</u>	<u>-</u>	<u>-</u>	<u>2,814,861</u>	<u>(7,305,000)</u>
114,161	16,626	6,870	(459)	(100,671)
<u>1,094,451</u>	<u>8,632,554</u>	<u>1,478,112</u>	<u>1,674,420</u>	<u>3,334,921</u>
<u>\$ 1,208,612</u>	<u>\$ 8,649,180</u>	<u>\$ 1,484,982</u>	<u>\$ 1,673,961</u>	<u>\$ 3,234,250</u>

**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, 2013**

	<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	\$ 5,405,707	\$ -	\$ 10,048,559	\$ 11,162,968
Intergovernmental	-	-	-	-
Assessments	-	5,262,498	-	-
Investment earnings	10,552	2,732,416	19,230	22,099
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	5,416,259	7,994,914	10,067,789	11,185,067
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	985,000	5,240,000	4,125,000	2,220,000
Interest	1,460,565	2,400,099	4,476,259	2,805,217
Debt issuance costs	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	2,445,565	7,640,099	8,601,259	5,025,217
Revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	2,970,694	354,815	1,466,530	6,159,850
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,858	-	-	2,695
Transfers out	(2,970,000)	-	-	(6,399,885)
Refunding bonds issued	-	-	-	-
Bonds and notes premium	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing and uses	(2,961,142)	-	-	(6,397,190)
Net change in fund balances	9,552	354,815	1,466,530	(237,340)
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	2,576,508	14,822,095	2,445,273	5,411,671
Fund balances - ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,586,060	\$ 15,176,910	\$ 3,911,803	\$ 5,174,331

<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>
\$ -	\$ 3,489,717	\$ 758,812	\$ -	\$ 119,808,056
5,974,720	-	-	-	5,981,102
93,179	-	-	-	5,355,677
123,609	5,260	1,111	206	3,118,616
-	-	-	-	549,197
<u>6,191,508</u>	<u>3,494,977</u>	<u>759,923</u>	<u>206</u>	<u>134,812,648</u>
1,632,914	-	-	995,000	124,147,635
4,554,126	84,211	10	439,839	40,041,689
1,250	-	-	-	756,725
<u>6,188,290</u>	<u>84,211</u>	<u>10</u>	<u>1,434,839</u>	<u>164,946,049</u>
<u>3,218</u>	<u>3,410,766</u>	<u>759,913</u>	<u>(1,434,633)</u>	<u>(30,133,401)</u>
-	-	-	1,434,839	7,546,713
-	(3,500,000)	(715,000)	-	(57,618,425)
-	-	-	-	73,665,000
-	-	-	-	5,405,107
<u>-</u>	<u>(3,500,000)</u>	<u>(715,000)</u>	<u>1,434,839</u>	<u>28,998,395</u>
3,218	(89,234)	44,913	206	(1,135,006)
<u>43,109</u>	<u>537,953</u>	<u>28,923</u>	<u>29,807</u>	<u>68,552,119</u>
<u>\$ 46,327</u>	<u>\$ 448,719</u>	<u>\$ 73,836</u>	<u>\$ 30,013</u>	<u>\$ 67,417,113</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, 2013**

	<b>Special Finance and Resource</b>	<b>BFRES Facilities GO Bond Construction</b>	<b>Local Improvement District</b>	<b>Parks Capital Improvement Program</b>	<b>Public Safety GO Bond Construction</b>	<b>Total</b>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ 6,763,330	\$ -	\$ 6,763,330
Charges for services	-	-	-	12,953,635	-	12,953,635
Interagency	-	-	-	109,003	-	109,003
Parking fees	-	-	-	61,243	-	61,243
Rents and reimbursements	-	-	-	23,388	-	23,388
Miscellaneous service charges	-	-	947,606	185,195	-	1,132,801
Assessments	-	-	457,775	751,280	-	1,209,055
Investment earnings	-	8,802	48,070	109,945	8,939	175,756
Miscellaneous	-	5,348	-	703,044	-	708,392
<b>Total revenues</b>	<b>-</b>	<b>14,150</b>	<b>1,453,451</b>	<b>21,660,063</b>	<b>8,939</b>	<b>23,136,603</b>
<b>EXPENDITURES</b>						
Current:						
Public safety	-	46,897	-	-	509,501	556,398
Parks, recreation and culture	-	-	-	1,158,431	-	1,158,431
Community development	73,359,491	-	2,175,046	-	-	75,534,537
Debt service and related costs:						
Principal	-	-	34,908	547,253	-	582,161
Interest	-	-	212,760	123,246	-	336,006
Debt issuance costs	47,181	-	-	-	-	47,181
Capital outlay	-	5,514	-	13,668,557	8,871,152	22,545,223
<b>Total expenditures</b>	<b>73,406,672</b>	<b>52,411</b>	<b>2,422,714</b>	<b>15,497,487</b>	<b>9,380,653</b>	<b>100,759,937</b>
Revenues over (under) expenditures	<b>(73,406,672)</b>	<b>(38,261)</b>	<b>(969,263)</b>	<b>6,162,576</b>	<b>(9,371,714)</b>	<b>(77,623,334)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	57,454,885	1,205	148	2,061,952	3,472	59,521,662
Transfers out	(11,554)	-	(153,292)	(15,613)	-	(180,459)
Bonds and notes issued	15,920,855	-	965,208	1,759,201	-	18,645,264
<b>Total other financing sources (uses)</b>	<b>73,364,186</b>	<b>1,205</b>	<b>812,064</b>	<b>3,805,540</b>	<b>3,472</b>	<b>77,986,467</b>
Net change in fund balances	<b>(42,486)</b>	<b>(37,056)</b>	<b>(157,199)</b>	<b>9,968,116</b>	<b>(9,368,242)</b>	<b>363,133</b>
Fund balances - beginning	-	1,716,150	4,215,802	18,800,662	31,091,500	55,824,114
Major fund reclassified to nonmajor fund	130,344	-	-	-	-	130,344
Fund balances - beginning, as restated	130,344	1,716,150	4,215,802	18,800,662	31,091,500	55,954,458
Fund balances - ending	<b>\$ 87,858</b>	<b>\$ 1,679,094</b>	<b>\$ 4,058,603</b>	<b>\$ 28,768,778</b>	<b>\$ 21,723,258</b>	<b>\$ 56,317,591</b>

# 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.

37062 Exhibit B

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Building Art

**City of Portland, Oregon**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2013**

	<b>Hydroelectric Power Operating</b>	<b>Golf</b>	<b>Portland International Raceway</b>
<b>ASSETS</b>			
Current assets (unrestricted):			
Cash and investments	\$ 61,788	\$ 1,535,605	\$ 616,899
Receivables:			
Accounts, net	-	100,174	-
Advances	-	-	7,069
Accrued interest	32,417	1,633	1,177
Due from component unit	-	-	-
Internal loans receivable	-	-	-
	94,205	1,637,412	625,145
Total current assets (unrestricted)			
Current assets (restricted):			
Cash and investments	2,392,956	-	-
	2,392,956	-	-
Total current assets (restricted)			
	2,392,956	-	-
Total current assets			
	2,487,161	1,637,412	625,145
Noncurrent assets (unrestricted):			
Capital assets, not being depreciated or amortized:			
Land	-	586,686	-
Construction in progress	-	358,670	-
Intangible assets:			
Land use rights	4,500	-	-
Capital assets, being depreciated or amortized:			
Infrastructure	44,123,225	-	-
Buildings	-	6,199,790	-
Improvements to land	-	15,847,827	5,007,161
Equipment	-	1,029,476	161,340
Intangible assets:			
Software	-	-	-
Accumulated depreciation and amortization	(20,817,719)	(12,111,946)	(2,800,155)
	23,310,006	11,910,503	2,368,346
Capital assets, net of accumulated depreciation and amortization			
Prepaid pension obligation	141,462	1,155,775	222,489
	23,451,468	13,066,278	2,590,835
Total noncurrent assets (unrestricted)			
Noncurrent assets (restricted):			
Cash and Investments	12,392,020	-	-
	35,843,488	13,066,278	2,590,835
Total noncurrent assets			
	38,330,649	14,703,690	3,215,980
Total assets			

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Headwaters Apartment Complex</u>	<u>Total</u>
\$ 1,654,957	\$ 1,845,017	\$ 6,271,038	\$ 3,176,170	\$ 392,567	\$ 15,554,041
1,182,981	783	184,573	-	-	1,468,511
-	-	60,000	-	-	67,069
4,183	5,609	15,566	10,254	1,109	71,948
-	-	-	-	74,694	74,694
-	5,445,000	-	-	-	5,445,000
<u>2,842,121</u>	<u>7,296,409</u>	<u>6,531,177</u>	<u>3,186,424</u>	<u>468,370</u>	<u>22,681,263</u>
-	-	-	-	-	2,392,956
-	-	-	-	-	2,392,956
<u>2,842,121</u>	<u>7,296,409</u>	<u>6,531,177</u>	<u>3,186,424</u>	<u>468,370</u>	<u>25,074,219</u>
229,259	10,578,071	4,432,758	1,563,333	1,209,961	18,600,068
-	-	409,718	-	-	768,388
-	-	-	-	-	4,500
-	-	-	5,416	-	44,128,641
-	39,872,916	132,757,212	1,768,170	11,239,645	191,837,733
-	301,900	815,000	1,520,801	-	23,492,689
-	1,707,150	2,806,815	-	-	5,704,781
118,575	98,580	35,483	-	-	252,638
<u>(81,678)</u>	<u>(26,802,715)</u>	<u>(42,301,951)</u>	<u>(1,118,942)</u>	<u>(1,573,550)</u>	<u>(107,608,656)</u>
266,156	25,755,902	98,955,035	3,738,778	10,876,056	177,180,782
358,899	-	-	8,280	-	1,886,905
625,055	25,755,902	98,955,035	3,747,058	10,876,056	179,067,687
-	-	-	1,009,510	254,335	13,655,865
<u>625,055</u>	<u>25,755,902</u>	<u>98,955,035</u>	<u>4,756,568</u>	<u>11,130,391</u>	<u>192,723,552</u>
\$ <u>3,467,176</u>	\$ <u>33,052,311</u>	\$ <u>105,486,212</u>	\$ <u>7,942,992</u>	\$ <u>11,598,761</u>	\$ <u>217,797,771</u>

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Net Position, Continued**  
**Nonmajor Enterprise Funds**  
**June 30, 2013**

	<u>Hydroelectric Power Operating</u>	<u>Golf</u>	<u>Portland International Raceway</u>
<b>LIABILITIES</b>			
Current liabilities (payable from unrestricted assets):			
Accounts payable	\$ 28,984	\$ 142,595	\$ 27,812
Compensated absences	34,282	206,638	68,237
Bonds payable	11,793	96,355	233,549
Accrued interest payable	523	4,272	5,708
Unearned revenue	-	-	-
Pollution remediation	-	-	-
	<u>75,582</u>	<u>449,860</u>	<u>335,306</u>
Current liabilities (payable from restricted assets):			
Bonds payable	2,270,000	-	-
Accrued interest payable	122,956	-	-
	<u>2,392,956</u>	<u>-</u>	<u>-</u>
Total current liabilities (unrestricted)	<u>75,582</u>	<u>449,860</u>	<u>335,306</u>
Total current liabilities (restricted)	<u>2,392,956</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>2,468,538</u>	<u>449,860</u>	<u>335,306</u>
Noncurrent liabilities:			
Compensated absences	3,749	21,932	7,064
Bonds payable	6,837,283	1,652,794	1,058,172
Accrued interest payable	63,773	521,065	100,308
Other postemployment benefits	5,669	125,302	32,731
Pollution remediation	-	-	-
Other liabilities	-	-	-
	<u>6,910,474</u>	<u>2,321,093</u>	<u>1,198,275</u>
Total noncurrent liabilities	<u>6,910,474</u>	<u>2,321,093</u>	<u>1,198,275</u>
Total liabilities	<u>9,379,012</u>	<u>2,770,953</u>	<u>1,533,581</u>
<b>NET POSITION</b>			
Net investment in capital assets	16,675,006	11,910,502	1,413,346
Restricted for:			
Debt service	2,237,302	-	-
Capital projects	10,154,717	-	-
Unrestricted (deficit)	(115,388)	22,235	269,053
	<u>16,657,327</u>	<u>11,932,737</u>	<u>1,682,399</u>
Total net position	<u>\$ 28,951,637</u>	<u>\$ 11,932,737</u>	<u>\$ 1,682,399</u>

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Headwaters Apartment Complex</u>	<u>Total</u>
\$ 214,210	\$ 303,943	\$ 459,363	\$ 181,091	\$ -	\$ 1,357,998
140,547	-	-	38,909	-	488,613
29,921	1,340,706	4,769,035	691	296,784	6,778,834
1,327	151,031	207,461	31	127,823	498,176
-	205,094	-	-	-	205,094
-	-	-	500,000	-	500,000
<u>386,005</u>	<u>2,000,774</u>	<u>5,435,859</u>	<u>720,722</u>	<u>424,607</u>	<u>9,828,715</u>
-	-	-	-	-	2,270,000
-	-	-	-	-	122,956
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,392,956</u>
<u>386,005</u>	<u>2,000,774</u>	<u>5,435,859</u>	<u>720,722</u>	<u>424,607</u>	<u>12,221,671</u>
15,301	-	-	4,255	-	52,301
513,240	15,618,094	40,996,935	11,850	10,259,911	76,948,279
161,806	-	-	3,736	-	850,688
56,734	695	-	13,483	-	234,614
-	-	-	360,000	-	360,000
-	-	-	-	385,546	385,546
<u>747,081</u>	<u>15,618,789</u>	<u>40,996,935</u>	<u>393,324</u>	<u>10,645,457</u>	<u>78,831,428</u>
<u>1,133,086</u>	<u>17,619,563</u>	<u>46,432,794</u>	<u>1,114,046</u>	<u>11,070,064</u>	<u>91,053,099</u>
266,156	8,797,102	53,189,065	3,738,778	319,361	96,309,316
-	-	-	-	-	2,237,302
-	-	-	1,009,510	254,335	11,418,562
2,067,934	6,635,646	5,864,353	2,080,658	(44,999)	16,779,492
<u>\$ 2,334,090</u>	<u>\$ 15,432,748</u>	<u>\$ 59,053,418</u>	<u>\$ 6,828,946</u>	<u>\$ 528,697</u>	<u>\$ 126,744,672</u>

**City of Portland, Oregon**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**

	<b>Health Insurance Operating</b>	<b>Facilities Services Operating</b>	<b>CityFleet Operating</b>
<b>ASSETS</b>			
Current assets (unrestricted):			
Cash and investments	\$ 13,676,553	\$ 27,651,192	\$ 21,883,437
Receivables:			
Accounts, net	-	244,999	275,759
Notes and loans, net	-	-	53,700
Advances	-	3,123	-
Accrued interest	23,172	76,869	37,970
Due from component unit	-	-	-
Internal loans receivable	-	48,747	48,747
Inventories	-	-	1,314,095
Prepaid expense	-	12,370	-
	<u>13,699,725</u>	<u>28,037,300</u>	<u>23,613,708</u>
Total current assets (unrestricted)			
Current assets (restricted):			
Cash and investments	-	433,251	-
	<u>-</u>	<u>433,251</u>	<u>-</u>
Total current assets (restricted)			
	<u>13,699,725</u>	<u>28,470,551</u>	<u>23,613,708</u>
Total current assets			
Noncurrent assets (unrestricted):			
Capital assets, not being depreciated or amortized:			
Land	-	10,032,583	87,000
Construction in progress	-	17,632,673	5,941,184
Capital assets, being depreciated or amortized:			
Infrastructure	-	-	-
Buildings	-	149,868,383	440,834
Improvements to land	-	873,162	-
Equipment	-	947,208	66,739,278
Intangible assets:			
Software	-	751,067	158,600
Accumulated depreciation and amortization	-	(60,953,037)	(32,494,773)
	<u>-</u>	<u>119,152,039</u>	<u>40,872,123</u>
Capital assets, net of accumulated depreciation and amortization			
Receivables:			
Notes and loans, net	-	-	375,900
Internal loans receivable	-	472,762	472,762
Prepaid pension obligation	213,327	1,148,892	2,699,825
	<u>213,327</u>	<u>120,773,693</u>	<u>44,420,610</u>
Total noncurrent assets (unrestricted)			
Noncurrent assets (restricted):			
Cash and investments	-	11,452,301	-
	<u>-</u>	<u>11,452,301</u>	<u>-</u>
Total noncurrent assets			
	<u>213,327</u>	<u>132,225,994</u>	<u>44,420,610</u>
Total assets			
	<u>\$ 13,913,052</u>	<u>\$ 160,696,545</u>	<u>\$ 68,034,318</u>

<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>
\$ 719,193	\$ 28,568,360	\$ 17,504,982	\$ 30,755,563	\$ 2,233,482	\$ 142,992,762
120,314	22,226	-	1,010,096	-	1,673,394
-	-	-	-	-	53,700
-	-	-	-	-	3,123
1,103	51,445	31,978	55,385	8,474	286,396
13,533	-	-	25,926	-	39,459
-	-	-	38,997	-	136,491
-	-	-	742,893	-	2,056,988
-	-	-	655,532	-	667,902
<u>854,143</u>	<u>28,642,031</u>	<u>17,536,960</u>	<u>33,284,392</u>	<u>2,241,956</u>	<u>147,910,215</u>
-	-	-	-	-	433,251
-	-	-	-	-	433,251
<u>854,143</u>	<u>28,642,031</u>	<u>17,536,960</u>	<u>33,284,392</u>	<u>2,241,956</u>	<u>148,343,466</u>
-	-	-	348,929	-	10,468,512
-	32,173	32,241	5,499,562	-	29,137,833
-	-	-	12,037,338	-	12,037,338
-	-	-	920,064	-	151,229,281
-	-	-	-	-	873,162
2,480,238	-	-	30,535,909	-	100,702,633
315,337	91,468	6,445	3,918,248	37,347,190	42,588,355
(2,281,472)	(69,946)	(2,654)	(31,508,823)	(29,059,019)	(156,369,724)
<u>514,103</u>	<u>53,695</u>	<u>36,032</u>	<u>21,751,227</u>	<u>8,288,171</u>	<u>190,667,390</u>
-	-	-	-	-	375,900
-	-	-	378,211	-	1,323,735
914,912	504,150	471,564	3,208,788	-	9,161,458
<u>1,429,015</u>	<u>557,845</u>	<u>507,596</u>	<u>25,338,226</u>	<u>8,288,171</u>	<u>201,528,483</u>
-	-	-	-	-	11,452,301
<u>1,429,015</u>	<u>557,845</u>	<u>507,596</u>	<u>25,338,226</u>	<u>8,288,171</u>	<u>212,980,784</u>
\$ <u>2,283,158</u>	\$ <u>29,199,876</u>	\$ <u>18,044,556</u>	\$ <u>58,622,618</u>	\$ <u>10,530,127</u>	\$ <u>361,324,250</u>

Continued next page

**City of Portland, Oregon**  
**Combining Statement of Net Position, Continued**  
**Internal Service Funds**  
**June 30, 2013**

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>CityFleet Operating</u>
<b>LIABILITIES</b>			
Current liabilities (payable from unrestricted assets):			
unrestricted assets:			
Accounts payable	\$ 1,948,623	\$ 2,697,615	\$ 2,092,370
Self insurance claims	4,299,294	-	-
Compensated absences	67,234	203,752	371,209
Bonds payable	17,785	6,524,789	225,080
Accrued interest payable	789	206,821	9,979
Unearned revenue	-	69,148	-
	<u>6,333,725</u>	<u>9,702,125</u>	<u>2,698,638</u>
Total current liabilities (unrestricted)			
Current liabilities (payable from restricted assets):			
Accounts payable	-	433,251	-
	<u>-</u>	<u>433,251</u>	<u>-</u>
Total current liabilities (restricted)			
Total current liabilities	<u>6,333,725</u>	<u>10,135,376</u>	<u>2,698,638</u>
Noncurrent liabilities:			
Self insurance claims	-	-	-
Compensated absences	1,085	3,123	5,989
Bonds payable	305,070	40,550,439	3,860,847
Accrued interest payable	96,178	517,967	1,217,183
Other postemployment benefits	24,673	93,583	211,601
	<u>427,006</u>	<u>41,165,112</u>	<u>5,295,620</u>
Total noncurrent liabilities			
Total liabilities	<u>6,760,731</u>	<u>51,300,488</u>	<u>7,994,258</u>
<b>NET POSITION</b>			
Net investment in capital assets (deficit)	-	85,267,860	40,872,123
Unrestricted (deficit)	<u>7,152,321</u>	<u>24,128,197</u>	<u>19,167,937</u>
Total net position	<u>\$ 7,152,321</u>	<u>\$ 109,396,057</u>	<u>\$ 60,040,060</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>
\$ 218,695	\$ 179,478	\$ 28,090	\$ 2,262,641	\$ 397,815	\$ 9,825,327
-	5,928,700	3,551,442	-	-	13,779,436
124,146	116,861	36,986	1,703,629	128,444	2,752,261
76,275	42,030	39,314	267,512	3,958,021	11,150,806
3,382	1,863	1,743	11,860	50,126	286,563
-	-	-	-	-	69,148
<u>422,498</u>	<u>6,268,932</u>	<u>3,657,575</u>	<u>4,245,642</u>	<u>4,534,406</u>	<u>37,863,541</u>
-	-	-	-	-	433,251
-	-	-	-	-	433,251
<u>422,498</u>	<u>6,268,932</u>	<u>3,657,575</u>	<u>4,245,642</u>	<u>4,534,406</u>	<u>38,296,792</u>
-	6,666,581	5,417,046	-	-	12,083,627
1,983	1,886	597	26,014	2,048	42,725
1,308,363	720,947	674,358	4,588,696	11,280,981	63,289,701
412,478	227,288	212,600	1,446,647	-	4,130,341
69,020	32,880	24,932	584,102	29,311	1,070,102
<u>1,791,844</u>	<u>7,649,582</u>	<u>6,329,533</u>	<u>6,645,459</u>	<u>11,312,340</u>	<u>80,616,496</u>
<u>2,214,342</u>	<u>13,918,514</u>	<u>9,987,108</u>	<u>10,891,101</u>	<u>15,846,746</u>	<u>118,913,288</u>
514,103	53,695	36,032	21,751,227	(6,950,831)	141,544,209
(445,287)	15,227,667	8,021,416	25,980,290	1,634,212	100,866,753
<u>\$ 68,816</u>	<u>\$ 15,281,362</u>	<u>\$ 8,057,448</u>	<u>\$ 47,731,517</u>	<u>\$ (5,316,619)</u>	<u>\$ 242,410,962</u>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2013**

	<b>Hydroelectric Power Operating</b>	<b>Golf</b>	<b>Portland International Raceway</b>
Operating revenues:			
Service charges and fees	\$ -	\$ 6,518,356	\$ 532,371
Service charges and fees provided internally	48,966	-	-
Licenses and permits	-	-	-
Rents and reimbursements	-	436,649	1,027,407
Concessions	-	1,305,987	140,988
Parking fees	-	-	-
Power sales	4,011,144	-	-
Miscellaneous	-	5,232	4,200
<b>Total operating revenues</b>	<b>4,060,110</b>	<b>8,266,224</b>	<b>1,704,966</b>
Operating expenses:			
Salaries and wages	263,756	3,452,431	795,214
Operating supplies	775	538,837	120,936
Professional services	18,238	280,293	19,785
Services and materials provided internally	219,621	770,225	163,717
Utilities	-	231,190	89,934
Utility license fee	-	-	-
Miscellaneous	128,418	2,351,424	297,950
Depreciation and amortization	607,392	763,186	159,867
<b>Total operating expenses</b>	<b>1,238,200</b>	<b>8,387,586</b>	<b>1,647,403</b>
<b>Operating income (loss)</b>	<b>2,821,910</b>	<b>(121,362)</b>	<b>57,563</b>
Nonoperating revenues (expenses):			
Investment earnings (loss)	43,915	2,141	782
Interest expense	(543,436)	(112,370)	(91,807)
Debt issuance costs	-	-	-
Gain (loss) on sale of capital assets	-	(1,648)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(499,521)</b>	<b>(111,877)</b>	<b>(91,025)</b>
<b>Income before contributions and transfers</b>	<b>2,322,389</b>	<b>(233,239)</b>	<b>(33,462)</b>
Transfers in	665	1,896	693
Transfers out	(503,393)	(81,322)	(5,338)
Capital contributions	-	-	-
<b>Change in net position</b>	<b>1,819,661</b>	<b>(312,665)</b>	<b>(38,107)</b>
<b>Total net position - beginning</b>	<b>27,131,976</b>	<b>12,245,402</b>	<b>1,720,506</b>
<b>Total net position - ending</b>	<b>\$ 28,951,637</b>	<b>\$ 11,932,737</b>	<b>\$ 1,682,399</b>

<b>Solid Waste Management</b>	<b>Parking Facilities</b>	<b>Spectator Facilities Operating</b>	<b>Environmental Remediation</b>	<b>Headwaters Apartment Complex</b>	<b>Total</b>
\$ 2,155,416	\$ 6,000	\$ 4,209,501	\$ 3,169,753	\$ 970,625	\$ 17,562,022
8,500	754,290	-	410,006	-	1,221,762
2,714,993	-	-	-	-	2,714,993
-	729,665	5,270,981	479,090	-	7,943,792
-	-	-	-	-	1,446,975
-	10,493,564	1,336,425	-	-	11,829,989
-	-	-	-	-	4,011,144
43,910	181,376	29,953	1,758	-	266,429
<u>4,922,819</u>	<u>12,164,895</u>	<u>10,846,860</u>	<u>4,060,607</u>	<u>970,625</u>	<u>46,997,106</u>
2,137,692	144,319	144,042	347,148	-	7,284,602
349,645	1,104	1,084	2,724	-	1,015,105
324,237	31,901	72,240	1,075,934	-	1,822,628
1,681,882	1,919,683	450,998	995,208	-	6,201,334
-	1,236	-	-	-	322,360
-	-	-	154,520	-	154,520
646,070	3,026,347	3,601,112	1,331,994	350	11,383,665
7,905	522,493	3,242,936	69,017	224,793	5,597,589
<u>5,147,431</u>	<u>5,647,083</u>	<u>7,512,412</u>	<u>3,976,545</u>	<u>225,143</u>	<u>33,781,803</u>
<u>(224,612)</u>	<u>6,517,812</u>	<u>3,334,448</u>	<u>84,062</u>	<u>745,482</u>	<u>13,215,303</u>
1,404	(15,898)	10,251	2,710	433	45,738
(34,894)	(558,143)	(2,568,544)	(805)	(538,203)	(4,448,202)
-	-	(214)	-	-	(214)
-	-	(147,263)	-	-	(148,911)
<u>(33,490)</u>	<u>(574,041)</u>	<u>(2,705,770)</u>	<u>1,905</u>	<u>(537,770)</u>	<u>(4,551,589)</u>
(258,102)	5,943,771	628,678	85,967	207,712	8,663,714
4,348	15,734	609	702	-	24,647
(8,608)	(5,108,267)	(105,372)	(750,197)	-	(6,562,497)
-	-	44,640	-	-	44,640
<u>(262,362)</u>	<u>851,238</u>	<u>568,555</u>	<u>(663,528)</u>	<u>207,712</u>	<u>2,170,504</u>
<u>2,596,452</u>	<u>14,581,510</u>	<u>58,484,863</u>	<u>7,492,474</u>	<u>320,985</u>	<u>124,574,168</u>
<u>\$ 2,334,090</u>	<u>\$ 15,432,748</u>	<u>\$ 59,053,418</u>	<u>\$ 6,828,946</u>	<u>\$ 528,697</u>	<u>\$ 126,744,672</u>

**City of Portland, Oregon**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2013**

	<b>Health Insurance Operating</b>	<b>Facilities Services Operating</b>	<b>CityFleet Operating</b>
Operating revenues:			
Service charges and fees	\$ 7,928,740	\$ 90,564	\$ 780,736
Service charges and fees provided internally	43,223,991	21,585,426	25,602,311
Rents and reimbursements	-	1,625,016	-
Miscellaneous	2,167,234	779,911	117,462
	<u>53,319,965</u>	<u>24,080,917</u>	<u>26,500,509</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	1,128,521	3,111,482	6,834,629
Operating supplies	6,003	839,936	8,727,364
Professional services	311,670	1,593,346	42,940
Services and materials provided internally	602,462	2,835,338	1,437,314
Utilities	585	2,987,616	28,053
Claims	48,981,554	-	-
Utility license fees	-	-	-
Miscellaneous	3,216,404	11,646,093	1,857,855
Depreciation and amortization	-	3,163,723	5,471,385
	<u>54,247,199</u>	<u>26,177,534</u>	<u>24,399,540</u>
Total operating expenses			
Operating income (loss)	<u>(927,234)</u>	<u>(2,096,617)</u>	<u>2,100,969</u>
Nonoperating revenues (expenses):			
Investment earnings (loss)	2,191	31,364	13,209
Interest expense	(20,742)	(1,164,570)	(262,490)
Debt issuance costs	-	(344)	-
Gain (loss) on sale of capital assets	-	-	1,781,965
Miscellaneous	-	(29,080)	-
	<u>(18,551)</u>	<u>(1,162,630)</u>	<u>1,532,684</u>
Total non-operating revenues (expenses)			
Income before contributions and transfers	(945,785)	(3,259,247)	3,633,653
Transfers in	2,446	6,153,605	9,232
Transfers out	(306,937)	(141,164)	(167,641)
Capital contributions	-	3,807,550	282,424
	<u>(1,250,276)</u>	<u>6,560,744</u>	<u>3,757,668</u>
Change in net position			
Total net position - beginning	8,402,597	102,835,313	56,282,392
Total net position - ending	<u>\$ 7,152,321</u>	<u>\$ 109,396,057</u>	<u>\$ 60,040,060</u>

<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>
\$ 833,620	\$ -	\$ -	\$ 5,052,439	\$ -	\$ 14,686,099
4,860,022	9,591,977	3,299,629	40,797,334	12,337,764	161,298,454
-	-	-	18,000	-	1,643,016
70,645	131,244	44,621	1,662,348	-	4,973,465
<u>5,764,287</u>	<u>9,723,221</u>	<u>3,344,250</u>	<u>47,530,121</u>	<u>12,337,764</u>	<u>182,601,034</u>
1,971,627	1,110,929	1,042,834	24,588,207	1,905,209	41,693,438
492,018	5,076	34,709	918,657	68,976	11,092,739
2,492	292,681	117,199	608,328	1,154,597	4,123,253
854,830	2,593,429	635,776	4,814,742	4,307,491	18,081,382
159	-	-	53,619	-	3,070,032
-	2,649,615	3,457,002	-	-	55,088,171
-	-	-	21,427	-	21,427
2,752,689	1,986,541	411,147	12,691,774	1,690,271	36,252,774
233,627	5,380	379	3,509,764	7,421,016	19,805,274
<u>6,307,442</u>	<u>8,643,651</u>	<u>5,699,046</u>	<u>47,206,518</u>	<u>16,547,560</u>	<u>189,228,490</u>
<u>(543,155)</u>	<u>1,079,570</u>	<u>(2,354,796)</u>	<u>323,603</u>	<u>(4,209,796)</u>	<u>(6,627,456)</u>
(930)	20,272	11,048	16,764	8,103	102,021
(88,952)	(49,015)	(45,847)	(320,802)	(543,573)	(2,495,991)
-	-	-	(1)	-	(345)
(7,008)	-	-	(863,551)	-	911,406
-	-	-	-	-	(29,080)
<u>(96,890)</u>	<u>(28,743)</u>	<u>(34,799)</u>	<u>(1,167,590)</u>	<u>(535,470)</u>	<u>(1,511,989)</u>
(640,045)	1,050,827	(2,389,595)	(843,987)	(4,745,266)	(8,139,445)
3,987	1,968	4,987	12,331	91,061	6,279,617
(112,288)	(81,369)	(26,267)	(1,731,356)	(101,601)	(2,668,623)
-	-	-	-	-	4,089,974
<u>(748,346)</u>	<u>971,426</u>	<u>(2,410,875)</u>	<u>(2,563,012)</u>	<u>(4,755,806)</u>	<u>(438,477)</u>
817,162	14,309,936	10,468,323	50,294,529	(560,813)	242,849,439
<u>\$ 68,816</u>	<u>\$ 15,281,362</u>	<u>\$ 8,057,448</u>	<u>\$ 47,731,517</u>	<u>\$ (5,316,619)</u>	<u>\$ 242,410,962</u>

**City of Portland, Oregon**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2013**

	<b>Hydroelectric Power Operating</b>	<b>Golf</b>	<b>Portland International Raceway</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 4,011,144	\$ 8,206,882	\$ 1,697,897
Receipts from interfund services provided	48,966	-	-
Payments to suppliers	(121,445)	(3,309,792)	(526,338)
Payments to employees	(253,383)	(3,362,182)	(776,412)
Payments for interfund services used	(219,623)	(770,360)	(163,718)
Net cash provided by (used for) operating activities	<u>3,465,659</u>	<u>764,548</u>	<u>231,429</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	665	1,896	693
Transfers out	(503,393)	(81,322)	(5,338)
Proceeds from internal loans	-	-	-
Payments for internal loans	-	-	-
Net cash provided by (used for) noncapital related financing activities	<u>(502,728)</u>	<u>(79,426)</u>	<u>(4,645)</u>
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	-	3,702	-
Acquisition and construction of capital assets	-	-	-
Principal paid on bonds and notes	(2,155,268)	(83,893)	(221,150)
Interest paid on bonds and notes	(557,487)	(52,538)	(81,337)
Payments for bond issuance costs	-	-	-
Net cash provided by (used for) capital related financing activities	<u>(2,712,755)</u>	<u>(132,729)</u>	<u>(302,487)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	66,806	1,827	1,738
Net cash provided by (used for) investing activities	<u>66,806</u>	<u>1,827</u>	<u>1,738</u>
Net increase (decrease) in cash and cash equivalents	316,982	554,220	(73,965)
<b>CASH AND CASH EQUIVALENTS, July 1, 2012</b>	<u>14,529,782</u>	<u>981,385</u>	<u>690,864</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2013</b>	<u>\$ 14,846,764</u>	<u>\$ 1,535,605</u>	<u>\$ 616,899</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>			
Unrestricted cash and cash equivalents	\$ 61,788	\$ 1,535,605	\$ 616,899
Restricted cash and cash equivalents	14,784,976	-	-
Total cash and cash equivalents	<u>\$ 14,846,764</u>	<u>\$ 1,535,605</u>	<u>\$ 616,899</u>

<b>Solid Waste Management</b>	<b>Parking Facilities</b>	<b>Spectator Facilities Operating</b>	<b>Environmental Remediation</b>	<b>Headwaters Apartment Complex</b>	<b>Total</b>
\$ 4,771,088	\$ 11,448,983	\$ 10,762,138	\$ 3,650,601	\$ 1,112,873	\$ 45,661,606
8,500	754,290	-	410,006	-	1,221,762
(1,327,721)	(4,312,614)	(3,279,357)	(4,013,950)	(191,337)	(17,082,554)
(2,104,158)	(144,049)	(144,042)	(344,241)	-	(7,128,467)
(1,681,880)	(1,943,556)	(450,997)	(995,206)	-	(6,225,340)
<u>(334,171)</u>	<u>5,803,054</u>	<u>6,887,742</u>	<u>(1,292,790)</u>	<u>921,536</u>	<u>16,447,007</u>
4,348	15,734	609	702	-	24,647
(8,608)	(5,090,625)	(105,372)	(750,197)	-	(6,544,855)
-	3,100,000	-	295,000	-	3,395,000
-	(5,445,000)	-	-	-	(5,445,000)
<u>(4,260)</u>	<u>(7,419,891)</u>	<u>(104,763)</u>	<u>(454,495)</u>	<u>-</u>	<u>(8,570,208)</u>
-	6,000	-	-	-	9,702
-	(23,873)	(317,751)	-	-	(341,624)
(26,051)	(1,240,000)	(4,300,000)	(601)	(275,000)	(8,301,963)
(16,315)	(635,125)	(2,770,843)	(376)	(552,930)	(4,666,951)
-	-	(214)	-	-	(214)
<u>(42,366)</u>	<u>(1,892,998)</u>	<u>(7,388,808)</u>	<u>(977)</u>	<u>(827,930)</u>	<u>(13,301,050)</u>
4,880	2,717	65,594	10,543	753	154,858
4,880	2,717	65,594	10,543	753	154,858
(375,917)	(3,507,118)	(540,235)	(1,737,719)	94,359	(5,269,393)
2,030,874	5,352,135	6,811,273	5,923,399	552,543	36,872,255
<u>\$ 1,654,957</u>	<u>\$ 1,845,017</u>	<u>\$ 6,271,038</u>	<u>\$ 4,185,680</u>	<u>\$ 646,902</u>	<u>\$ 31,602,862</u>
\$ 1,654,957	\$ 1,845,017	\$ 6,271,038	\$ 3,176,170	\$ 392,567	\$ 15,554,041
-	-	-	1,009,510	254,335	16,048,821
<u>\$ 1,654,957</u>	<u>\$ 1,845,017</u>	<u>\$ 6,271,038</u>	<u>\$ 4,185,680</u>	<u>\$ 646,902</u>	<u>\$ 31,602,862</u>

Continued next page

City of Portland, Oregon  
 Nonmajor Enterprise Funds  
 Combining Statement of Cash Flows, Continued  
 For the Year Ended June 30, 2013

	Hydroelectric Power Operating	Golf	Portland International Raceway
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	\$ 2,821,910	\$ (121,362)	\$ 57,563
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization of capital assets	607,392	763,186	159,867
Change in assets and liabilities:			
Accounts and advances receivable	8,615	11,059	6,484
Due (from) to component unit	-	-	-
Accounts payable	25,984	91,817	2,266
Compensated absences	1,219	7,448	2,553
Unearned revenue	-	-	-
Other postemployment benefits	539	12,400	2,696
Pollution remediation	-	-	-
Net cash provided by (used for) operating activities	\$ 3,465,659	\$ 764,548	\$ 231,429
 <b><u>Noncash information</u></b>			
Prepaid PERS amortization	\$ (8,615)	\$ (70,401)	\$ (13,553)
Capital contribution	-	-	-
Increase in fair value of investments (classified as cash equivalents)	(502)	(4,551)	(2,815)

<u>Solid Waste Management</u>	<u>Parking Facilities</u>	<u>Spectator Facilities Operating</u>	<u>Environmental Remediation</u>	<u>Headwaters Apartment Complex</u>	<u>Total</u>
\$ (224,612)	\$ 6,517,812	\$ 3,334,448	\$ 84,062	\$ 745,482	\$ 13,215,303
7,905	522,493	3,242,936	69,017	224,793	5,597,589
(121,369)	38,378	(84,721)	506	-	(141,048)
-	-	-	-	142,248	142,248
(7,767)	(1,425,604)	395,079	(1,003,776)	(190,987)	(2,112,988)
4,663	-	-	1,592	-	17,475
-	149,705	-	-	-	149,705
7,009	270	-	809	-	23,723
-	-	-	(445,000)	-	(445,000)
<u>\$ (334,171)</u>	<u>\$ 5,803,054</u>	<u>\$ 6,887,742</u>	<u>\$ (1,292,790)</u>	<u>\$ 921,536</u>	<u>\$ 16,447,007</u>
\$ (21,862)	\$ -	\$ -	\$ (506)	\$ -	\$ (114,937)
-	-	44,640	-	-	44,640
(8,170)	(34,214)	(27,905)	(24,184)	(2,380)	(104,720)

**City of Portland, Oregon**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2013**

	<b>Health Insurance Operating</b>	<b>Facilities Services Operating</b>	<b>CityFleet Operating</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 10,095,974	\$ 2,381,671	\$ 892,058
Receipts from interfund services provided	43,223,991	21,585,426	25,602,311
Payments to suppliers	(52,804,571)	(15,920,960)	(9,166,135)
Payments to employees	(1,110,221)	(3,026,988)	(6,630,165)
Payments for interfund services used	(602,462)	(3,523,572)	(2,027,781)
Other receipts (payments)	-	-	-
	<hr/>	<hr/>	<hr/>
Net cash provided by (used for) operating activities	(1,197,289)	1,495,577	8,670,288
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	2,446	6,135,963	9,232
Transfers out	(306,937)	(141,164)	(124,052)
Proceeds from internal loans	-	48,504	48,504
Payments for internal loans	-	(570,013)	(570,013)
	<hr/>	<hr/>	<hr/>
Net cash provided by (used for) noncapital related financing activities	(304,491)	5,473,290	(636,329)
<b>CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	-	-	2,072,688
Acquisition and construction of capital assets	-	(2,775,213)	(8,076,614)
Principal paid on bonds and notes	(15,485)	(5,892,045)	(195,971)
Interest paid on bonds and notes	(9,698)	(1,847,205)	(122,727)
Payments for bond issuance costs	-	(344)	-
	<hr/>	<hr/>	<hr/>
Net cash provided by (used for) capital related financing activities	(25,183)	(10,514,807)	(6,322,624)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	29,124	76,876	31,752
	<hr/>	<hr/>	<hr/>
Net cash provided by (used for) investing activities	29,124	76,876	31,752
Net increase (decrease) in cash and cash equivalent	(1,497,839)	(3,469,064)	1,743,087
<b>CASH AND CASH EQUIVALENTS, July 1, 2012</b>	<u>15,174,392</u>	<u>43,005,808</u>	<u>20,140,350</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 2013</b>	<u>\$ 13,676,553</u>	<u>\$ 39,536,744</u>	<u>\$ 21,883,437</u>
<b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b>			
Unrestricted cash and cash equivalents	\$ 13,676,553	\$ 27,651,192	\$ 21,883,437
Restricted cash and cash equivalents	-	11,885,552	-
	<hr/>	<hr/>	<hr/>
Total cash and cash equivalents	<u>\$ 13,676,553</u>	<u>\$ 39,536,744</u>	<u>\$ 21,883,437</u>

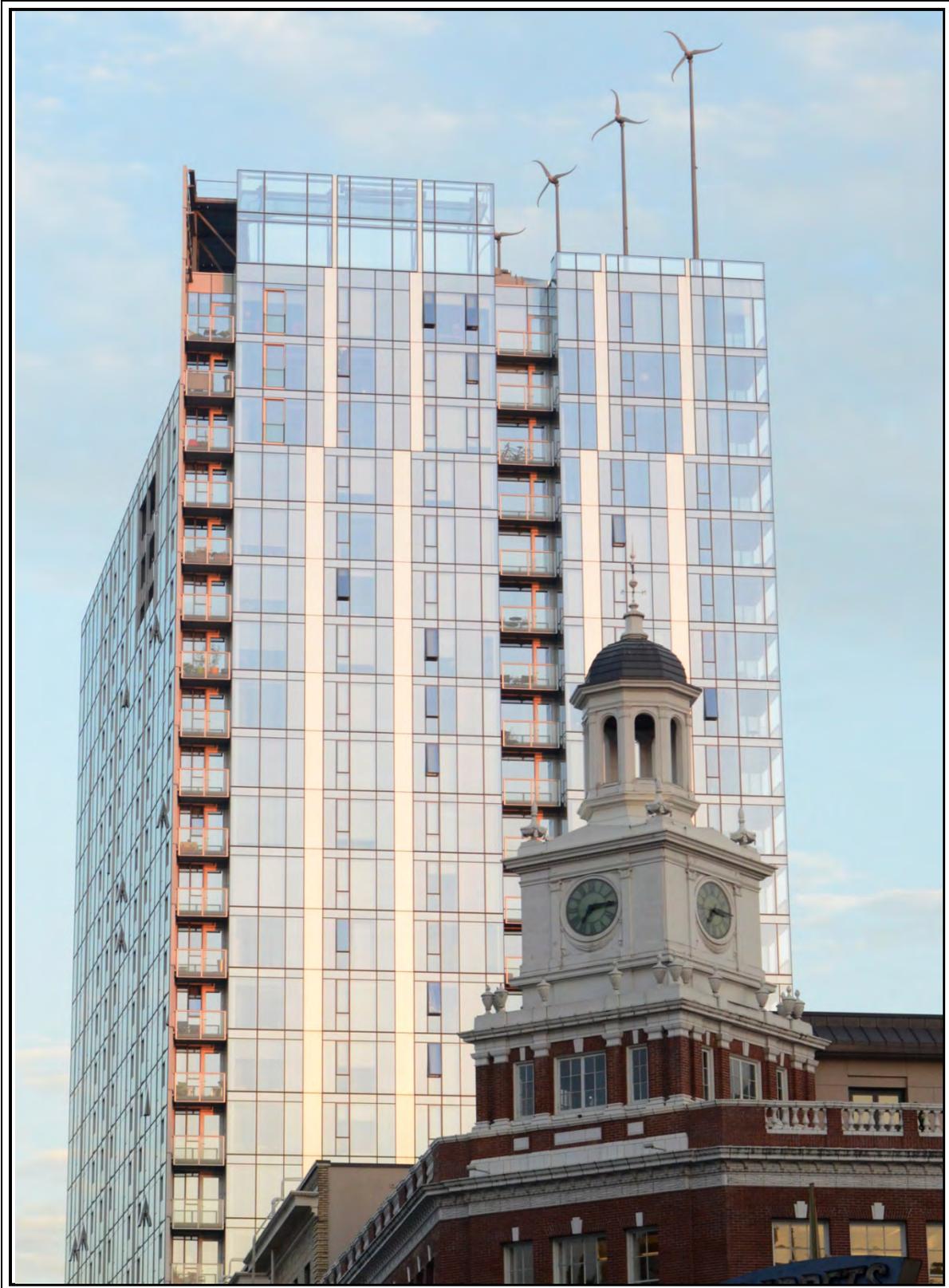
<b>Printing and Distribution Services Operating</b>	<b>Insurance and Claims Operating</b>	<b>Workers' Compensation Self Insurance Operating</b>	<b>Technology Services</b>	<b>Enterprise Business Solutions Services</b>	<b>Total</b>
\$ 929,829	\$ 378,020	\$ 44,621	\$ 6,666,778	\$ -	\$ 21,388,951
4,860,022	9,591,977	3,299,629	40,797,334	12,337,764	161,298,454
(3,291,077)	(4,697,749)	(2,750,533)	(13,510,922)	(2,335,808)	(104,477,755)
(1,906,008)	(1,073,329)	(1,010,680)	(24,299,035)	(1,893,763)	(40,950,189)
(854,830)	(2,604,597)	(646,944)	(4,814,742)	(4,618,971)	(19,693,899)
-	-	-	328	-	328
<u>(262,064)</u>	<u>1,594,322</u>	<u>(1,063,907)</u>	<u>4,839,741</u>	<u>3,489,222</u>	<u>17,565,890</u>
3,987	1,968	4,987	12,331	91,061	6,261,975
(112,288)	(81,369)	(26,267)	(1,731,356)	(101,601)	(2,625,034)
-	-	-	38,803	-	135,811
-	-	-	(456,011)	-	(1,596,037)
<u>(108,301)</u>	<u>(79,401)</u>	<u>(21,280)</u>	<u>(2,136,233)</u>	<u>(10,540)</u>	<u>2,176,715</u>
-	-	-	-	-	2,072,688
(24,170)	(32,173)	(32,241)	(2,882,281)	(1,201,984)	(15,024,676)
(66,411)	(36,594)	(34,229)	(1,104,266)	(3,645,000)	(10,990,001)
(41,591)	(22,917)	(21,435)	(175,104)	(747,988)	(2,988,665)
-	-	-	-	-	(344)
<u>(132,172)</u>	<u>(91,684)</u>	<u>(87,905)</u>	<u>(4,161,651)</u>	<u>(5,594,972)</u>	<u>(26,930,998)</u>
1,207	50,107	37,296	68,962	17,677	313,001
<u>1,207</u>	<u>50,107</u>	<u>37,296</u>	<u>68,962</u>	<u>17,677</u>	<u>313,001</u>
(501,330)	1,473,344	(1,135,796)	(1,389,181)	(2,098,613)	(6,875,392)
<u>1,220,523</u>	<u>27,095,016</u>	<u>18,640,778</u>	<u>32,144,744</u>	<u>4,332,095</u>	<u>161,753,706</u>
<u>\$ 719,193</u>	<u>\$ 28,568,360</u>	<u>\$ 17,504,982</u>	<u>\$ 30,755,563</u>	<u>\$ 2,233,482</u>	<u>\$ 154,878,314</u>
\$ 719,193	\$ 28,568,360	\$ 17,504,982	\$ 30,755,563	\$ 2,233,482	\$ 142,992,762
-	-	-	-	-	11,885,552
<u>\$ 719,193</u>	<u>\$ 28,568,360</u>	<u>\$ 17,504,982</u>	<u>\$ 30,755,563</u>	<u>\$ 2,233,482</u>	<u>\$ 154,878,314</u>

Continued next page

City of Portland, Oregon  
Internal Service Funds  
Combining Statement of Cash Flows, Continued  
For the Year Ended June 30, 2013

	<u>Health Insurance Operating</u>	<u>Facilities Services Operating</u>	<u>CityFleet Operating</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
Operating income (loss)	\$ (927,234)	\$ (2,096,617)	\$ 2,100,969
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation and amortization of capital assets	-	3,163,723	5,471,385
Change in assets and liabilities:			
Accounts and advances receivable	12,995	(73,309)	158,316
Due (from) to component unit	-	29,473	-
Inventories	-	-	(211,503)
Accounts payable	(202,664)	442,857	1,111,113
Self insurance claims	(85,691)	-	-
Accrued compensated absences	2,609	5,884	20,599
Unearned revenue	-	14,940	-
Other postemployment benefits	2,696	8,626	19,409
Net cash provided by (used in) operating activities	<u>\$ (1,197,289)</u>	<u>\$ 1,495,577</u>	<u>\$ 8,670,288</u>
<b><u>Noncash information</u></b>			
Prepaid PERS amortization	\$ (12,995)	\$ (69,984)	\$ (164,456)
Capital contribution	-	3,807,550	280,430
Increase (decrease) in fair value of investments (classified as cash equivalents)	(64,052)	(176,139)	(85,315)

<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>
\$ (543,155)	\$ 1,079,570	\$ (2,354,796)	\$ 323,603	\$ (4,209,796)	\$ (6,627,456)
233,627	5,380	379	3,509,764	7,421,016	19,805,274
70,204	277,485	28,725	129,279	-	603,695
11,091	-	-	500	-	41,064
-	-	-	(125,128)	-	(336,631)
(43,719)	(1,036,278)	(285,321)	908,011	266,556	1,160,555
-	1,261,274	1,543,677	-	-	2,719,260
3,957	3,387	1,542	39,797	6,055	83,830
-	-	-	-	-	14,940
5,931	3,504	1,887	53,915	5,391	101,359
<u>\$ (262,064)</u>	<u>\$ 1,594,322</u>	<u>\$ (1,063,907)</u>	<u>\$ 4,839,741</u>	<u>\$ 3,489,222</u>	<u>\$ 17,565,890</u>
\$ (55,731)	\$ (30,709)	\$ (28,725)	\$ (195,460)	\$ -	\$ (558,060)
-	-	-	-	-	4,087,980
(4,661)	(114,043)	(76,657)	(132,752)	(16,274)	(669,893)



Old and New Architecture

# 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:

### ***Cable Fund***

This fund accounts for cable revenues and expenditures as required by an intergovernmental agreement with the Mt. Hood Cable Regulatory Commission.

### ***Trustee Fund***

This fund is a depository for monies paid to the City Treasurer, 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.

37062 Exhibit B

Back of Tab

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**City of Portland**  
**Combining Statement of Fiduciary Net Position**  
**Pension Trust Funds**  
**June 30, 2013**

	<u>Fire and Police Disability and Retirement</u>	<u>Fire and Police Disability and Retirement Reserve</u>	<u>Fire and Police Supplemental Retirement Reserve</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 21,046,998	\$ 750,000	\$ 28,240	\$ 21,825,238
Receivables:				
Accounts, net	7,045	-	-	7,045
Pension recovery	381,368	-	-	381,368
Accrued interest	106,218	-	53	106,271
Due from other funds	7,770,556	-	-	7,770,556
Prepaid expense	287,845	-	-	287,845
	<u>29,600,030</u>	<u>750,000</u>	<u>28,293</u>	<u>30,378,323</u>
Total current assets				
Capital assets:				
Construction in progress	21,843	-	-	21,843
Intangible assets:				
Software	287,239	-	-	287,239
	<u>309,082</u>	<u>-</u>	<u>-</u>	<u>309,082</u>
Net capital assets				
	<u>29,909,112</u>	<u>750,000</u>	<u>28,293</u>	<u>30,687,405</u>
Total assets				
<b>LIABILITIES</b>				
Accounts payable	8,970,625	-	120	8,970,745
Compensated absences	765,492	-	-	765,492
Bonds payable	435,618	-	-	435,618
Accrued interest payable	130,834	-	-	130,834
Contingent pension liability	3,164,255	-	-	3,164,255
Other postemployment benefits	37,273	-	-	37,273
	<u>13,504,097</u>	<u>-</u>	<u>120</u>	<u>13,504,217</u>
Total liabilities				
<b>NET POSITION</b>				
Net investment in capital assets	309,082	-	-	309,082
Held in trust for pension benefits	16,095,933	750,000	28,173	16,874,106
	<u>16,405,015</u>	<u>750,000</u>	<u>28,173</u>	<u>17,183,188</u>
Total net position				

**City of Portland**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**June 30,2013**

	<u>Cable</u>	<u>Trustee</u>	<u>Multnomah County Business Income Tax</u>	<u>Clearing Funds</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and investments	\$ 6,785,444	\$ 8,638,264	\$ 2,060,053	\$ 22,032,906	\$ 39,516,667
Receivables:					
Accounts, net	1,773,061	57,042	-	367,845	2,197,948
Advances	1,021,592	-	-	-	1,021,592
Accrued interest	12,878	627	3,186	68	16,759
	<u>9,592,975</u>	<u>8,695,933</u>	<u>2,063,239</u>	<u>22,400,819</u>	<u>42,752,966</u>
Total assets					
	<u>9,592,975</u>	<u>8,695,933</u>	<u>2,063,239</u>	<u>22,400,819</u>	<u>42,752,966</u>
<b>LIABILITIES</b>					
Accounts payable	403,624	-	-	4,214,533	4,618,157
Salaries and withholding taxes	-	-	-	16,092,933	16,092,933
Due to other governments	9,189,351	-	-	-	9,189,351
Other liabilities	-	8,695,933	2,063,239	2,093,353	12,852,525
	<u>9,592,975</u>	<u>8,695,933</u>	<u>2,063,239</u>	<u>22,400,819</u>	<u>42,752,966</u>
Total liabilities					
	<u>9,592,975</u>	<u>8,695,933</u>	<u>2,063,239</u>	<u>22,400,819</u>	<u>42,752,966</u>
<b>NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Portland**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension Trust Funds**  
**For the Year Ended June 30, 2013**

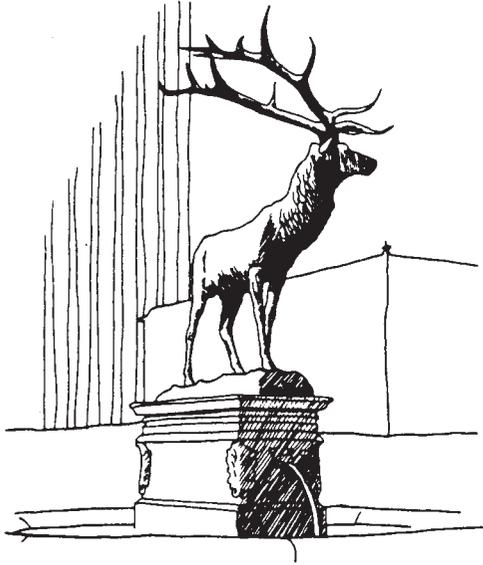
	<u>Fire and Police Disability and Retirement</u>	<u>Fire and Police Disability and Retirement Reserve</u>	<u>Fire and Police Supplemental Retirement Reserve</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 112,542,969	\$ -	\$ -	\$ 112,542,969
Other	455,590	-	-	455,590
Total contributions	112,998,559	-	-	112,998,559
Investment earnings	119,685	-	157	119,842
Total additions	113,118,244	-	157	113,118,401
<b>DEDUCTIONS</b>				
Benefits and refunds paid to plan members and beneficiaries	112,930,888	-	8,255	112,939,143
Refunds	48,719	-	-	48,719
Administrative expenses	3,425,724	-	-	3,425,724
Total deductions	116,405,331	-	8,255	116,413,586
Change in net position	(3,287,087)	-	(8,098)	(3,295,185)
Net position - beginning	19,692,102	750,000	36,271	20,478,373
Net position - ending	\$ 16,405,015	\$ 750,000	\$ 28,173	\$ 17,183,188

**City of Portland, Oregon**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended June 30, 2013**

	July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Cable</b>				
Assets:				
Cash and investments	\$ 5,352,685	\$ 11,916,344	\$ 10,483,585	\$ 6,785,444
Receivables:				
Accounts, net	1,580,448	7,345,632	7,153,019	1,773,061
Advances	864,793	3,805,101	3,648,302	1,021,592
Accrued interest	16,880	30,329	34,331	12,878
	<u>7,814,806</u>	<u>23,097,406</u>	<u>21,319,237</u>	<u>9,592,975</u>
Total assets	\$ <u>7,814,806</u>	\$ <u>23,097,406</u>	\$ <u>21,319,237</u>	\$ <u>9,592,975</u>
Liabilities:				
Accounts payable	\$ 357,187	\$ 21,055,447	\$ 21,009,010	\$ 403,624
Compensated absences	67,382	67,382	134,764	-
Due to other governments	7,386,513	9,189,351	7,386,513	9,189,351
Other postemployment benefits	3,724	-	3,724	-
	<u>7,814,806</u>	<u>30,312,180</u>	<u>28,534,011</u>	<u>9,592,975</u>
Total liabilities	\$ <u>7,814,806</u>	\$ <u>30,312,180</u>	\$ <u>28,534,011</u>	\$ <u>9,592,975</u>
<b>Trustee</b>				
Assets:				
Cash and investments	\$ 6,496,853	\$ 40,329,392	\$ 38,187,981	\$ 8,638,264
Receivables:				
Accounts, net	46,685	996,653	986,296	57,042
Accrued interest	5,272	5,449	10,094	627
Due from component unit	2,828	-	2,828	-
	<u>6,551,638</u>	<u>41,331,494</u>	<u>39,187,199</u>	<u>8,695,933</u>
Total assets	\$ <u>6,551,638</u>	\$ <u>41,331,494</u>	\$ <u>39,187,199</u>	\$ <u>8,695,933</u>
Total liabilities	\$ <u>6,551,638</u>	\$ <u>51,281,137</u>	\$ <u>49,136,842</u>	\$ <u>8,695,933</u>
<b>Multnomah County Business Income Tax</b>				
Assets:				
Cash and investments	\$ 638,739	\$ 63,475,171	\$ 62,053,857	\$ 2,060,053
Receivables:				
Accrued interest	5,760	8,448	11,022	3,186
	<u>644,499</u>	<u>63,483,619</u>	<u>62,064,879</u>	<u>2,063,239</u>
Total assets	\$ <u>644,499</u>	\$ <u>63,483,619</u>	\$ <u>62,064,879</u>	\$ <u>2,063,239</u>
Total liabilities	\$ <u>644,499</u>	\$ <u>69,552,095</u>	\$ <u>68,133,355</u>	\$ <u>2,063,239</u>
<b>Clearing</b>				
Assets:				
Cash and investments	\$ 20,042,878	\$ 1,205,817,485	\$ 1,203,827,457	\$ 22,032,906
Receivables:				
Accounts, net	237,308	1,888,501,641	1,888,371,104	367,845
Accrued interest	135	211	278	68
	<u>20,280,321</u>	<u>3,094,319,337</u>	<u>3,092,198,839</u>	<u>22,400,819</u>
Total assets	\$ <u>20,280,321</u>	\$ <u>3,094,319,337</u>	\$ <u>3,092,198,839</u>	\$ <u>22,400,819</u>
Liabilities:				
Accounts payable	\$ 3,023,964	\$ 237,914,015	\$ 236,723,446	\$ 4,214,533
Salaries and withholding taxes	15,134,665	820,646,296	819,688,028	16,092,933
Other liabilities	2,121,692	396,655,902	396,684,241	2,093,353
	<u>20,280,321</u>	<u>1,455,216,213</u>	<u>1,453,095,715</u>	<u>22,400,819</u>
Total liabilities	\$ <u>20,280,321</u>	\$ <u>1,455,216,213</u>	\$ <u>1,453,095,715</u>	\$ <u>22,400,819</u>
<b>Total - All Agency Funds</b>				
Assets:				
Cash and investments	\$ 32,531,155	\$ 1,321,538,392	\$ 1,314,552,880	\$ 39,516,667
Receivables:				
Accounts, net	1,864,441	1,896,843,926	1,896,510,419	2,197,948
Advances	864,793	3,805,101	3,648,302	1,021,592
Accrued interest	28,047	44,437	55,725	16,759
Due from component unit	2,828	-	2,828	-
	<u>35,291,264</u>	<u>3,222,231,856</u>	<u>3,214,770,154</u>	<u>42,752,966</u>
Total assets	\$ <u>35,291,264</u>	\$ <u>3,222,231,856</u>	\$ <u>3,214,770,154</u>	\$ <u>42,752,966</u>
Liabilities:				
Accounts payable	\$ 3,381,151	\$ 258,969,462	\$ 257,732,456	\$ 4,618,157
Salaries and withholding taxes	15,134,665	820,646,296	819,688,028	16,092,933
Compensated absences	67,382	67,382	134,764	-
Due to other governments	7,386,513	9,189,351	7,386,513	9,189,351
Other postemployment benefits	3,724	-	3,724	-
Other liabilities	9,317,829	517,489,134	513,954,438	12,852,525
	<u>35,291,264</u>	<u>1,606,361,625</u>	<u>1,598,899,923</u>	<u>42,752,966</u>
Total liabilities	\$ <u>35,291,264</u>	\$ <u>1,606,361,625</u>	\$ <u>1,598,899,923</u>	\$ <u>42,752,966</u>

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

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David P. Thompson Fountain, 1900

37062 Exhibit B

SCHED OF REV & EXPEND  
GOVERNMENTAL FUNDS  
BUDGET & ACTUAL

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# 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.

37062 Exhibit B

GENERAL FUND  
BY FUNCTION  
BUDGET & ACTUAL

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**City of Portland, Oregon**  
**General Fund by Function**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 193,048,000	\$ 193,048,000	\$ 192,728,091	\$ (319,909)
Prior year property	4,180,000	4,180,000	4,779,010	599,010
Lodging	18,050,550	18,050,550	21,616,835	3,566,285
<b>Total taxes</b>	<b>215,278,550</b>	<b>215,278,550</b>	<b>219,123,936</b>	<b>3,845,386</b>
Licenses and permits:				
Business licenses, net	76,563,447	76,713,447	78,214,550	1,501,103
Public utility licenses	72,200,963	72,200,963	76,046,626	3,845,663
Construction permits	1,110,000	1,110,000	1,626,660	516,660
Other permits	3,718,513	3,734,074	3,921,330	187,256
<b>Total licenses and permits</b>	<b>153,592,923</b>	<b>153,758,484</b>	<b>159,809,166</b>	<b>6,050,682</b>
Intergovernmental:				
Federal cost sharing	105,000	105,000	242,492	137,492
State revenue sharing	12,882,863	12,882,863	14,386,248	1,503,385
State cost sharing	25,000	25,000	75,922	50,922
Multnomah County cost sharing	2,097,136	2,017,404	1,751,625	(265,779)
Local revenue sharing	3,251,489	3,401,489	3,132,790	(268,699)
Local cost sharing	4,669,928	5,364,803	6,406,892	1,042,089
Grant revenue	614,519	659,734	577,217	(82,517)
Overhead charges	48,347	48,347	48,347	-
<b>Total intergovernmental</b>	<b>23,694,282</b>	<b>24,504,640</b>	<b>26,621,533</b>	<b>2,116,893</b>
Charges for services:				
Inspection fees	1,190,000	1,190,000	1,083,909	(106,091)
Rents and reimbursements	4,008,341	3,934,080	4,180,073	245,993
Parking fees	361,598	312,658	337,286	24,628
Concessions	-	-	29,053	29,053
Parks and recreation facilities fees	10,055,944	10,899,589	11,320,567	420,978
Other service charges	2,104,329	2,125,220	1,561,715	(563,505)
<b>Total service charges and fees</b>	<b>17,720,212</b>	<b>18,461,547</b>	<b>18,512,603</b>	<b>51,056</b>
Billings to other funds for services	24,744,605	25,788,298	24,081,119	(1,707,179)
Billings to other funds for overhead	24,239,120	24,239,120	24,239,120	-
Other:				
Loan repayments	-	-	5,822	5,822
Assessments	-	-	26,914	26,914
Sales - other	1,040,796	1,089,226	1,024,247	(64,979)
Refunds	165,000	278,024	283,473	5,449
Donations	10,000	58,000	139,234	81,234
Investment earnings	1,921,738	1,906,300	1,044,026	(862,274)
Payment in lieu of taxes	707,167	707,167	1,177,430	470,263
Fines	257,150	257,150	140,523	(116,627)
Miscellaneous	581,725	1,141,017	1,434,538	293,521
<b>Total other</b>	<b>4,683,576</b>	<b>5,436,884</b>	<b>5,276,207</b>	<b>(160,677)</b>
<b>Total revenues</b>	<b>463,953,268</b>	<b>467,467,523</b>	<b>477,663,684</b>	<b>10,196,161</b>

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, 2013**

	<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	127,728,313	130,133,690	129,908,875	224,815
Materials and services	35,898,001	37,043,360	35,891,055	1,152,305
Total Portland Police Bureau	<u>163,626,314</u>	<u>167,177,050</u>	<u>165,799,930</u>	<u>1,377,120</u>
Portland Fire and Rescue				
Personal services	84,570,992	84,654,666	83,853,308	801,358
Materials and services	10,718,714	11,371,524	10,684,760	686,764
Total Portland Fire and Rescue	<u>95,289,706</u>	<u>96,026,190</u>	<u>94,538,068</u>	<u>1,488,122</u>
Portland Office of Emergency Management				
Personal services	1,199,888	1,145,119	1,111,425	33,694
Materials and services	507,370	513,345	449,073	64,272
Total Portland Office of Emergency Management	<u>1,707,258</u>	<u>1,658,464</u>	<u>1,560,498</u>	<u>97,966</u>
Total Public Safety	<u>260,623,278</u>	<u>264,861,704</u>	<u>261,898,496</u>	<u>2,963,208</u>
<b>Parks, Recreation and Culture</b>				
Portland Parks and Recreation				
Personal services	39,340,003	40,719,463	40,570,579	148,884
Materials and services	21,194,554	21,269,399	20,673,890	595,509
Total Portland Parks and Recreation	<u>60,534,557</u>	<u>61,988,862</u>	<u>61,244,469</u>	<u>744,393</u>
Total Parks, Recreation and Culture	<u>60,534,557</u>	<u>61,988,862</u>	<u>61,244,469</u>	<u>744,393</u>
<b>Community Development</b>				
Portland Housing Bureau				
Personal services	294,863	393,011	350,501	42,510
Materials and services	11,007,336	11,386,780	11,219,330	167,450
Total Portland Housing Bureau	<u>11,302,199</u>	<u>11,779,791</u>	<u>11,569,831</u>	<u>209,960</u>
Bureau of Planning and Sustainability				
Personal services	6,989,103	7,271,449	7,254,090	17,359
Materials and services	1,544,672	1,894,059	1,906,716	(12,657)
Total Bureau of Planning and Sustainability	<u>8,533,775</u>	<u>9,165,508</u>	<u>9,160,806</u>	<u>4,702</u>
Office of Neighborhood Involvement				
Personal services	3,273,573	3,396,670	3,380,707	15,963
Materials and services	3,772,440	4,126,851	3,612,674	514,177
Total Office of Neighborhood Involvement	<u>7,046,013</u>	<u>7,523,521</u>	<u>6,993,381</u>	<u>530,140</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, 2013**

	<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>				
Portland Development Commission				
Materials and services	5,844,591	6,083,632	6,083,631	1
Total Portland Development Commission	<u>5,844,591</u>	<u>6,083,632</u>	<u>6,083,631</u>	<u>1</u>
Office of Equity and Human Rights				
Personal services	914,805	960,578	921,868	38,710
Materials and services	382,461	285,029	227,573	57,456
Total Office of Equity and Human Rights	<u>1,297,266</u>	<u>1,245,607</u>	<u>1,149,441</u>	<u>96,166</u>
Total Community Development	<u>34,023,844</u>	<u>35,798,059</u>	<u>34,957,090</u>	<u>840,969</u>
<b>Legislative/ Admin/ Support Services</b>				
Office of the City Attorney				
Personal services	8,004,274	8,141,620	7,910,358	231,262
Materials and services	1,529,519	1,309,327	1,067,535	241,792
Total Office of the City Attorney	<u>9,533,793</u>	<u>9,450,947</u>	<u>8,977,893</u>	<u>473,054</u>
Office of the City Auditor				
Personal services	5,079,044	5,126,036	4,915,738	210,298
Materials and services	4,245,083	4,228,391	3,704,323	524,068
Total Office of the City Auditor	<u>9,324,127</u>	<u>9,354,427</u>	<u>8,620,061</u>	<u>734,366</u>
City Budget Office				
Personal services	-	472,474	451,558	20,916
Materials and services	-	131,250	96,398	34,852
Total City Budget Office	<u>-</u>	<u>603,724</u>	<u>547,956</u>	<u>55,768</u>
Office of Government Relations				
Personal services	931,778	889,339	840,001	49,338
Materials and services	419,641	426,221	411,888	14,333
Total Office of Government Relations	<u>1,351,419</u>	<u>1,315,560</u>	<u>1,251,889</u>	<u>63,671</u>
Office of Management and Finance				
Personal services	28,322,000	28,262,210	27,596,181	666,029
Materials and services	13,323,545	12,180,801	10,440,257	1,740,545
Subtotal Office of Management and Finance	<u>41,645,545</u>	<u>40,443,011</u>	<u>38,036,438</u>	<u>2,406,574</u>
<b>Special Appropriations</b>				
Personal services	-	-	38,088	(38,088)
Materials and services	15,784,033	16,237,137	14,117,879	2,119,258
Total Special Appropriations	<u>15,784,033</u>	<u>16,237,137</u>	<u>14,155,967</u>	<u>2,081,170</u>
Total Office of Management and Finance	<u>57,429,578</u>	<u>56,680,148</u>	<u>52,192,405</u>	<u>4,487,744</u>

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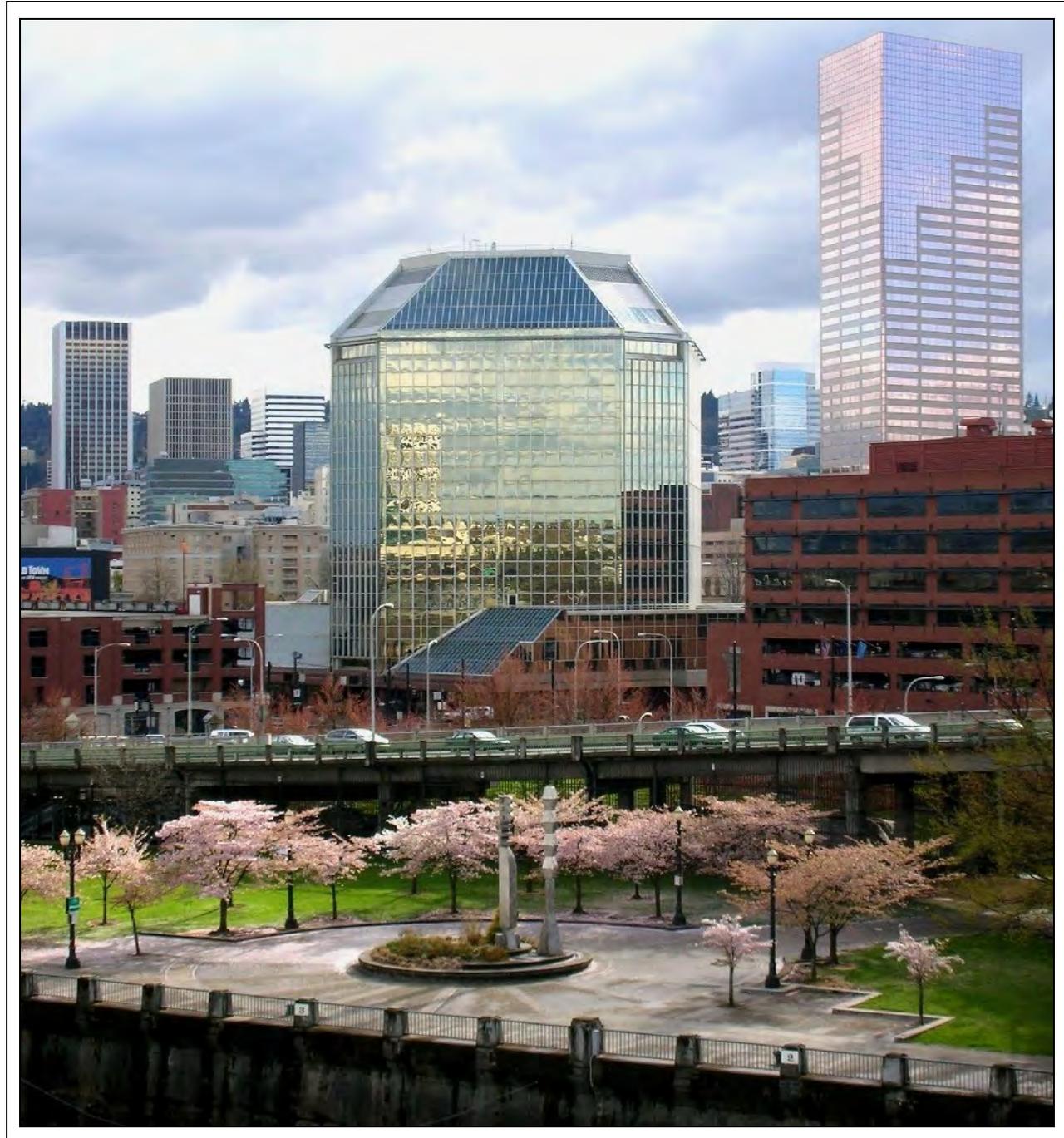
**City of Portland, Oregon**  
**General Fund by Function, Continued**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Office of the Mayor				
Personal services	2,247,971	2,176,976	1,905,563	271,413
Materials and services	1,834,268	3,194,907	2,133,225	1,061,682
Total Office of the Mayor	<u>4,082,239</u>	<u>5,371,883</u>	<u>4,038,788</u>	<u>1,333,095</u>
Commissioner of Public Affairs				
Personal services	1,064,218	1,053,828	990,937	62,891
Materials and services	468,211	1,186,615	667,218	519,397
Total Commissioner of Public Affairs	<u>1,532,429</u>	<u>2,240,443</u>	<u>1,658,155</u>	<u>582,288</u>
Commissioner of Public Safety				
Personal services	642,384	532,751	496,139	36,612
Materials and services	119,708	188,224	145,096	43,128
Total Commissioner of Public Safety	<u>762,092</u>	<u>720,975</u>	<u>641,235</u>	<u>79,740</u>
Commissioner of Public Utilities				
Personal services	747,510	722,768	710,199	12,569
Materials and services	186,415	179,574	132,598	46,976
Total Commissioner of Public Utilities	<u>933,925</u>	<u>902,342</u>	<u>842,797</u>	<u>59,545</u>
Commissioner of Public Works				
Personal services	763,461	742,089	737,056	5,033
Materials and services	138,562	143,951	135,460	8,491
Total Commissioner of Public Works	<u>902,023</u>	<u>886,040</u>	<u>872,516</u>	<u>13,524</u>
Total Legislative/ Admin/ Support Services	<u>85,851,625</u>	<u>87,526,489</u>	<u>79,643,695</u>	<u>7,882,795</u>
<b>Nondepartmental</b>				
General operating contingencies	9,566,477	8,591,776	-	8,591,776
Total Nondepartmental	<u>9,566,477</u>	<u>8,591,776</u>	<u>-</u>	<u>8,591,776</u>
Debt service and related costs:				
Principal	3,855,483	3,855,483	3,855,483	-
Interest	2,597,386	2,607,386	2,420,444	186,942
Total debt service and related costs	<u>6,452,869</u>	<u>6,462,869</u>	<u>6,275,927</u>	<u>186,942</u>
Capital outlay	-	2,281,563	2,242,769	38,794
<b>Total expenditures</b>	<u>457,052,650</u>	<u>467,511,322</u>	<u>446,262,446</u>	<u>21,248,877</u>
Revenues over (under) expenditures	<u>6,900,618</u>	<u>(43,799)</u>	<u>31,401,238</u>	<u>31,445,038</u>

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**City of Portland, Oregon**  
**General Fund by Function, Continued**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Emergency Communication	-	518,216	518,216	-
Police Special Revenue	300,000	300,000	300,000	-
Pension Debt Redemption	166,540	166,540	163,540	(3,000)
Hydroelectric Power Operating	500,000	500,000	500,000	-
Parking Facilities	263,356	263,356	263,356	-
Spectator Facilities Operating	15,372	15,372	15,372	-
Health Insurance Operating	500,000	500,000	301,820	(198,180)
Facilities Services Operating	-	51,690	51,690	-
CityFleet Operating	-	25,510	25,510	-
Printing and Distribution Services Operating	25,983	37,392	37,392	-
Insurance and Claims Operating	-	55,092	55,092	-
Workers' Compensation Self Insurance Operating	-	6,077	6,077	-
Technology Services	3,018,950	1,096,574	1,096,574	-
Enterprise Business Solutions Services	16,030	57,481	57,481	-
	<u>4,806,231</u>	<u>3,593,300</u>	<u>3,392,120</u>	<u>(201,180)</u>
Total transfers from other funds				
Transfers to other funds:				
Transportation Operating	(7,601,599)	(7,486,980)	(7,486,980)	-
Assessment Collection	(73)	(73)	(73)	-
Emergency Communication	(13,256,068)	(12,978,997)	(12,978,997)	-
Development Services	(2,291,994)	(2,243,613)	(2,243,613)	-
Private for Hire Transportation Safety	(267)	(267)	(267)	-
General Reserve	(1,852,234)	(1,852,234)	(1,852,234)	-
Parks Local Option Levy	(4,838)	(4,838)	(4,838)	-
Portland Parks Memorial	(36,200)	(51,740)	(51,740)	-
Pension Debt Redemption	(1,274,042)	(1,274,042)	(1,274,042)	-
Governmental Bond Redemption	(1,434,839)	(1,434,839)	(1,434,839)	-
Parks Capital Improvement Program	(1,226,090)	(1,217,342)	(1,217,342)	-
Water	-	(712,486)	(712,486)	-
Health Insurance Operating	-	(771,000)	(771,000)	-
Facilities Services Operating	(4,310,963)	(4,554,182)	(4,554,180)	2
	<u>(33,289,207)</u>	<u>(34,582,633)</u>	<u>(34,582,631)</u>	<u>2</u>
Total transfers to other funds				
Internal loan proceeds	6,600,000	7,351,000	5,447,037	(1,903,963)
Internal loan remittances	-	(143,686)	(135,811)	7,875
Sale of capital asset	-	-	21,307	21,307
	<u>(21,882,976)</u>	<u>(23,782,019)</u>	<u>(25,857,978)</u>	<u>(2,075,959)</u>
Total other financing sources (uses)				
Net change in fund balance	(14,982,358)	(23,825,818)	5,543,260	29,369,078
Fund balance -- beginning	14,982,358	23,825,818	23,825,818	-
Fund balance -- ending	<u>\$ -</u>	<u>\$ -</u>	29,369,078	<u>\$ 29,369,078</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			49,930,120	
Unrealized gain (loss) on investments			(50,589)	
Internal loans receivable			1,150,000	
Inventories			352,483	
Internal loans payable			(1,460,226)	
Fund balance - GAAP basis			<u>\$ 79,290,866</u>	



Downtown Portland

# 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.

## **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.

## **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.

## **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.

## **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.

## **Community Development Block Grant 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 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.

## **Arts Education and Access Fund**

The purpose of this fund is to collect and disburse revenues to school districts located in the City and the Regional Arts and Culture Council in accordance with their respective intergovernmental agreement or contract.

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**City of Portland, Oregon**  
**Assessment Collection Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	750	750	614	(136)
	<u>1,000</u>	<u>1,000</u>	<u>614</u>	<u>(386)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Materials and services	1,510	1,510	1,508	2
General operating contingencies	-	4	-	4
	<u>1,510</u>	<u>1,514</u>	<u>1,508</u>	<u>6</u>
Total expenditures				
Revenues over (under) expenditures	<u>(510)</u>	<u>(514)</u>	<u>(894)</u>	<u>(380)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds:				
General	73	73	73	-
Technology services	4	8	8	-
	<u>77</u>	<u>81</u>	<u>81</u>	<u>-</u>
Total other financing sources				
Net change in fund balance	(433)	(433)	(813)	(380)
Fund balance - beginning	78,060	78,060	80,060	2,000
Fund balance - ending	<u>\$ 77,627</u>	<u>\$ 77,627</u>	79,247	<u>\$ 1,620</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(66)	
Fund balance - GAAP basis			<u>\$ 79,181</u>	

**City of Portland, Oregon**  
**Emergency Communication Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Intergovernmental:				
State revenue sharing	\$ 3,000,000	\$ 3,000,000	\$ 2,536,157	\$ (463,843)
Local cost sharing	3,935,731	3,847,017	3,427,814	(419,203)
Charges for services:				
Other service charges	370,919	450,919	473,014	22,095
Other:				
Investment earnings	50,000	50,000	12,764	(37,236)
Miscellaneous	-	-	9,759	9,759
	<u>7,356,650</u>	<u>7,347,936</u>	<u>6,459,508</u>	<u>(888,428)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	13,595,904	13,589,053	13,319,275	269,778
Materials and services	5,705,099	5,439,843	4,984,948	454,895
General operating contingencies	1,841,966	2,701,947	-	2,701,947
Overhead charges - General Fund	758,399	758,399	758,399	-
Debt service and related costs:				
Principal	1,082,517	1,082,517	1,082,517	-
Interest	256,496	256,496	251,870	4,626
	<u>23,240,381</u>	<u>23,828,255</u>	<u>20,397,009</u>	<u>3,431,246</u>
Revenues over (under) expenditures	<u>(15,883,731)</u>	<u>(16,480,319)</u>	<u>(13,937,501)</u>	<u>2,542,818</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	13,256,068	12,978,997	12,978,997	-
Facilities Services Operating	-	2,285	2,285	-
CityFleet Operating	-	3	3	-
Printing and Distribution Services Operating	228	398	398	-
Insurance and Claims Operating	-	460	460	-
Workers' Compensation Self Insurance Operating	-	335	335	-
Technology Services	56,662	70,014	70,014	-
Enterprise Business Solutions Services	546	1,007	1,007	-
	<u>13,313,504</u>	<u>13,053,499</u>	<u>13,053,499</u>	<u>-</u>
Transfers to other funds:				
General	-	(518,216)	(518,216)	-
Pension Debt Redemption	(32,225)	(32,225)	(32,225)	-
Health Insurance Operating	-	(40,000)	(40,000)	-
Technology Services	(39,514)	(39,514)	(39,514)	-
	<u>(71,739)</u>	<u>(629,955)</u>	<u>(629,955)</u>	<u>-</u>
Total other financing sources (uses)	<u>13,241,765</u>	<u>12,423,544</u>	<u>12,423,544</u>	<u>-</u>
Net change in fund balance	(2,641,966)	(4,056,775)	(1,513,957)	2,542,818
Fund balance - beginning	2,641,966	4,056,775	4,056,633	(142)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	2,542,676	<u>\$ 2,542,676</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,027)	
Fund balance - GAAP basis			<u>\$ 2,541,649</u>	

**City of Portland, Oregon**  
**Development Services Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Licenses and permits:				
Construction permits	\$ 19,216,622	\$ 19,216,622	\$ 27,037,013	\$ 7,820,391
Other permits	531,947	531,947	639,732	107,785
Intergovernmental:				
Grant revenue	-	5,000	2,274	(2,726)
Service charges and fees:				
Inspection fees	1,324,673	1,324,673	1,898,443	573,770
Other service charges	5,931,992	6,053,228	9,252,567	3,199,339
Billings to other funds for services	963,577	1,006,400	955,256	(51,144)
Other:				
Assessments	1,707,875	1,707,875	1,854,766	146,891
Investment earnings	-	-	397,116	397,116
Miscellaneous	-	-	1,005	1,005
Total revenues	<u>29,676,686</u>	<u>29,845,745</u>	<u>42,038,172</u>	<u>12,192,427</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	20,856,083	22,336,292	20,844,187	1,492,105
Materials and services	9,559,021	10,483,688	7,933,256	2,550,432
General operating contingencies	5,537,172	3,143,038	-	3,143,038
Overhead charges - General Fund	644,515	644,515	644,515	-
Debt service and related costs:				
Principal	489,409	489,409	489,409	-
Interest	397,927	397,927	306,494	91,433
Debt issuance costs	-	10,000	-	10,000
Capital outlay	65,000	65,000	8,563	56,437
Total expenditures	<u>37,549,127</u>	<u>37,569,869</u>	<u>30,226,424</u>	<u>7,343,445</u>
Revenues over (under) expenditures	<u>(7,872,441)</u>	<u>(7,724,124)</u>	<u>11,811,748</u>	<u>19,535,872</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	2,291,994	2,243,613	2,243,613	-
Facilities Services	-	9,830	9,830	-
CityFleet Operating	-	1,183	1,183	-
Printing and Distribution Services Operating	2,449	3,610	3,610	-
Insurance and Claims Operating	-	656	656	-
Workers' Compensation Self Insurance Operating	-	452	452	-
Technology Services	39,728	48,368	48,368	-
Enterprise Business Solutions Services	1,357	2,499	2,499	-
Total transfers from other funds	<u>2,335,528</u>	<u>2,310,211</u>	<u>2,310,211</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	(161,726)	(161,726)	(161,726)	-
Sewer System Operating	-	(43,000)	(43,000)	-
Health Insurance Operating	-	(80,000)	(80,000)	-
Technology Services	(29,160)	(29,160)	(29,160)	-
Total transfers to other funds	<u>(190,886)</u>	<u>(313,886)</u>	<u>(313,886)</u>	<u>-</u>
Loans issued	3,026,079	3,026,079	-	(3,026,079)
Total other financing sources (uses)	<u>5,170,721</u>	<u>5,022,404</u>	<u>1,996,325</u>	<u>(3,026,079)</u>
Net change in fund balance	(2,701,720)	(2,701,720)	13,808,073	16,509,793
Fund balance - beginning	6,144,097	6,144,097	10,219,090	4,074,993
Fund balance - ending	<u>\$ 3,442,377</u>	<u>\$ 3,442,377</u>	24,027,163	<u>\$ 20,584,786</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(19,668)	
Fund balance - GAAP basis			<u>\$ 24,007,495</u>	

**City of Portland, Oregon**  
**Property Management License Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 5,065,000	\$ 5,505,900	\$ 5,022,146	\$ (483,754)
Charges for services:				
Other service charges	50	575	377	(198)
Other:				
Investment earnings	3,200	2,390	2,217	(173)
	<u>5,068,250</u>	<u>5,508,865</u>	<u>5,024,740</u>	<u>(484,125)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Materials and services	5,068,250	5,508,865	5,025,881	482,984
Net change in fund balance	-	-	(1,141)	(1,141)
Fund balance - beginning	-	-	39,957	39,957
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	38,816	<u>\$ 38,816</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(47)	
Fund balance - GAAP basis			<u>\$ 38,769</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, 2013**

	<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:				
Other permits	\$ 86,628	\$ 79,628	\$ 79,141	\$ (487)
Other:				
Investment earnings	300	300	615	315
	<u>86,928</u>	<u>79,928</u>	<u>79,756</u>	<u>(172)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Materials and services	310,000	303,000	302,081	919
Revenues (under) expenditures	<u>(223,072)</u>	<u>(223,072)</u>	<u>(222,325)</u>	<u>747</u>
<b>OTHER FINANCING SOURCE</b>				
Transfer from other fund:				
General	267	267	267	-
Net change in fund balance	(222,805)	(222,805)	(222,058)	747
Fund balance - beginning	<u>222,805</u>	<u>222,805</u>	<u>222,058</u>	<u>(747)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			-	
Fund balance - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Convention and Tourism Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Lodging	\$ 3,412,000	\$ 8,011,200	\$ 7,130,085	\$ (881,115)
Other:				
Investment earnings	3,000	4,350	3,841	(509)
Total revenues	<u>3,415,000</u>	<u>8,015,550</u>	<u>7,133,926</u>	<u>(881,624)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	3,371,650	7,958,375	7,128,016	830,359
General operating contingencies	28	13,878	-	13,878
Overhead charges - General Fund	43,350	43,350	43,350	-
Total expenditures	<u>3,415,028</u>	<u>8,015,603</u>	<u>7,171,366</u>	<u>844,237</u>
Revenues over (under) expenditures	<u>(28)</u>	<u>(53)</u>	<u>(37,440)</u>	<u>(37,387)</u>
<b>OTHER FINANCING SOURCE</b>				
Transfer from other fund:				
Enterprise Business Solutions Services	28	53	53	-
Net change in fund balance	-	-	(37,387)	(37,387)
Fund balance - beginning	-	-	220,729	220,729
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	183,342	<u>\$ 183,342</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(182)	
Fund balance - GAAP basis			<u>\$ 183,160</u>	

**City of Portland, Oregon**  
**General Reserve Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 500,000	\$ 500,000	\$ 243,367	\$ (256,633)
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	51,490,343	41,683,343	-	41,683,343
Revenues over (under) expenditures	(50,990,343)	(41,183,343)	243,367	41,426,710
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
General	1,852,234	1,852,234	1,852,234	-
Internal loan remittances	-	(9,807,000)	(1,150,000)	8,657,000
Total other financing sources (uses)	1,852,234	(7,954,766)	702,234	8,657,000
Net change in fund balance	(49,138,109)	(49,138,109)	945,601	50,083,710
Fund balance - beginning	49,138,109	49,138,109	48,984,519	(153,590)
Fund balance - ending	\$ -	\$ -	49,930,120	\$ 49,930,120
Adjustment to generally accepted accounting principles (GAAP) basis:				
General Reserve Fund budgeted as separate fund - to General Fund			(49,930,120)	
Fund balance - GAAP basis			\$ -	

**City of Portland, Oregon**  
**Transportation Reserve Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 2,505	\$ 2,505	\$ 3,981	\$ 1,476
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	2,510,277	10,277	-	10,277
Revenues over (under) expenditures	<u>(2,507,772)</u>	<u>(7,772)</u>	<u>3,981</u>	<u>11,753</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Internal loan proceeds	-	2,500,000	2,500,000	-
Internal loan remittances	-	(2,500,000)	(2,500,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,507,772)	(7,772)	3,981	11,753
Fund balance - beginning	2,507,772	7,772	13,954	6,182
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	17,935	<u>\$ 17,935</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Transportation Reserve Fund budgeted as separate fund - to Transportation Operating Fund			<u>(17,935)</u>	
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, 2013**

	<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	\$ 42,500	\$ 42,500	\$ -	\$ (42,500)
Multnomah County cost sharing	96,000	96,000	-	(96,000)
Local cost sharing	-	-	2,250	2,250
Local revenue sharing	-	-	156,628	156,628
Charges for services:				
Other service charges	218,924	377,460	365,379	(12,081)
Other:				
Loan repayments	-	450,000	337,660	(112,340)
Assessments	-	16,833	16,833	-
Refunds	-	-	542	542
Investment earnings	6,100	339,000	320,538	(18,462)
Miscellaneous	-	17,482	7,135	(10,347)
	<u>363,524</u>	<u>1,339,275</u>	<u>1,206,965</u>	<u>(132,310)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	896,135	1,003,853	975,514	28,339
Materials and services	7,842,841	990,218	814,206	176,012
General operating contingencies	183,431	123,748	-	123,748
Overhead charges - General Fund	288,774	288,774	288,774	-
	<u>9,211,181</u>	<u>2,406,593</u>	<u>2,078,494</u>	<u>328,099</u>
Revenues over (under) expenditures	<u>(8,847,657)</u>	<u>(1,067,318)</u>	<u>(871,529)</u>	<u>195,789</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Community Development Block Grant	-	(497,322)	(495,214)	2,108
Health Insurance Operating	-	(9,000)	(9,000)	-
Bond proceeds	7,531,938	-	-	-
Loan proceeds	782,900	-	-	-
	<u>8,314,838</u>	<u>(506,322)</u>	<u>(504,214)</u>	<u>2,108</u>
Net change in fund balance	(532,819)	(1,573,640)	(1,375,743)	197,897
Fund balance - beginning	532,819	1,573,640	3,285,791	1,712,151
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,910,048	<u>\$ 1,910,048</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,582)	
Loans receivable, net			6,172,829	
Accrued interest receivable			328,681	
Fund balance - GAAP basis			<u>\$ 8,409,976</u>	

**City of Portland, Oregon**  
**Parks Local Option Levy Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 16,071	\$ 11,997	\$ 5,593	\$ (6,404)
Other:				
Investment earnings	8,926	13,000	12,793	(207)
Total revenues	<u>24,997</u>	<u>24,997</u>	<u>18,386</u>	<u>(6,611)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	318,419	318,419	318,419	-
Materials and services	460,632	460,632	342,478	118,154
General operating contingencies	2,206,793	2,193,583	-	2,193,583
Total expenditures	<u>2,985,844</u>	<u>2,972,634</u>	<u>660,897</u>	<u>2,311,737</u>
Revenues over (under) expenditures	<u>(2,960,847)</u>	<u>(2,947,637)</u>	<u>(642,511)</u>	<u>2,305,126</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	4,838	4,838	4,838	-
Enterprise Business Solutions Services	24	44	44	-
Total transfers from other funds	<u>4,862</u>	<u>4,882</u>	<u>4,882</u>	<u>-</u>
Transfer to other fund:				
Parks Capital Improvement Program	-	(13,230)	(13,230)	-
Total other financing sources (uses)	<u>4,862</u>	<u>(8,348)</u>	<u>(8,348)</u>	<u>-</u>
Net change in fund balance	(2,955,985)	(2,955,985)	(650,859)	2,305,126
Fund balance - beginning	<u>2,955,985</u>	<u>2,955,985</u>	<u>2,894,544</u>	<u>(61,441)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,243,685</u>	<u>\$ 2,243,685</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,877)	
Fund balance - GAAP basis			<u>\$ 2,241,808</u>	

**City of Portland, Oregon**  
**Children's Investment Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Taxes:				
Current year property	\$ 9,482,767	\$ 9,579,681	\$ 9,762,654	\$ 182,973
Prior year property	351,859	351,859	242,414	(109,445)
Other:				
Investment earnings	-	14,000	18,616	4,616
Total revenues	<u>9,834,626</u>	<u>9,945,540</u>	<u>10,023,684</u>	<u>78,144</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	441,768	441,768	435,737	6,031
Materials and services	9,584,722	9,584,722	9,044,965	539,757
General operating contingencies	3,872	910,971	-	910,971
Overhead charges - General Fund	25,000	25,000	25,000	-
Total expenditures	<u>10,055,362</u>	<u>10,962,461</u>	<u>9,505,702</u>	<u>1,456,759</u>
Revenues over (under) expenditures	<u>(220,736)</u>	<u>(1,016,921)</u>	<u>517,982</u>	<u>1,534,903</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds:				
Printing and Distribution Services Operating	886	933	933	-
Insurance and Claims Operating	-	17	17	-
Workers' Compensation Self Insurance Operating	-	15	15	-
Technology Services	401	491	491	-
Total other financing sources	<u>1,287</u>	<u>1,456</u>	<u>1,456</u>	<u>-</u>
Net change in fund balance	(219,449)	(1,015,465)	519,438	1,534,903
Fund balance - beginning	<u>219,449</u>	<u>1,015,465</u>	<u>1,015,465</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,534,903</u>	<u>\$ 1,534,903</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(2,902)	
Fund balance - GAAP basis			<u>\$ 1,532,001</u>	

**City of Portland, Oregon**  
**Community Development Block Grant Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Grant revenue	\$ 12,719,711	\$ 14,997,982	\$ 11,795,243	\$ (3,202,739)
Service charges and fees:				
Other service charges	-	6,000	5,164	(836)
Other:				
Assessments	-	-	1,400	1,400
Investment earnings	-	-	349,397	349,397
Loan repayments	-	1,058,000	1,161,979	103,979
Miscellaneous	-	-	6,489	6,489
Total revenues	<u>12,719,711</u>	<u>16,061,982</u>	<u>13,319,672</u>	<u>(2,742,310)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,606,224	1,606,224	1,509,056	97,168
Materials and services	10,483,034	13,163,803	10,585,759	2,578,044
General operating contingencies	1,199,453	2,676,215	-	2,676,215
Debt service and related costs:				
Principal	320,000	320,000	261,000	59,000
Interest	175,000	175,000	213,712	(38,712)
Total expenditures	<u>13,783,711</u>	<u>17,941,242</u>	<u>12,569,527</u>	<u>5,371,715</u>
Revenues over (under) expenditures	<u>(1,064,000)</u>	<u>(1,879,260)</u>	<u>750,145</u>	<u>2,629,405</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Housing Investment	-	497,322	495,214	(2,108)
Bonds and notes issued	-	1,531,938	-	(1,531,938)
Loans issued	1,064,000	-	-	-
Internal loan proceeds	-	1,250,000	150,000	(1,100,000)
Internal loan remittances	-	(1,400,000)	(1,400,000)	-
Total other financing sources (uses)	<u>1,064,000</u>	<u>1,879,260</u>	<u>(754,786)</u>	<u>(2,634,046)</u>
Net change in fund balance	-	-	(4,641)	(4,641)
Fund balance - beginning	-	-	47,191	47,191
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	42,550	<u>\$ 42,550</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Loans receivable, net			12,100,039	
Internal loans payable			(150,000)	
Accrued interest receivable			15,200	
Fund balance - GAAP basis			<u>\$ 12,007,789</u>	

**City of Portland, Oregon**  
**HOME Grant Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Grant revenue	\$ 7,917,276	\$ 5,684,994	\$ 4,305,522	\$ (1,379,472)
Charges for services:				
Other service charges	-	400	292	(108)
Other:				
Loan repayments	92,664	866,364	703,027	(163,337)
Refunds	-	-	153	153
Investment earnings	-	-	157,543	157,543
	<u>8,009,940</u>	<u>6,551,758</u>	<u>5,166,537</u>	<u>(1,385,221)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	362,300	362,300	288,434	73,866
Materials and services	7,760,806	5,424,524	4,343,397	1,081,127
General operating contingencies	212,334	518,934	-	518,934
	<u>8,335,440</u>	<u>6,305,758</u>	<u>4,631,831</u>	<u>1,673,927</u>
Revenues over (under) expenditures	<u>(325,500)</u>	<u>246,000</u>	<u>534,706</u>	<u>288,706</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loans issued	325,500	-	-	-
Internal loan remittances	-	(246,000)	(246,000)	-
	<u>-</u>	<u>-</u>	<u>288,706</u>	<u>288,706</u>
Net change in fund balance	-	-	288,706	288,706
Fund balance - beginning	-	-	291	291
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	288,997	<u>\$ 288,997</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Loans receivable, net			3,950,090	
Accrued interest receivable			88,781	
Fund balance - GAAP basis			<u>\$ 4,327,868</u>	

**City of Portland, Oregon**  
**Portland Parks Memorial Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Other permits	\$ 40,000	\$ 97,300	\$ 416,333	\$ 319,033
Intergovernmental:				
Service charges and fees:				
Inspection fees	-	100,000	-	(100,000)
Rents and reimbursements	8,000	8,000	42,963	34,963
Parks and recreation facilities fees	3,402	3,402	681,625	678,223
Other service charges	20,000	20,000	-	(20,000)
Other:				
Donations	634,458	725,140	563,739	(161,401)
Investment earnings	9,889	14,655	14,308	(347)
Miscellaneous	-	-	17,570	17,570
	<u>715,749</u>	<u>968,497</u>	<u>1,736,538</u>	<u>768,041</u>
<b>Total revenues</b>				
<b>EXPENDITURES</b>				
Current:				
Personal services	426,695	688,066	495,708	192,358
Materials and services	1,575,517	1,946,403	505,204	1,441,199
General operating contingencies	793,974	506,950	-	506,950
Capital outlay	-	962	-	962
	<u>2,796,186</u>	<u>3,142,381</u>	<u>1,000,912</u>	<u>2,141,469</u>
<b>Total expenditures</b>				
Revenues over (under) expenditures	<u>(2,080,437)</u>	<u>(2,173,884)</u>	<u>735,626</u>	<u>2,909,510</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	36,200	51,740	51,740	-
Water	-	3,000	3,000	-
Golf	53,600	53,600	53,600	-
Printing and Distribution Services Operating	6	6	6	-
	<u>89,806</u>	<u>108,346</u>	<u>108,346</u>	<u>-</u>
<b>Total transfers from other funds</b>				
Transfer to other fund:				
Parks Capital Improvement Program	-	(43,000)	(43,000)	-
	<u>89,806</u>	<u>65,346</u>	<u>65,346</u>	<u>-</u>
<b>Total other financing sources (uses)</b>				
Net change in fund balance	(1,990,631)	(2,108,538)	800,972	2,909,510
Fund balance - beginning	1,990,631	2,108,538	2,133,531	24,993
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	2,934,503	<u>\$ 2,934,503</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(2,425)	
Fund balance - GAAP basis			<u>\$ 2,932,078</u>	

**City of Portland, Oregon**  
**Tax Increment Reimbursement Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

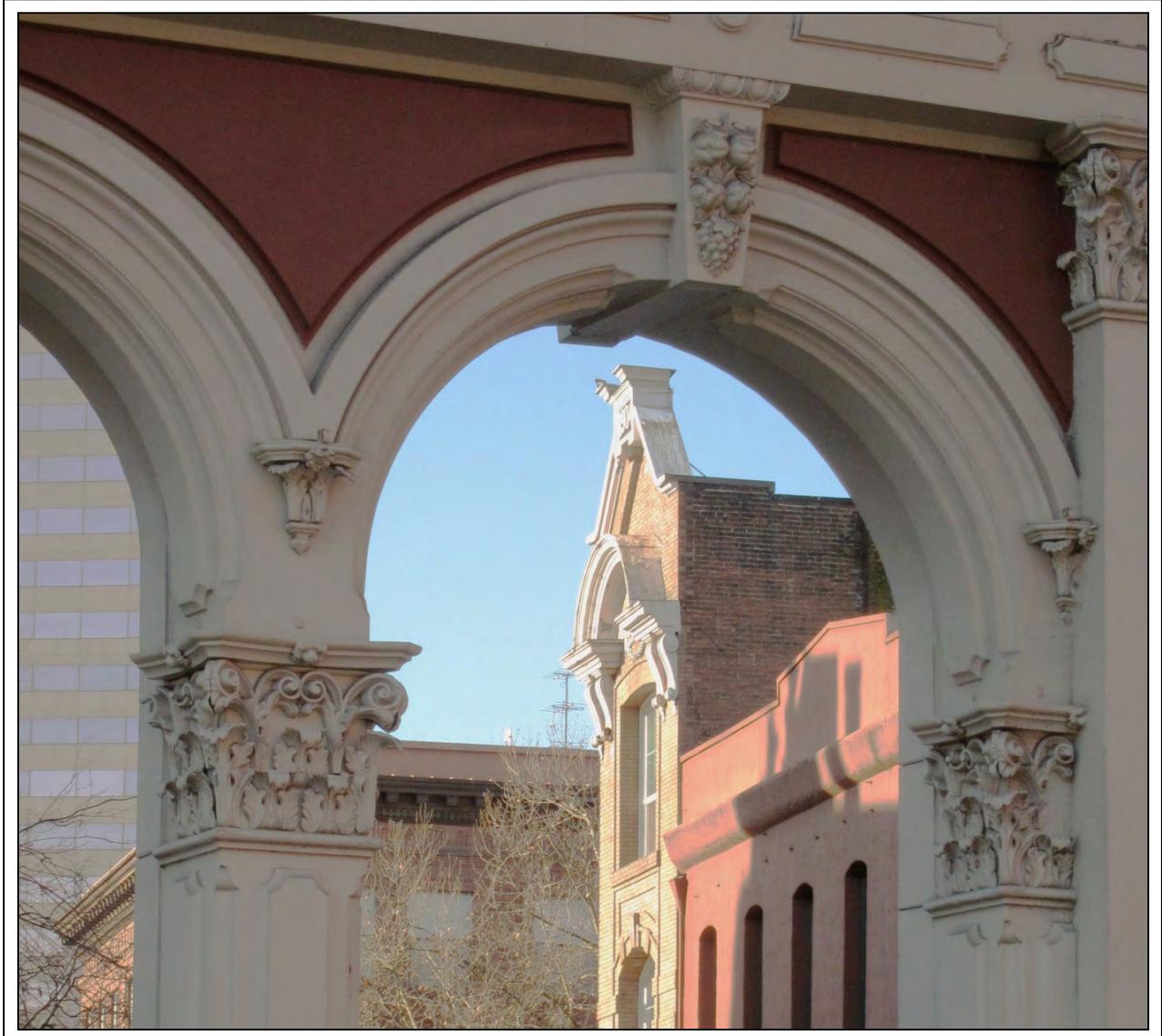
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental:				
Local revenue sharing	\$ 41,397,197	\$ 27,698,885	\$ 23,478,962	\$ (4,219,923)
Charges for services:				
Rents and reimbursements	-	-	239,114	239,114
Other service charges	-	400,000	69,325	(330,675)
Other:				
Loan repayments	4,739,000	5,907,360	4,686,394	(1,220,966)
Refunds	-	-	3,026	3,026
Investment earnings	5,000	10,000	793,113	783,113
Sales of Inventory	1,000,000	-	-	-
	<u>47,141,197</u>	<u>34,016,245</u>	<u>29,269,934</u>	<u>(4,746,311)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Personal services	1,755,054	1,847,877	1,789,106	58,771
Materials and services	50,423,724	34,289,412	29,285,278	5,004,134
General operating contingencies	590,364	664,041	-	664,041
Overhead charges - General Fund	584,235	584,235	584,235	-
	<u>53,353,377</u>	<u>37,385,565</u>	<u>31,658,619</u>	<u>5,726,946</u>
Total expenditures				
Revenues over (under) expenditures	<u>(6,212,180)</u>	<u>(3,369,320)</u>	<u>(2,388,685)</u>	<u>980,635</u>
<b>OTHER FINANCING SOURCES</b>				
Loans issued	1,267,800	-	-	-
Internal loan proceeds	1,674,560	-	-	-
	<u>2,942,360</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources				
Net change in fund balance	(3,269,820)	(3,369,320)	(2,388,685)	980,635
Fund balance - beginning	<u>3,269,820</u>	<u>3,369,320</u>	<u>5,400,630</u>	<u>2,031,310</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	3,011,945	<u>\$ 3,011,945</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(2,086)	
Accrued interest receivable			226,576	
Loans receivable, net			30,930,103	
Property held for resale			14,132,595	
Fund balance - GAAP basis			<u>\$ 48,299,133</u>	

**City of Portland, Oregon**  
**Police Special Revenue Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Federal cost sharing	\$ 500,000	\$ 500,000	\$ 569,429	\$ 69,429
State revenue sharing	50,001	50,001	79,077	29,076
Other:				
Donations	75,000	75,000	44,421	(30,579)
Investment earnings	6,910	6,910	8,627	1,717
Miscellaneous	-	-	46,784	46,784
	<u>631,911</u>	<u>631,911</u>	<u>748,338</u>	<u>116,427</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	975,000	1,502,138	470,213	1,031,925
Overhead charges - General Fund	11,425	11,425	11,425	-
General operating contingencies	800,486	485,911	-	485,911
Capital outlay	-	-	364,916	(364,916)
	<u>1,786,911</u>	<u>1,999,474</u>	<u>846,554</u>	<u>1,152,920</u>
Revenues over (under) expenditures	<u>(1,155,000)</u>	<u>(1,367,563)</u>	<u>(98,216)</u>	<u>1,269,347</u>
<b>OTHER FINANCING USES</b>				
Transfers to other funds				
General	(300,000)	(300,000)	(300,000)	-
CityFleet Operating	-	(212,965)	-	212,965
	<u>(300,000)</u>	<u>(512,965)</u>	<u>(300,000)</u>	<u>212,965</u>
Net change in fund balance	(1,455,000)	(1,880,528)	(398,216)	1,482,312
Fund balance - beginning	<u>1,455,000</u>	<u>1,880,528</u>	<u>1,885,526</u>	<u>4,998</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,487,310	<u>\$ 1,487,310</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,333)	
Fund balance - GAAP basis			<u>\$ 1,485,977</u>	

**City of Portland, Oregon**  
**Arts Education and Access Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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				
Miscellaneous	\$ -	\$ 8,717,387	\$ 7,815,970	\$ (901,417)
Other:				
Investment earnings	-	2,000	4,939	2,939
	<u>-</u>	<u>8,719,387</u>	<u>7,820,909</u>	<u>(898,478)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Materials and services	-	862,500	561,502	300,998
General operating contingencies	-	7,856,887	-	7,856,887
	<u>-</u>	<u>8,719,387</u>	<u>561,502</u>	<u>8,157,885</u>
Total expenditures				
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>7,259,407</u>	<u>7,259,407</u>
Net change in fund balance	-	-	7,259,407	7,259,407
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	7,259,407	<u>\$ 7,259,407</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(6,083)</u>	
Fund balance - GAAP basis			<u>\$ 7,253,324</u>	



Portland Historic Area

# 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 37062 Exhibit B

## **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.

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**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, 2013**

	<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	\$ 26,612,408	\$ 29,397,883	\$ 29,702,127	\$ 304,244
Prior year property	615,000	615,000	708,283	93,283
Other:				
Investment earnings	113,744	113,744	104,835	(8,909)
Total revenues	<u>27,341,152</u>	<u>30,126,627</u>	<u>30,515,245</u>	<u>388,618</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	26,085,313	29,240,310	29,625,000	(384,690)
Interest	3,576,288	3,576,288	4,737,677	(1,161,389)
Debt issuance costs	-	-	416,352	(416,352)
Total expenditures	<u>29,661,601</u>	<u>32,816,598</u>	<u>34,779,029</u>	<u>(1,962,431)</u>
Revenues over (under) expenditures	<u>(2,320,449)</u>	<u>(2,689,971)</u>	<u>(4,263,784)</u>	<u>(1,573,813)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds and notes issued	2,151,867	2,151,867	73,665,000	71,513,133
Bonds and notes premium	-	-	5,405,107	5,405,107
Payments to refunded loan and bond escrow agent	-	-	(75,393,033)	(75,393,033)
Total other financing sources (uses)	<u>2,151,867</u>	<u>2,151,867</u>	<u>3,677,074</u>	<u>1,525,207</u>
Net change in fund balance	(168,582)	(538,104)	(586,710)	(48,606)
Fund balance - beginning	9,340,000	9,709,522	9,709,523	1
Fund balance - ending	<u>\$ 9,171,418</u>	<u>\$ 9,171,418</u>	9,122,813	<u>\$ (48,605)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(7,209)	
Fund balance - GAAP basis			<u>\$ 9,115,604</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, 2013**

	<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	\$ 10,046,553	\$ 10,046,553	\$ 10,135,565	\$ 89,012
Prior year property	215,000	215,000	247,122	32,122
Other:				
Investment earnings	30,000	30,000	23,002	(6,998)
Total revenues	<u>10,291,553</u>	<u>10,291,553</u>	<u>10,405,689</u>	<u>114,136</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	8,065,000	8,065,000	8,065,000	-
Interest	2,601,553	2,601,553	2,601,553	-
Total expenditures	<u>10,666,553</u>	<u>10,666,553</u>	<u>10,666,553</u>	<u>-</u>
Net change in fund balance	(375,000)	(375,000)	(260,864)	114,136
Fund balance - beginning	<u>375,000</u>	<u>375,000</u>	<u>799,328</u>	<u>424,328</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	538,464	<u>\$ 538,464</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(306)</u>	
Fund balance - GAAP basis			<u>\$ 538,158</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, 2013**

	<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	\$ 8,879,927	\$ 8,879,927	\$ 9,247,684	\$ 367,757
Prior year property	291,000	291,000	257,682	(33,318)
Other:				
Investment earnings	<u>62,952</u>	<u>62,952</u>	<u>53,000</u>	<u>(9,952)</u>
Total revenues	<u>9,233,879</u>	<u>9,233,879</u>	<u>9,558,366</u>	<u>324,487</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	5,570,000	5,570,000	5,570,000	-
Interest	<u>4,022,843</u>	<u>4,022,843</u>	<u>4,022,843</u>	<u>-</u>
Total expenditures	<u>9,592,843</u>	<u>9,592,843</u>	<u>9,592,843</u>	<u>-</u>
Net change in fund balance	(358,964)	(358,964)	(34,477)	324,487
Fund balance - beginning	<u>6,860,382</u>	<u>6,860,382</u>	<u>7,361,004</u>	<u>500,622</u>
Fund balance - ending	<u>\$ 6,501,418</u>	<u>\$ 6,501,418</u>	7,326,527	<u>\$ 825,109</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(5,987)</u>	
Fund balance - GAAP basis			<u>\$ 7,320,540</u>	

**City of Portland, Oregon**  
**Interstate Corridor Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 13,890,024	\$ 15,055,804	\$ 15,481,389	\$ 425,585
Prior year property	267,000	267,000	317,584	50,584
Other:				
Investment earnings	74,420	74,420	64,075	(10,345)
Total revenues	<u>14,231,444</u>	<u>15,397,224</u>	<u>15,863,048</u>	<u>465,824</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	12,104,406	13,536,810	14,170,000	(633,190)
Interest	4,071,192	4,071,192	3,432,429	638,763
Total expenditures	<u>16,175,598</u>	<u>17,608,002</u>	<u>17,602,429</u>	<u>5,573</u>
Net change in fund balance	(1,944,154)	(2,210,778)	(1,739,381)	471,397
Fund balance - beginning	<u>8,222,023</u>	<u>8,488,647</u>	<u>8,488,647</u>	<u>-</u>
Fund balance - ending	<u>\$ 6,277,869</u>	<u>\$ 6,277,869</u>	6,749,266	<u>\$ 471,397</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(5,439)</u>	
Fund balance - GAAP basis			<u>\$ 6,743,827</u>	

**City of Portland, Oregon**  
**Pension Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Investment earnings	\$ 15,000	\$ 15,000	\$ 11,259	\$ (3,741)
Miscellaneous	564,032	564,032	549,197	(14,835)
Total revenues	<u>579,032</u>	<u>579,032</u>	<u>560,456</u>	<u>(18,576)</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	1,986,687	1,986,687	1,986,688	(1)
Interest	1,353,399	1,353,399	1,244,161	109,238
Debt issuance costs	381,310	381,310	339,123	42,187
Total expenditures	<u>3,721,396</u>	<u>3,721,396</u>	<u>3,569,972</u>	<u>151,424</u>
Revenues over (under) expenditures	<u>(3,142,364)</u>	<u>(3,142,364)</u>	<u>(3,009,516)</u>	<u>132,848</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	1,274,042	1,274,042	1,274,042	-
Transportation Operating	622,882	622,882	622,882	-
Emergency Communication	32,225	32,225	32,225	-
Development Services	161,726	161,726	161,726	-
Local Improvement District	11,535	11,535	11,535	-
Parks Capital Improvement	15,613	15,613	15,613	-
Sewer System Operating	442,672	442,672	442,672	-
Water	459,762	459,762	459,762	-
Hydroelectric Power Operating	3,393	3,393	3,393	-
Golf	27,722	27,722	27,722	-
Portland International Raceway	5,338	5,338	5,338	-
Solid Waste Management	8,608	8,608	8,608	-
Environmental Remediation	197	197	197	-
Health Insurance Operating	5,117	5,117	5,117	-
Facilities Services Operating	27,557	27,557	27,557	-
CityFleet Operating	64,758	64,758	64,758	-
Printing and Distribution Services Operating	21,944	21,944	21,944	-
Insurance and Claims Operating	12,092	12,092	12,092	-
Workers' Compensation Self Insurance Operating	11,311	11,311	11,311	-
Technology Services	76,966	76,966	76,966	-
Fire and Police Disability and Retirement	6,904	6,904	6,382	(522)
Total transfers from other funds	<u>3,292,364</u>	<u>3,292,364</u>	<u>3,291,842</u>	<u>(522)</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, 2013**

	<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>				
Transfer to other fund:				
General	(166,540)	(166,540)	(163,540)	3,000
Total other financing sources (uses)	<u>3,125,824</u>	<u>3,125,824</u>	<u>3,128,302</u>	<u>2,478</u>
Net change in fund balance	(16,540)	(16,540)	118,786	135,326
Fund balance - beginning	<u>766,540</u>	<u>766,540</u>	<u>1,090,836</u>	<u>324,296</u>
Fund balance - ending	<u>\$ 750,000</u>	<u>\$ 750,000</u>	1,209,622	<u>\$ 459,622</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(1,010)</u>	
Fund balance - GAAP basis			<u>\$ 1,208,612</u>	

**City of Portland, Oregon**  
**South Park Block Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Taxes:				
Current year property	\$ 6,636,971	\$ 6,636,971	\$ 6,869,858	\$ 232,887
Prior year property	190,000	190,000	180,902	(9,098)
Other:				
Investment earnings	102,520	102,520	54,359	(48,161)
Total revenues	<u>6,929,491</u>	<u>6,929,491</u>	<u>7,105,119</u>	<u>175,628</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	3,695,000	3,695,000	3,695,000	-
Interest	3,358,185	3,358,185	3,358,185	-
Total expenditures	<u>7,053,185</u>	<u>7,053,185</u>	<u>7,053,185</u>	<u>-</u>
Net change in fund balance	(123,694)	(123,694)	51,934	175,628
Fund balance - beginning	<u>8,427,419</u>	<u>8,427,419</u>	<u>8,604,386</u>	<u>176,967</u>
Fund balance - ending	<u>\$ 8,303,725</u>	<u>\$ 8,303,725</u>	8,656,320	<u>\$ 352,595</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(7,140)</u>	
Fund balance - GAAP basis			<u>\$ 8,649,180</u>	

**City of Portland, Oregon**  
**Airport Way Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 5,261,255	\$ 5,261,255	\$ 5,445,267	\$ 184,012
Prior year property	133,000	133,000	133,995	995
Other:				
Investment earnings	38,835	38,835	17,833	(21,002)
	<u>5,433,090</u>	<u>5,433,090</u>	<u>5,597,095</u>	<u>164,005</u>
Total revenues				
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	3,815,000	3,815,000	3,815,000	-
Interest	1,769,500	1,769,500	1,769,500	-
	<u>5,584,500</u>	<u>5,584,500</u>	<u>5,584,500</u>	<u>-</u>
Total expenditures				
Net change in fund balance	(151,410)	(151,410)	12,595	164,005
Fund balance - beginning	1,666,715	1,666,715	1,473,550	(193,165)
Fund balance - ending	<u>\$ 1,515,305</u>	<u>\$ 1,515,305</u>	1,486,145	<u>\$ (29,160)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,163)	
Fund balance - GAAP basis			<u>\$ 1,484,982</u>	

**City of Portland, Oregon**  
**Gas Tax Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ -	\$ -	\$ 5,810	\$ 5,810
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	940,000	2,005,000	2,005,000	-
Interest	147,578	824,951	816,130	8,821
Total expenditures	<u>1,087,578</u>	<u>2,829,951</u>	<u>2,821,130</u>	<u>8,821</u>
Revenues over (under) expenditures	<u>(1,087,578)</u>	<u>(2,829,951)</u>	<u>(2,815,320)</u>	<u>14,631</u>
<b>OTHER FINANCING SOURCE</b>				
Transfer from other fund:				
Transportation Operating	1,087,578	2,829,951	2,814,861	(15,090)
Net change in fund balance	-	-	(459)	(459)
Fund balance - beginning	-	-	1,674,420	1,674,420
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,673,961	<u>\$ 1,673,961</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			<u>\$ 1,673,961</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, 2013**

	<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>				
Taxes:				
Current year property	\$ 9,462,588	\$ 9,882,161	\$ 9,984,372	\$ 102,211
Prior year property	210,000	210,000	230,463	20,463
Other:				
Investment earnings	36,629	36,629	31,424	(5,205)
	<u>9,709,217</u>	<u>10,128,790</u>	<u>10,246,259</u>	<u>117,469</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	7,750,432	8,461,858	8,495,000	(33,142)
Interest	1,958,785	1,958,785	1,838,885	119,900
	<u>9,709,217</u>	<u>10,420,643</u>	<u>10,333,885</u>	<u>86,758</u>
Net change in fund balance	-	(291,853)	(87,626)	204,227
Fund balance - beginning	3,032,592	3,324,445	3,324,444	(1)
Fund balance - ending	<u>\$ 3,032,592</u>	<u>\$ 3,032,592</u>	3,236,818	<u>\$ 204,226</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(2,568)	
Fund balance - GAAP basis			<u>\$ 3,234,250</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, 2013**

	<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>				
Taxes:				
Current year property	\$ 5,094,146	\$ 5,094,146	\$ 5,272,639	\$ 178,493
Prior year property	130,000	130,000	133,068	3,068
Other:				
Investment earnings	24,007	24,007	20,862	(3,145)
Total revenues	<u>5,248,153</u>	<u>5,248,153</u>	<u>5,426,569</u>	<u>178,416</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	3,669,738	3,832,162	3,955,000	(122,838)
Interest	1,578,415	1,588,415	1,460,565	127,850
Total expenditures	<u>5,248,153</u>	<u>5,420,577</u>	<u>5,415,565</u>	<u>5,012</u>
Revenues over (under) expenditures	<u>-</u>	<u>(172,424)</u>	<u>11,004</u>	<u>183,428</u>
<b>OTHER FINANCING SOURCE</b>				
Transfer from other fund:				
Special Finance and Resource	-	10,000	8,858	(1,142)
Net change in fund balance	-	(162,424)	19,862	182,286
Fund balance - beginning	<u>2,405,863</u>	<u>2,568,287</u>	<u>2,568,286</u>	<u>(1)</u>
Fund balance - ending	<u>\$ 2,405,863</u>	<u>\$ 2,405,863</u>	2,588,148	<u>\$ 182,285</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(2,088)</u>	
Fund balance - GAAP basis			<u>\$ 2,586,060</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, 2013**

	<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	\$ 5,104,787	\$ 4,056,020	\$ 5,262,498	\$ 1,206,478
Investment earnings	2,952,642	2,785,130	2,791,432	6,302
Total revenues	<u>8,057,429</u>	<u>6,841,150</u>	<u>8,053,930</u>	<u>1,212,780</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	4,890,000	5,115,000	5,240,000	(125,000)
Interest	2,409,992	2,409,992	2,400,099	9,893
Total expenditures	<u>7,299,992</u>	<u>7,524,992</u>	<u>7,640,099</u>	<u>(115,107)</u>
Net change in fund balance	757,437	(683,842)	413,831	1,097,673
Fund balance - beginning	<u>12,254,134</u>	<u>14,775,233</u>	<u>14,775,233</u>	<u>-</u>
Fund balance - ending	<u>\$ 13,011,571</u>	<u>\$ 14,091,391</u>	15,189,064	<u>\$ 1,097,673</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(12,154)</u>	
Fund balance - GAAP basis			<u>\$ 15,176,910</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, 2013**

	<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	\$ 9,482,977	\$ 9,482,977	\$ 9,787,682	\$ 304,705
Prior year property	250,000	250,000	260,877	10,877
Other:				
Investment earnings	30,417	30,417	29,829	(588)
Total revenues	<u>9,763,394</u>	<u>9,763,394</u>	<u>10,078,388</u>	<u>314,994</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	3,809,490	3,809,490	4,125,000	(315,510)
Interest	4,791,769	4,791,769	4,476,259	315,510
Total expenditures	<u>8,601,259</u>	<u>8,601,259</u>	<u>8,601,259</u>	<u>-</u>
Net change in fund balance	1,162,135	1,162,135	1,477,129	314,994
Fund balance - beginning	<u>1,880,544</u>	<u>1,880,544</u>	<u>2,437,800</u>	<u>557,256</u>
Fund balance - ending	<u>\$ 3,042,679</u>	<u>\$ 3,042,679</u>	3,914,929	<u>\$ 872,250</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(3,126)</u>	
Fund balance - GAAP basis			<u>\$ 3,911,803</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, 2013**

	<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>				
Taxes:				
Current year property	\$ 10,797,037	\$ 10,797,037	\$ 10,889,164	\$ 92,127
Prior year property	233,000	233,000	273,804	40,804
Other:				
Investment earnings	50,060	50,060	43,528	(6,532)
Total revenues	<u>11,080,097</u>	<u>11,080,097</u>	<u>11,206,496</u>	<u>126,399</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	7,992,826	8,421,594	8,619,885	(198,291)
Interest	3,087,271	3,090,771	2,805,217	285,554
Total expenditures	<u>11,080,097</u>	<u>11,512,365</u>	<u>11,425,102</u>	<u>87,263</u>
Revenues over (under) expenditures	<u>-</u>	<u>(432,268)</u>	<u>(218,606)</u>	<u>213,662</u>
<b>OTHER FINANCING SOURCE</b>				
Transfer from other fund:				
Special Finance and Resource	-	3,500	2,695	(805)
Net change in fund balance	-	(428,768)	(215,911)	212,857
Fund balance - beginning	<u>4,965,650</u>	<u>5,394,418</u>	<u>5,394,418</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,965,650</u>	<u>\$ 4,965,650</u>	5,178,507	<u>\$ 212,857</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(4,176)</u>	
Fund balance - GAAP basis			<u>\$ 5,174,331</u>	

**City of Portland, Oregon**  
**Special Projects Debt Service Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Intergovernmental:				
Local revenue sharing	\$ 5,974,720	\$ 5,974,720	\$ 5,974,720	\$ -
Other:				
Assessments	216,320	216,320	93,179	(123,141)
Investment earnings	-	-	123,791	123,791
	<u>6,191,040</u>	<u>6,191,040</u>	<u>6,191,690</u>	<u>650</u>
Total revenues				
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	1,632,914	1,632,914	1,632,914	-
Interest	4,554,126	4,554,126	4,554,126	-
Debt issuance costs	-	-	1,250	(1,250)
	<u>6,187,040</u>	<u>6,187,040</u>	<u>6,188,290</u>	<u>(1,250)</u>
Total expenditures				
Net change in fund balance	4,000	4,000	3,400	(600)
Fund balance - beginning	-	-	42,966	42,966
Fund balance - ending	<u>\$ 4,000</u>	<u>\$ 4,000</u>	46,366	<u>\$ 42,366</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(39)	
Fund balance - GAAP basis			<u>\$ 46,327</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, 2013**

	<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	\$ 2,989,298	\$ 2,989,298	\$ 3,416,224	\$ 426,926
Prior year property	66,000	66,000	73,493	7,493
Other:				
Investment earnings	6,302	6,302	7,192	890
Total revenues	<u>3,061,600</u>	<u>3,061,600</u>	<u>3,496,909</u>	<u>435,309</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	2,707,999	3,244,347	3,500,000	(255,653)
Interest	353,601	353,601	84,211	269,390
Total expenditures	<u>3,061,600</u>	<u>3,597,948</u>	<u>3,584,211</u>	<u>13,737</u>
Net change in fund balance	-	(536,348)	(87,302)	449,046
Fund balance - beginning	-	536,348	536,350	2
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	\$ 449,048	<u>\$ 449,048</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(329)	
Fund balance - GAAP basis			<u>\$ 448,719</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, 2013**

	<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	\$ 688,701	\$ 688,701	\$ 738,894	\$ 50,193
Prior year property	17,000	17,000	19,918	2,918
Other:				
Investment earnings	1,456	1,456	1,203	(253)
Total revenues	<u>707,157</u>	<u>707,157</u>	<u>760,015</u>	<u>52,858</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	700,000	728,882	715,000	13,882
Interest	7,157	7,157	10	7,147
Total expenditures	<u>707,157</u>	<u>736,039</u>	<u>715,010</u>	<u>21,029</u>
Net change in fund balance	-	(28,882)	45,005	73,887
Fund balance - beginning	-	28,882	28,882	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	73,887	<u>\$ 73,887</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(51)</u>	
Fund balance - GAAP basis			<u>\$ 73,836</u>	

**City of Portland, Oregon**  
**Governmental Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ -	\$ -	\$ 206	\$ 206
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	995,000	995,000	995,000	-
Interest	439,839	439,839	439,839	-
Total expenditures	<u>1,434,839</u>	<u>1,434,839</u>	<u>1,434,839</u>	<u>-</u>
Revenues over (under) expenditures	<u>(1,434,839)</u>	<u>(1,434,839)</u>	<u>(1,434,633)</u>	<u>206</u>
<b>OTHER FINANCING SOURCE</b>				
Transfer from other fund:				
General	<u>1,434,839</u>	<u>1,434,839</u>	<u>1,434,839</u>	<u>-</u>
Net change in fund balance	-	-	206	206
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>29,807</u>	<u>29,807</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>30,013</u>	<u>\$ 30,013</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 30,013</u>	

# Capital Projects Funds Budget and Actual

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## ***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.

## ***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 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 Improvement Program Fund***

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

## ***Public Safety GO Bond Construction Fund***

This fund accounts for revenues and expenditures associated with capital projects funded by the November 2, 2010 Public Safety General Obligation bond issue.

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**City of Portland, Oregon**  
**Special Finance and Resource Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ -	\$ -	\$ 520	\$ 520
<b>EXPENDITURES</b>				
Current:				
Materials and services	110,150,856	110,150,856	73,359,431	36,791,425
Debt service and related costs:				
Debt issuance costs	1,416,304	1,416,304	47,181	1,369,123
Total expenditures	111,567,160	111,567,160	73,406,612	38,160,548
Revenues over (under) expenditures	(111,567,160)	(111,567,160)	(73,406,092)	38,161,068
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds:				
Central Eastside Industrial District Debt Service	-	(10,000)	(8,858)	1,142
North Macadam Urban Renewal Area Debt Redemption	-	(3,500)	(2,695)	805
Total transfers to other funds	-	(13,500)	(11,553)	1,946
Bonds and notes issued	111,567,160	111,567,160	73,375,740	(38,191,420)
Total other financing sources (uses)	111,567,160	111,553,660	73,364,187	(38,189,473)
Net change in fund balance	-	(13,500)	(41,905)	(28,405)
Fund balance - beginning	-	13,500	129,837	116,337
Fund balance - ending	\$ -	\$ -	87,932	\$ 87,932
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(74)	
Fund balance - GAAP basis			\$ 87,858	

**City of Portland, Oregon**  
**BFRES Facilities GO Bond Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ -	\$ 600,000	\$ 5,000	\$ (595,000)
Investment earnings	5,634	5,634	8,802	3,168
Miscellaneous	-	-	348	348
	<u>5,634</u>	<u>605,634</u>	<u>14,150</u>	<u>(591,484)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	14,286	64,286	25,208	39,078
General operating contingencies	1,240,126	37	-	37
Overhead charges - General Fund	26,101	26,101	26,101	-
Capital outlay	-	2,101,719	1,102	2,100,617
	<u>1,280,513</u>	<u>2,192,143</u>	<u>52,411</u>	<u>2,139,732</u>
Net change in fund balance	<u>(1,274,879)</u>	<u>(1,586,509)</u>	<u>(38,261)</u>	<u>1,548,248</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds:				
Technology Services	1,124	1,124	1,124	-
Enterprise Business Solutions Services	44	81	81	-
	<u>1,168</u>	<u>1,205</u>	<u>1,205</u>	<u>-</u>
Net change in fund balance	<u>(1,273,711)</u>	<u>(1,585,304)</u>	<u>(37,056)</u>	<u>1,548,248</u>
Fund balance - beginning	<u>1,273,711</u>	<u>1,585,304</u>	<u>1,716,150</u>	<u>130,846</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,679,094</u>	<u>\$ 1,679,094</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			<u>-</u>	
Fund balance - GAAP basis			<u>\$ 1,679,094</u>	

**City of Portland, Oregon**  
**Local Improvement District Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Other service charges	\$ 779,100	\$ 779,100	\$ 947,606	\$ 168,506
Other:				
Assessments	3,098,801	464,000	457,775	(6,225)
Investment earnings	334,881	174,881	65,146	(109,735)
Total revenues	<u>4,212,782</u>	<u>1,417,981</u>	<u>1,470,527</u>	<u>52,546</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	1,403,046	1,424,435	1,314,934	109,501
General operating contingencies	3,800,397	3,740,446	-	3,740,446
Overhead charges - General Fund	46,307	46,307	46,307	-
Debt service and related costs:				
Principal	3,133,709	338,908	34,908	304,000
Interest	230,517	230,517	212,760	17,757
Debt issuance costs	35,000	35,000	-	35,000
Total expenditures	<u>8,648,976</u>	<u>5,815,613</u>	<u>1,608,909</u>	<u>4,206,704</u>
Revenues over (under) expenditures	<u>(4,436,194)</u>	<u>(4,397,632)</u>	<u>(138,382)</u>	<u>4,259,250</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from other fund:				
Enterprise Business Solutions Services	80	148	148	-
Transfers to other funds:				
Transportation Operating	(2,644,654)	(7,110,148)	(141,757)	6,968,391
Pension Debt Redemption	(11,535)	(11,535)	(11,535)	-
Sewer System Construction	(700,000)	(331,749)	(331,749)	-
Water Construction	-	(482,056)	(482,056)	-
Total transfers to other funds	<u>(3,356,189)</u>	<u>(7,935,488)</u>	<u>(967,097)</u>	<u>6,968,391</u>
Bonds and notes issued	16,981,654	8,130,953	965,208	(7,165,745)
Payments to refunded loan and bond escrow agent	(13,347,963)	-	-	-
Total other financing sources (uses)	<u>277,582</u>	<u>195,613</u>	<u>(1,741)</u>	<u>(197,354)</u>
Net change in fund balance	(4,158,612)	(4,202,019)	(140,123)	4,061,896
Fund balance - beginning	4,158,612	4,202,019	4,202,019	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	4,061,896	<u>\$ 4,061,896</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(3,293)	
Fund balance - GAAP basis			<u>\$ 4,058,603</u>	

**City of Portland, Oregon**  
**Parks Capital Improvement Program Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Intergovernmental:				
Local cost sharing	\$ 5,430,409	\$ 11,004,081	\$ 6,759,787	\$ (4,244,294)
Grant revenue	-	-	3,543	3,543
Service charges and fees:				
Public works and utility charges	4,104,583	8,469,802	12,945,317	4,475,515
Rents and reimbursements	-	32,850	23,388	(9,462)
Parking fees	-	-	61,243	61,243
Parks and recreation facilities fees	-	35,000	8,318	(26,682)
Other service charges	-	-	185,195	185,195
Billings to other funds for services	-	170,550	109,003	(61,547)
Other:				
Loan repayments	97,560	97,560	83,352	(14,208)
Assessments	-	400,000	751,280	351,280
Refunds	-	150,000	-	(150,000)
Donations	335,154	975,628	727,198	(248,430)
Investment earnings	69,955	185,281	180,839	(4,442)
	<u>10,037,661</u>	<u>21,520,752</u>	<u>21,838,463</u>	<u>317,711</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,012,350	1,556,042	1,311,274	244,768
Materials and services	2,315,559	5,593,604	2,766,145	2,827,459
General operating contingencies	1,024,518	17,365,064	-	17,365,064
Overhead charges - General Fund	144,406	144,406	144,406	-
Debt service and related costs:				
Principal	354,877	547,254	547,253	1
Interest	99,600	132,600	123,246	9,354
Debt issuance costs	15,000	15,000	-	15,000
Capital outlay	14,820,820	17,358,619	10,629,318	6,729,301
	<u>19,787,130</u>	<u>42,712,589</u>	<u>15,521,642</u>	<u>27,190,947</u>
Revenues over (under) expenditures	<u>(9,749,469)</u>	<u>(21,191,837)</u>	<u>6,316,821</u>	<u>27,508,658</u>

Continued next page

**City of Portland, Oregon**  
**Parks Capital Improvement Program Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2013**

	<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	1,226,090	1,217,342	1,217,342	-
Transportation Operating	-	-	36,944	36,944
Parks Local Option Levy	-	13,230	13,230	-
Portland Parks Memorial	-	43,000	43,000	-
Environmental Remediation	-	750,000	750,000	-
Facilities Services Operating	-	12	12	-
CityFleet Operating	-	8	8	-
Printing and Distribution Services Operating	74	109	109	-
Technology Services	482	686	686	-
Enterprise Business Solutions Services	337	621	621	-
Total transfers from other funds	<u>1,226,983</u>	<u>2,025,008</u>	<u>2,061,952</u>	<u>36,944</u>
Transfer to other fund:				
Pension Debt Redemption	(15,613)	(15,613)	(15,613)	-
Bonds and notes issued	-	1,759,201	1,759,201	-
Loans issued	1,515,000	-	-	-
Total other financing sources (uses)	<u>2,726,370</u>	<u>3,768,596</u>	<u>3,805,540</u>	<u>36,944</u>
Net change in fund balance	(7,023,099)	(17,423,241)	10,122,361	27,545,602
Fund balance - beginning	<u>7,023,099</u>	<u>17,423,241</u>	<u>17,489,977</u>	<u>66,736</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	27,612,338	<u>\$ 27,612,338</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(22,058)	
Loans receivable			1,178,498	
Fund balance - GAAP basis			<u>\$ 28,768,778</u>	

**City of Portland, Oregon**  
**Public Safety GO Bond Construction Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 59,500	\$ 59,500	\$ 126,303	\$ 66,803
<b>EXPENDITURES</b>				
Current:				
Personal services	307,035	307,035	251,381	55,654
Materials and services	5,088,243	1,589,122	1,123,473	465,649
General operating contingencies	8,637,662	16,618,142	-	16,618,142
Overhead charges - General Fund	26,306	26,306	26,306	-
Capital outlay	10,988,589	11,482,102	7,979,493	3,502,609
Total expenditures	<u>25,047,835</u>	<u>30,022,707</u>	<u>9,380,653</u>	<u>20,642,054</u>
Revenues over (under) expenditures	<u>(24,988,335)</u>	<u>(29,963,207)</u>	<u>(9,254,350)</u>	<u>20,708,857</u>
<b>OTHER FINANCIAL SOURCES</b>				
Transfers from other funds:				
Facilities Services Operating	-	825	825	-
Technology Services	2,408	2,647	2,647	-
Total other financing sources	<u>2,408</u>	<u>3,472</u>	<u>3,472</u>	<u>-</u>
Net change in fund balance	(24,985,927)	(29,959,735)	(9,250,878)	20,708,857
Fund balance - beginning	24,985,927	29,959,735	30,993,206	1,033,471
Fund balance - ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	21,742,328	\$ <u><u>21,742,328</u></u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(19,070)	
Fund balance - GAAP basis			<u>\$ 21,723,258</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.

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**City of Portland, Oregon**  
**Parks Endowment Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

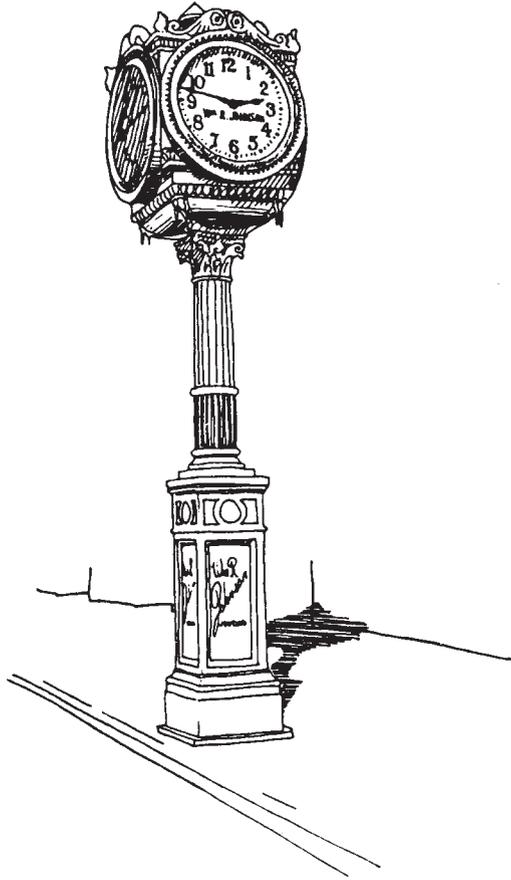
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other:				
Investment earnings	\$ 820	\$ 963	\$ 892	\$ (71)
<b>EXPENDITURES</b>				
Current:				
Personal services	1,000	-	-	-
Materials and services	17,710	19,653	1,100	18,553
General operating contingencies	-	406	-	406
	<u>18,710</u>	<u>20,059</u>	<u>1,100</u>	<u>18,959</u>
Total expenditures				
Net change in fund balance	(17,890)	(19,096)	(208)	18,888
Fund balance - beginning	<u>180,512</u>	<u>181,856</u>	<u>182,347</u>	<u>491</u>
Fund balance - ending	<u>\$ 162,622</u>	<u>\$ 162,760</u>	182,139	<u>\$ 19,379</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(152)</u>	
Fund balance - GAAP basis			<u>\$ 181,987</u>	



Rose Festival Blues Concert

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

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37062 Exhibit B

Johnson Street Clock, 1880

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# 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.

## ***Headwaters Apartment Complex Fund***

This fund accounts for expenses and revenues associated with the City-owned Headwaters Apartment Complex.

# 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:**

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### 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

### HEADWATERS APARTMENT COMPLEX FUND

**City of Portland, Oregon**  
**Sewer System Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 430,000	\$ 430,000	\$ 576,751	\$ 146,751
Other permits	725,000	725,000	828,953	103,953
Intergovernmental:				
State revenue sharing	-	-	190,552	190,552
State cost sharing	500,000	500,000	213,594	(286,406)
Local cost sharing	50,000	50,000	92,335	42,335
Grant revenue	-	287,500	261,610	(25,890)
Service charges and fees:				
Public works and utility charges	277,248,006	272,219,566	273,797,033	1,577,467
Inspection fees	120,000	120,000	207,837	87,837
Rents and reimbursements	60,000	60,000	71,799	11,799
Other service charges	120,000	295,753	601,909	306,156
Billings to other funds for services	1,564,097	3,199,747	3,390,534	190,787
Other:				
Sales - other	360,000	450,000	514,430	64,430
Refunds	-	-	200	200
Investment earnings	105,000	105,000	336,804	231,804
Fines	-	-	75	75
Miscellaneous	50,000	95,000	128,798	33,798
Total revenues	<u>281,332,103</u>	<u>278,537,566</u>	<u>281,213,214</u>	<u>2,675,648</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	57,356,309	57,863,809	57,398,210	465,599
Materials and services	87,699,471	104,786,357	103,771,073	1,015,284
General operating contingencies	53,072,696	57,809,158	-	57,809,158
Overhead charges - General Fund	7,506,588	7,506,588	7,506,588	-
Debt service and related costs:				
Principal	1,339,607	1,339,607	1,339,607	-
Interest	902,475	902,475	838,934	63,541
Debt issuance costs	100,000	100,000	71,178	28,822
Capital outlay	69,338,441	67,635,008	48,348,795	19,286,213
Total expenditures	<u>277,315,587</u>	<u>297,943,002</u>	<u>219,274,385</u>	<u>78,668,617</u>
Revenues over (under) expenditures	<u>4,016,516</u>	<u>(19,405,436)</u>	<u>61,938,829</u>	<u>81,344,265</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, 2013**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget - Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Transportation Operating	\$ 50,000	\$ 21,080	\$ 21,080	\$ -
Development Services	-	43,000	43,000	-
Sewer System Construction	103,000,000	117,000,000	88,998,005	(28,001,995)
Sewer System Rate Stabilization	7,000,000	12,000,000	7,550,000	(4,450,000)
Water	150,000	134,984	134,984	-
Environmental Remediation	-	891,000	890,937	(63)
Facilities Services Operating	-	7,626	7,626	-
CityFleet Operating	-	1,680	1,680	-
Printing and Distribution Services Operating	7,095	10,061	10,061	-
Insurance and Claims Operating	-	3,939	3,939	-
Workers' Compensation Self Insurance Operating	-	1,016	1,016	-
Technology Services	66,935	81,326	81,326	-
Enterprise Business Solution Services	6,148	11,418	11,418	-
	<u>110,280,178</u>	<u>130,207,130</u>	<u>97,755,072</u>	<u>(32,452,058)</u>
Transfers to other funds:				
Pension Debt Redemption	(442,672)	(442,672)	(442,672)	-
Sewer System Debt Redemption	(148,350,000)	(149,350,000)	(148,259,870)	1,090,130
Sewer System Construction	(12,500,000)	(12,500,000)	-	12,500,000
Sewer System Rate Stabilization	(5,000,000)	-	-	-
Health Insurance Operating	-	(140,000)	(140,000)	-
Technology Services	(4,022)	(4,022)	(4,022)	-
	<u>(166,296,694)</u>	<u>(162,436,694)</u>	<u>(148,846,564)</u>	<u>13,590,130</u>
Internal loan remittances	-	(365,000)	-	365,000
Sale of capital asset	-	-	324,698	324,698
	<u>(56,016,516)</u>	<u>(32,594,564)</u>	<u>(50,766,794)</u>	<u>(18,172,230)</u>
Net change in fund balance	(52,000,000)	(52,000,000)	11,172,035	63,172,035
Fund balance - beginning	52,200,000	52,200,000	42,132,215	(10,067,785)
Fund balance - ending	<u>\$ 200,000</u>	<u>\$ 200,000</u>	53,304,250	<u>\$ 53,104,250</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Debt Redemption Fund budgeted as separate fund			30,765,367	
Sewer System Construction Fund budgeted as separate fund			6,582,882	
Sewer System Rate Stabilization Fund budgeted as separate fund			4,864,460	
Unrealized gain (loss) on investments			(46,115)	
Allowance for uncollectible accounts			(4,443,582)	
Inventories			1,362,289	
Capital assets, net of accumulated depreciation and amortization			3,018,056,576	
Prepaid pension obligation			18,455,279	
Compensated absences			(3,981,266)	
Bonds payable			(1,593,222,889)	
Notes and loans payable			(97,796,100)	
Accrued interest payable			(21,128,238)	
Other postemployment benefits			(1,426,170)	
Pollution remediation			(85,000)	
Net position - GAAP basis			<u>\$ 1,411,261,743</u>	

**City of Portland, Oregon**  
**Sewer System Debt Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 150,000	\$ 150,000	\$ 148,633	\$ (1,367)
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	72,178,652	72,178,652	72,159,862	18,790
Interest	76,294,482	76,294,482	76,291,375	3,107
Total expenditures	<u>148,473,134</u>	<u>148,473,134</u>	<u>148,451,237</u>	<u>21,897</u>
Revenues over (under) expenditures	<u>(148,323,134)</u>	<u>(148,323,134)</u>	<u>(148,302,604)</u>	<u>20,530</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer from other fund:				
Sewer System Operating	148,350,000	149,350,000	148,259,870	(1,090,130)
Bonds and notes issued	17,000,000	-	-	-
Total other financing sources	<u>165,350,000</u>	<u>149,350,000</u>	<u>148,259,870</u>	<u>(1,090,130)</u>
Net change in fund balance	17,026,866	1,026,866	(42,734)	(1,069,600)
Fund balance - beginning	<u>30,850,000</u>	<u>30,850,000</u>	<u>30,808,101</u>	<u>(41,899)</u>
Fund balance - ending	<u>\$ 47,876,866</u>	<u>\$ 31,876,866</u>	30,765,367	<u>\$ (1,111,499)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Debt Redemption Fund budgeted as separate fund - to Sewer System Operating Fund			<u>(30,765,367)</u>	
Net position - 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, 2013**

	<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:				
Service charges and fees:				
Public works and utility charges	\$ 550,000	\$ 550,000	\$ 808,086	\$ 258,086
Other:				
Investment earnings	500,000	500,000	27,973	(472,027)
Refunds	-	-	610,062	610,062
Total revenues	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,446,121</u>	<u>396,121</u>
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	122,790,000	4,221,749	-	4,221,749
Debt service and related costs:				
Debt issuance costs	970,000	170,000	111,272	58,728
Total expenditures	<u>123,760,000</u>	<u>4,391,749</u>	<u>111,272</u>	<u>4,280,477</u>
Revenues over (under) expenditures	<u>(122,710,000)</u>	<u>(3,341,749)</u>	<u>1,334,849</u>	<u>4,676,598</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Local Improvement District	700,000	331,749	331,749	-
Sewer System Operating	12,500,000	12,500,000	-	(12,500,000)
Technology Services	10,000	10,000	10,000	-
Total transfers from other funds	<u>13,210,000</u>	<u>12,841,749</u>	<u>341,749</u>	<u>(12,500,000)</u>
Transfer to other fund:				
Sewer System Operating	(103,000,000)	(117,000,000)	(88,998,005)	28,001,995
Bonds and notes issued	200,000,000	95,000,000	78,617,308	(16,382,692)
Total other financing sources (uses)	<u>110,210,000</u>	<u>(9,158,251)</u>	<u>(10,038,948)</u>	<u>(880,697)</u>
Net change in fund balance	(12,500,000)	(12,500,000)	(8,704,099)	3,795,901
Fund balance - beginning	<u>12,500,000</u>	<u>12,500,000</u>	<u>15,286,981</u>	<u>2,786,981</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>6,582,882</u>	<u>\$ 6,582,882</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Construction Fund budgeted as separate fund - to Sewer System Operating Fund				
			<u>(6,582,882)</u>	
Net position - 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, 2013**

	<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	\$ 50,000	\$ 50,000	\$ 57,615	\$ 7,615
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	10,350,000	350,000	-	350,000
Revenues over (under) expenditures	(10,300,000)	(300,000)	57,615	357,615
<b>OTHER FINANCING SOURCE (USE)</b>				
Transfer from other fund:				
Sewer System Operating	5,000,000	-	-	-
Transfer to other fund:				
Sewer System Operating	(7,000,000)	(12,000,000)	(7,550,000)	4,450,000
Total other financing source (use)	(2,000,000)	(12,000,000)	(7,550,000)	4,450,000
Net change in fund balance	(12,300,000)	(12,300,000)	(7,492,385)	4,807,615
Fund balance - beginning	12,300,000	12,300,000	12,356,845	56,845
Fund balance - ending	\$ -	\$ -	4,864,460	\$ 4,864,460
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Rate Stabilization Fund budgeted as separate fund - to Sewer System Operating Fund			(4,864,460)	
Net position - GAAP basis			\$ -	

**City of Portland, Oregon**  
**Water Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ -	\$ -	\$ 36,160	\$ 36,160
Local cost sharing	476,000	476,000	333,571	(142,429)
Grant revenue	-	1,000,000	875,783	(124,217)
Service charges and fees:				
Public works and utility charges	134,097,583	134,097,583	135,357,339	1,259,756
Rents and reimbursements	550,000	550,000	237,696	(312,304)
Other service charges	2,000,000	2,000,000	3,204,855	1,204,855
Billings to other funds for services	3,308,083	4,160,583	3,776,243	(384,340)
Other:				
Sales - other	90,000	90,000	134,127	44,127
Refunds	75,000	75,000	162,655	87,655
Investment earnings	123,863	123,863	224,004	100,141
Miscellaneous	40,000	40,000	163,716	123,716
<b>Total revenues</b>	<b><u>140,760,529</u></b>	<b><u>142,613,029</u></b>	<b><u>144,506,149</u></b>	<b><u>1,893,120</u></b>
<b>EXPENDITURES</b>				
Current:				
Personal services	64,418,820	63,430,368	57,884,622	5,545,746
Materials and services	46,068,445	48,505,762	43,814,697	4,691,065
General operating contingencies	51,565,501	67,470,064	-	67,470,064
Overhead charges - General Fund	4,063,190	4,063,190	4,063,190	-
Debt service and related costs:				
Principal	1,391,327	1,820,858	1,820,858	-
Interest	937,318	941,604	875,610	65,994
Debt issuance costs	695,575	695,575	1,385,515	(689,940)
Capital outlay	111,692,606	101,649,274	95,575,543	6,073,731
<b>Total expenditures</b>	<b><u>280,832,782</u></b>	<b><u>288,576,695</u></b>	<b><u>205,420,035</u></b>	<b><u>83,156,660</u></b>
Revenues over (under) expenditures	<b><u>(140,072,253)</u></b>	<b><u>(145,963,666)</u></b>	<b><u>(60,913,886)</u></b>	<b><u>85,049,780</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	-	712,486	712,486	-
Water Construction	150,394,278	140,994,278	128,099,104	(12,895,174)
Facilities Services Operating	-	8,924	8,924	-
CityFleet Operating	-	6,389	6,389	-
Printing and Distribution Services Operating	13,649	21,777	21,777	-
Insurance and Claims Operating	-	2,698	2,698	-
Workers' Compensation Self Insurance Operating	-	2,343	2,343	-
Technology Services	89,729	109,328	109,328	-
Enterprise Business Solutions Services	4,469	8,233	8,233	-
<b>Total transfers from other funds</b>	<b><u>150,502,125</u></b>	<b><u>141,866,456</u></b>	<b><u>128,971,282</u></b>	<b><u>(12,895,174)</u></b>

Continued next page

**City of Portland, Oregon**  
**Water Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2013**

	<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:				
Portland Parks Memorial	-	(3,000)	(3,000)	-
Pension Debt Redemption	(459,762)	(459,762)	(459,762)	-
Sewer System Operating	(150,000)	(134,984)	(134,984)	-
Water Bond Sinking	(36,814,690)	(36,814,690)	(35,789,321)	1,025,369
Water Construction	(22,204,809)	(25,704,809)	(25,704,809)	-
Health Insurance Operating	-	(200,000)	(200,000)	-
CityFleet Operating	-	(7,659)	-	7,659
Technology Services	(4,022)	(4,022)	(4,022)	-
	<u>(59,633,283)</u>	<u>(63,328,926)</u>	<u>(62,295,898)</u>	<u>1,033,028</u>
Total transfers to other funds				
Loans issued	-	433,817	147,336	(286,481)
Internal loan remittances	-	(700,000)	-	700,000
Sale of capital asset	200,000	1,106,846	1,040,220	(66,626)
	<u>200,000</u>	<u>1,106,846</u>	<u>1,040,220</u>	<u>(66,626)</u>
Total other financing sources (uses)	<u>91,068,842</u>	<u>79,378,193</u>	<u>67,862,940</u>	<u>(11,515,253)</u>
Net change in fund balance	(49,003,411)	(66,585,473)	6,949,054	73,534,527
Fund balance - beginning	49,003,411	66,585,473	66,585,473	-
Fund balance - ending	\$ <u>-</u>	\$ <u>-</u>	73,534,527	\$ <u>73,534,527</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund			31,522,795	
Water Construction Fund budgeted as separate fund			148,082,129	
Unrealized gain (loss) on investments			(202,822)	
Allowance for uncollectible accounts			(3,238,837)	
Inventories			1,800,457	
Capital assets, net of accumulated depreciation and amortization			869,429,239	
Prepaid pension obligation			19,167,811	
Compensated absences			(4,190,075)	
Bonds payable			(661,806,540)	
Accrued interest payable			(13,265,363)	
Utility taxes payable			(1,260,115)	
Other postemployment benefits			(1,704,867)	
Pollution remediation			(152,500)	
Net position - GAAP basis			<u>\$ 457,715,839</u>	

**City of Portland, Oregon**  
**Water Bond Sinking Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 60,374	\$ 60,374	\$ 107,034	\$ 46,660
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	16,532,350	16,532,350	17,435,000	(902,650)
Interest	20,507,732	20,507,732	27,219,464	(6,711,732)
Total expenditures	<u>37,040,082</u>	<u>37,040,082</u>	<u>44,654,464</u>	<u>(7,614,382)</u>
Revenues over (under) expenditures	<u>(36,979,708)</u>	<u>(36,979,708)</u>	<u>(44,547,430)</u>	<u>(7,567,722)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Water	36,814,690	36,814,690	35,789,321	(1,025,369)
Water Construction	165,018	165,018	212,074	47,056
Total transfers from other funds	<u>36,979,708</u>	<u>36,979,708</u>	<u>36,001,395</u>	<u>(978,313)</u>
Bonds and notes issued	15,874,000	15,874,000	129,778,177	113,904,177
Payments to refunded loan and bond escrow agent	-	-	(105,675,000)	(105,675,000)
Total other financing sources (uses)	<u>52,853,708</u>	<u>52,853,708</u>	<u>60,104,572</u>	<u>7,250,864</u>
Net change in fund balance	15,874,000	15,874,000	15,557,142	(316,858)
Fund balance - beginning	<u>15,961,566</u>	<u>15,965,653</u>	<u>15,965,653</u>	<u>-</u>
Fund balance - ending	<u>\$ 31,835,566</u>	<u>\$ 31,839,653</u>	31,522,795	<u>\$ (316,858)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund - to Water Fund			<u>(31,522,795)</u>	
Net position - 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, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Public works and utility charges	\$ 1,250,000	\$ 1,250,000	\$ 2,544,975	\$ 1,294,975
Other:				
Investment earnings	182,518	182,518	412,993	230,475
	<u>1,432,518</u>	<u>1,432,518</u>	<u>2,957,968</u>	<u>1,525,450</u>
Total revenues				
	<u>1,432,518</u>	<u>1,432,518</u>	<u>2,957,968</u>	<u>1,525,450</u>
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	22,583,894	36,152,099	-	36,152,099
	<u>22,583,894</u>	<u>36,152,099</u>	<u>-</u>	<u>36,152,099</u>
Revenues over (under) expenditures	<u>(21,151,376)</u>	<u>(34,719,581)</u>	<u>2,957,968</u>	<u>37,677,549</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Local Improvement District	-	482,056	482,056	-
Water	22,204,809	25,704,809	25,704,809	-
	<u>22,204,809</u>	<u>26,186,865</u>	<u>26,186,865</u>	<u>-</u>
Total transfers from other funds				
	<u>22,204,809</u>	<u>26,186,865</u>	<u>26,186,865</u>	<u>-</u>
Transfers to other funds:				
Water	(150,394,278)	(140,994,278)	(128,099,104)	12,895,174
Water Bond Sinking	(165,018)	(165,018)	(212,074)	(47,056)
	<u>(150,559,296)</u>	<u>(141,159,296)</u>	<u>(128,311,178)</u>	<u>12,848,118</u>
Total transfers to other funds				
	<u>(150,559,296)</u>	<u>(141,159,296)</u>	<u>(128,311,178)</u>	<u>12,848,118</u>
Bonds and notes issued	198,211,000	198,211,000	200,366,823	2,155,823
Bonds and notes premium	-	-	37,517,171	37,517,171
	<u>198,211,000</u>	<u>198,211,000</u>	<u>237,883,994</u>	<u>40,672,994</u>
Total other financing sources (uses)				
	<u>69,856,513</u>	<u>83,238,569</u>	<u>135,759,681</u>	<u>52,521,112</u>
Net change in fund balance	48,705,137	48,518,988	138,717,649	90,198,661
Fund balance - beginning	9,178,331	9,364,480	9,364,480	-
Fund balance - ending	\$ <u>57,883,468</u>	\$ <u>57,883,468</u>	148,082,129	\$ <u>90,198,661</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Construction Fund budgeted as separate fund - to Water Fund			(148,082,129)	
Net position - 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, 2013**

	<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	\$ 68,500	\$ 68,500	\$ 48,966	\$ (19,534)
Other:				
Sales - other	913,700	913,700	952,790	39,090
Investment earnings	7,400	7,400	9,502	2,102
Total revenues	<u>989,600</u>	<u>989,600</u>	<u>1,011,258</u>	<u>21,658</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	279,255	279,255	253,383	25,872
Materials and services	424,073	599,073	335,726	263,347
General operating contingencies	218,880	44,234	-	44,234
Overhead charges - General Fund	31,325	31,325	31,325	-
Debt service and related costs:				
Principal	10,268	10,268	10,268	-
Interest	6,917	6,917	6,430	487
Total expenditures	<u>970,718</u>	<u>971,072</u>	<u>637,132</u>	<u>333,940</u>
Revenues over (under) expenditures	<u>18,882</u>	<u>18,528</u>	<u>374,126</u>	<u>355,598</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Hydroelectric Power Renewal and Replacement	125,000	125,000	28,984	(96,016)
CityFleet Operating	-	12	12	-
Printing and Distribution Services Operating	18	18	18	-
Insurance and Claims Operating	-	249	249	-
Workers' Compensation Self Insurance Operating	-	8	8	-
Technology Services Operating	241	282	282	-
Enterprise Business Solutions Services	52	96	96	-
Total transfers from other funds:	<u>125,311</u>	<u>125,665</u>	<u>29,649</u>	<u>(96,016)</u>
Transfers to other funds:				
General	(500,000)	(500,000)	(500,000)	-
Pension Debt Redemption	(3,393)	(3,393)	(3,393)	-
Total transfers to other funds	<u>(503,393)</u>	<u>(503,393)</u>	<u>(503,393)</u>	<u>-</u>
Total other financing sources (uses)	<u>(378,082)</u>	<u>(377,728)</u>	<u>(473,744)</u>	<u>(96,016)</u>
Net change in fund balance	(359,200)	(359,200)	(99,618)	259,582
Fund balance - beginning	359,200	359,200	381,906	22,706
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	282,288	<u>\$ 282,288</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Bond Redemption Fund budgeted as separate fund			4,492,001	
Hydroelectric Renewal and Replacement Fund budgeted as separate fund			10,075,960	
Unrealized gain (loss) on investments			(52)	
Capital assets, net of accumulated depreciation and amortization			23,310,006	
Prepaid pension obligation			141,462	
Compensated absences			(38,031)	
Bonds payable			(9,119,076)	
Accrued interest payable			(187,252)	
Other postemployment benefits			(5,669)	
Net position - GAAP basis			<u>\$ 28,951,637</u>	

**City of Portland, Oregon**  
**Hydroelectric Power Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Sales - other	\$ 2,733,512	\$ 2,733,512	\$ 2,733,111	\$ (401)
Investment earnings	2,825	2,825	-	(2,825)
Total revenues	<u>2,736,337</u>	<u>2,736,337</u>	<u>2,733,111</u>	<u>(3,226)</u>
<b>EXPENDITURES</b>				
Debt service and related costs:				
Principal	2,145,000	2,145,000	2,145,000	-
Interest	551,058	551,058	551,058	-
Total expenditures	<u>2,696,058</u>	<u>2,696,058</u>	<u>2,696,058</u>	<u>-</u>
Net change in fund balance	40,279	40,279	37,053	(3,226)
Fund balance - beginning	<u>4,432,710</u>	<u>4,432,710</u>	<u>4,454,948</u>	<u>22,238</u>
Fund balance - ending	<u>\$ 4,472,989</u>	<u>\$ 4,472,989</u>	4,492,001	<u>\$ 19,012</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Bond Redemption Fund budgeted as separate fund - to Hydroelectric Power Operating Fund			<u>(4,492,001)</u>	
Net position - 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, 2013**

	<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	\$ 326,100	\$ 326,100	\$ 325,243	\$ (857)
Investment earnings	21,240	21,240	34,914	13,674
	<u>347,340</u>	<u>347,340</u>	<u>360,157</u>	<u>12,817</u>
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	9,908,840	9,908,840	-	9,908,840
Revenues over (under) expenditures	(9,561,500)	(9,561,500)	360,157	9,921,657
<b>OTHER FINANCING USE</b>				
Transfer to other fund:				
Hydroelectric Power Operating	(125,000)	(125,000)	(28,984)	96,016
Net change in fund balance	(9,686,500)	(9,686,500)	331,173	10,017,673
Fund balance - beginning	9,686,500	9,686,500	9,744,787	58,287
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	10,075,960	<u>\$ 10,075,960</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>(10,075,960)</u>	
Net position - GAAP basis			<u>\$ -</u>	

**City of Portland, Oregon**  
**Golf Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Rents and reimbursements	\$ 478,523	\$ 478,523	\$ 436,649	\$ (41,874)
Concessions	1,123,860	1,123,860	1,305,987	182,127
Parks and recreation facilities fees	5,915,629	5,933,348	6,025,365	92,017
Other service charges	414,677	414,677	492,991	78,314
Other:				
Sales - other	3,366	3,366	2,632	(734)
Investment earnings	3,702	3,702	6,676	2,974
Miscellaneous	3,654	3,654	2,600	(1,054)
	<u>7,943,411</u>	<u>7,961,130</u>	<u>8,272,900</u>	<u>311,770</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	3,225,202	3,385,202	3,362,329	22,873
Materials and services	3,868,808	4,018,627	3,917,022	101,605
General operating contingencies	1,021,584	977,822	-	977,822
Overhead charges - General Fund	231,096	231,096	231,096	-
Debt service and related costs:				
Principal	83,893	83,893	83,893	-
Interest	56,518	56,518	52,539	3,979
Capital outlay	198,500	75,000	-	75,000
	<u>8,685,601</u>	<u>8,828,158</u>	<u>7,646,879</u>	<u>1,181,279</u>
Revenues over (under) expenditures	<u>(742,190)</u>	<u>(867,028)</u>	<u>626,021</u>	<u>1,493,049</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	27	27	-
CityFleet Operating	-	524	524	-
Insurance and Claims Operating	-	126	126	-
Workers' Compensation Self Insurance	-	91	91	-
Technology Services	642	744	744	-
Enterprise Business Solutions Services	209	384	384	-
	<u>851</u>	<u>1,896</u>	<u>1,896</u>	<u>-</u>
Transfers to other funds:				
Portland Parks Memorial	(53,600)	(53,600)	(53,600)	-
Pension Debt Redemption	(27,722)	(27,722)	(27,722)	-
Health Insurance Operating	-	(20,000)	(20,000)	-
	<u>(81,322)</u>	<u>(101,322)</u>	<u>(101,322)</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,471)</u>	<u>(99,426)</u>	<u>(99,426)</u>	<u>-</u>
Net change in fund balance	(822,661)	(966,454)	526,595	1,493,049
Fund balance - beginning	822,661	966,454	966,454	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	1,493,049	<u>\$ 1,493,049</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Golf Revenue Bond Redemption Fund budgeted as separate fund			3,057	
Unrealized gain (loss) on investments			(1,289)	
Capital assets, net of accumulated depreciation and amortization			11,910,503	
Prepaid pension obligation			1,155,775	
Compensated absences			(228,570)	
Bonds payable			(1,749,149)	
Accrued interest payable			(525,337)	
Other postemployment benefits			(125,302)	
Net position - GAAP basis			<u>\$ 11,932,737</u>	

**City of Portland, Oregon**  
**Golf Revenue Bond Redemption Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ -	\$ -	\$ 15	\$ 15
Net change in fund balance	-	-	15	15
Fund balance - beginning	-	-	3,042	3,042
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	3,057	<u>\$ 3,057</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Golf Revenue Bond Redemption Fund budgeted as separate fund - to Golf Fund			<u>(3,057)</u>	
Net position - 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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service charges and fees:				
Rents and reimbursements	\$ 1,284,168	\$ 1,284,168	\$ 1,027,407	\$ (256,761)
Concessions	125,214	135,214	140,988	5,774
Parks and recreation facilities fees	335,606	335,606	514,506	178,900
Other service charges	66,678	66,678	17,865	(48,813)
Other:				
Investment earnings	1,482	3,482	3,597	115
Miscellaneous	4,411	4,411	4,200	(211)
Total revenues	<u>1,817,559</u>	<u>1,829,559</u>	<u>1,708,563</u>	<u>(120,996)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	761,887	785,887	776,411	9,476
Materials and services	665,456	752,782	650,390	102,392
General operating contingencies	716,303	606,213	-	606,213
Overhead charges - General Fund	41,933	41,933	41,933	-
Debt service and related costs:				
Principal	221,150	221,150	221,150	-
Interest	82,104	82,104	81,338	766
Total expenditures	<u>2,488,833</u>	<u>2,490,069</u>	<u>1,771,222</u>	<u>718,847</u>
Revenues over (under) expenditures	<u>(671,274)</u>	<u>(660,510)</u>	<u>(62,659)</u>	<u>597,851</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
CityFleet Operating	-	31	31	-
Printing and Distribution Services Operating	12	12	12	-
Insurance and Claims Operating	-	60	60	-
Workers' Compensation Self Insurance	-	24	24	-
Technology Services	401	483	483	-
Enterprise Business Solutions Services	44	83	83	-
Total transfers from other funds	<u>457</u>	<u>693</u>	<u>693</u>	<u>-</u>
Transfer to other fund:				
Pension Debt Redemption	(5,338)	(5,338)	(5,338)	-
Total other financing sources (uses)	<u>(4,881)</u>	<u>(4,645)</u>	<u>(4,645)</u>	<u>-</u>
Net change in fund balance	(676,155)	(665,155)	(67,304)	597,851
Fund balance - beginning	676,155	665,155	665,155	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	597,851	<u>\$ 597,851</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(518)	
Capital assets, net of accumulated depreciation and amortization			2,368,346	
Prepaid pension obligation			222,489	
Compensated absences			(75,301)	
Bonds payable			(1,291,721)	
Accrued interest payable			(106,016)	
Other postemployment benefits			(32,731)	
Net position - GAAP basis			<u>\$ 1,682,399</u>	

**City of Portland, Oregon**  
**Solid Waste Management Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 2,536,221	\$ 2,536,221	\$ 2,714,993	\$ 178,772
Other permits	17,500	17,500	-	(17,500)
Intergovernmental:				
Local revenue sharing	26,000	26,000	29,190	3,190
Service charges and fees:				
Public works and utility charges	1,975,099	1,975,099	2,101,376	126,277
Other service charges	-	-	850	850
Billings to other funds for services	10,000	13,500	8,500	(5,000)
Other:				
Assessments	-	-	1,250	1,250
Donations	-	-	24,000	24,000
Investment earnings	7,080	7,080	9,574	2,494
Fines	2,500	2,500	3,400	900
Miscellaneous	35,000	35,000	39,260	4,260
Total revenues	<u>4,609,400</u>	<u>4,612,900</u>	<u>4,932,393</u>	<u>319,493</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	2,122,078	2,122,078	2,104,158	17,920
Materials and services	2,511,777	3,191,176	2,854,659	336,517
General operating contingencies	1,290,773	1,290,773	-	1,290,773
Overhead charges - General Fund	147,175	147,175	147,175	-
Debt service and related costs:				
Principal	26,051	26,051	26,051	-
Interest	17,550	17,550	16,315	1,235
Total expenditures	<u>6,115,404</u>	<u>6,794,803</u>	<u>5,148,358</u>	<u>1,646,445</u>
Revenues over (under) expenditures	<u>(1,506,004)</u>	<u>(2,181,903)</u>	<u>(215,965)</u>	<u>1,965,938</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Printing and Distribution Services Operating	2,794	4,268	4,268	-
Technology Services Operating	80	80	80	-
Total transfers from other funds	<u>2,874</u>	<u>4,348</u>	<u>4,348</u>	<u>-</u>
Transfer to other fund:				
Pension Debt Redemption	(8,608)	(8,608)	(8,608)	-
Total other financing sources (uses)	<u>(5,734)</u>	<u>(4,260)</u>	<u>(4,260)</u>	<u>-</u>
Net change in fund balance	(1,511,738)	(2,186,163)	(220,225)	1,965,938
Fund balance - beginning	1,646,642	2,322,541	2,849,555	527,014
Fund balance - ending	<u>\$ 134,904</u>	<u>\$ 136,378</u>	2,629,330	<u>\$ 2,492,952</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,419)	
Capital assets, net of accumulated depreciation and amortization			266,156	
Prepaid pension obligation			358,899	
Compensated absences			(155,848)	
Bonds payable			(543,161)	
Accrued interest payable			(163,133)	
Other postemployment benefits			(56,734)	
Net position - GAAP basis			<u>\$ 2,334,090</u>	

**City of Portland, Oregon**  
**Parking Facilities Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Intergovernmental:				
State cost sharing	\$ -	\$ -	\$ 3,000	\$ 3,000
Service charges and fees:				
Public works and utility charges	-	-	3,000	3,000
Rents and reimbursements	721,000	721,000	729,665	8,665
Parking fees	12,700,000	11,192,275	10,493,564	(698,711)
Billings to other funds for services	756,328	777,118	754,290	(22,828)
Other:				
Sales - other	-	-	54,351	54,351
Investment earnings	61,891	61,891	18,316	(43,575)
Miscellaneous	3,000	390,305	137,025	(253,280)
Total revenues	<u>14,242,219</u>	<u>13,142,589</u>	<u>12,193,211</u>	<u>(949,378)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	149,241	149,241	144,049	5,192
Materials and services	6,003,983	6,580,662	4,829,921	1,750,741
General operating contingencies	5,997,974	523,380	-	523,380
Overhead charges - General Fund	174,223	174,223	174,223	-
Debt service and related costs:				
Principal	1,240,000	1,240,000	1,240,000	-
Interest	635,125	635,125	635,125	-
Total expenditures	<u>14,200,546</u>	<u>9,302,631</u>	<u>7,023,318</u>	<u>2,279,313</u>
Revenues over (under) expenditures	<u>41,673</u>	<u>3,839,958</u>	<u>5,169,893</u>	<u>1,329,935</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	11,624	11,624	-
Printing and Distribution Services Operating	6	9	9	-
Insurance and Claims Operating	-	320	320	-
Technology Services	2,488	3,147	3,147	-
Enterprise Business Solutions Services	345	634	634	-
Total transfers from other funds	<u>2,839</u>	<u>15,734</u>	<u>15,734</u>	<u>-</u>
Transfers to other funds:				
General	(263,356)	(263,356)	(263,356)	-
Transportation Operating	(5,970,244)	(4,849,824)	(4,827,269)	22,555
Total transfers to other funds	<u>(6,233,600)</u>	<u>(5,113,180)</u>	<u>(5,090,625)</u>	<u>22,555</u>
Internal loan proceeds	-	3,100,000	3,100,000	-
Internal loan remittances	-	(5,445,000)	(5,445,000)	-
Sale of capital assets	-	-	6,000	6,000
Total other financing sources (uses)	<u>(6,230,761)</u>	<u>(7,442,446)</u>	<u>(7,413,891)</u>	<u>28,555</u>
Net change in fund balance	(6,189,088)	(3,602,488)	(2,243,998)	1,358,490
Fund balance - beginning	6,189,088	3,602,488	3,602,488	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,358,490</u>	<u>\$ 1,358,490</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Allowance for uncollectible accounts			(10,000)	
Unrealized gain (loss) on investments			(6,118)	
Internal loans receivable			5,445,000	
Capital assets, net of accumulated depreciation and amortization			25,755,902	
Bonds payable			(16,958,800)	
Accrued interest payable			(151,031)	
Other postemployment benefits			(695)	
Net position - GAAP basis			<u>\$ 15,432,748</u>	

**City of Portland, Oregon**  
**Spectator Facilities Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental:				
Local cost sharing	\$ 1,741,356	\$ 36,741,356	\$ 4,209,501	\$ (32,531,855)
Service charges and fees:				
Rents and reimbursements	5,057,137	5,057,137	5,270,981	213,844
Parking fees	1,300,000	1,300,000	1,336,425	36,425
Other:				
Sales - other	28,321	28,321	29,953	1,632
Investment earnings	50,000	50,000	38,156	(11,844)
Total revenues	8,176,814	43,176,814	10,885,016	(32,291,798)
<b>EXPENDITURES</b>				
Current:				
Personal services	152,130	202,130	144,042	58,088
Materials and services	2,398,064	2,448,064	1,476,866	971,198
General operating contingencies	3,977,960	4,788,960	-	4,788,960
Overhead charges - General Fund	222,521	222,521	222,521	-
Debt service and related costs:				
Principal	4,300,000	4,300,000	4,300,000	-
Interest	2,770,843	2,770,843	2,770,843	-
Debt issuance costs	150,000	150,000	214	149,786
Capital outlay	35,100,000	35,100,000	2,699,157	32,400,843
Total expenditures	49,071,518	49,982,518	11,613,643	38,368,875
Revenues over (under) expenditures	(40,894,704)	(6,805,704)	(728,627)	6,077,077
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	347	347	-
Insurance and Claims Operating	-	101	101	-
Technology Services	-	21	21	-
Enterprise Business Solutions Services	76	140	140	-
Total transfers from other funds	76	609	609	-
Transfers to other funds:				
General	(15,372)	(15,372)	(15,372)	-
Transportation Operating	(90,000)	(90,000)	(90,000)	-
Total transfers to other funds	(105,372)	(105,372)	(105,372)	-
Bonds and notes issued	35,000,000	-	-	-
Total other financing sources (uses)	34,894,704	(104,763)	(104,763)	-
Net change in fund balance	(6,000,000)	(6,910,467)	(833,390)	6,077,077
Fund balance - beginning	6,000,000	6,910,467	6,910,467	-
Fund balance - ending	\$ -	\$ -	6,077,077	\$ 6,077,077
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(5,263)	
Capital assets, net of accumulated depreciation and amortization			98,955,035	
Bonds payable			(45,765,970)	
Accrued interest payable			(207,461)	
Net position - GAAP basis			\$ 59,053,418	

**City of Portland, Oregon**  
**Environmental Remediation Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Service charges and fees:				
Public works and utility charges	\$ 3,804,622	\$ 3,804,622	\$ 3,169,753	\$ (634,869)
Rents and reimbursements	500,000	500,000	479,090	(20,910)
Billings to other funds for services	388,500	388,500	410,006	21,506
Other:				
Investment earnings	32,500	34,000	26,894	(7,106)
Miscellaneous	-	-	1,758	1,758
	<u>4,725,622</u>	<u>4,727,122</u>	<u>4,087,501</u>	<u>(639,621)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	434,250	434,250	344,242	90,008
Materials and services	3,576,070	3,756,070	2,735,671	1,020,399
General operating contingencies	4,638,016	3,114,030	-	3,114,030
Overhead charges - General Fund	183,771	183,771	183,771	-
Debt service and related costs:				
Principal	601	601	601	-
Interest	405	405	376	29
	<u>8,833,113</u>	<u>7,489,127</u>	<u>3,264,661</u>	<u>4,224,466</u>
Revenues over (under) expenditures	<u>(4,107,491)</u>	<u>(2,762,005)</u>	<u>822,840</u>	<u>3,584,845</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	497	497	-
Technology Services	80	97	97	-
Enterprise Business Solutions Services	108	108	108	-
	<u>188</u>	<u>702</u>	<u>702</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	(197)	(197)	(197)	-
Parks Capital Improvement Program	-	(750,000)	(750,000)	-
Sewer System Operating	-	(891,000)	(890,937)	63
	<u>(197)</u>	<u>(1,641,197)</u>	<u>(1,641,134)</u>	<u>63</u>
Internal loan proceeds	-	295,000	295,000	-
	<u>(9)</u>	<u>(1,345,495)</u>	<u>(1,345,432)</u>	<u>63</u>
Net change in fund balance	(4,107,500)	(4,107,500)	(522,592)	3,584,908
Fund balance - beginning	4,107,500	4,107,500	4,040,948	(66,552)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	3,518,356	<u>\$ 3,518,356</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(3,513)	
Capital assets, net of accumulated depreciation and amortization			3,738,778	
Prepaid pension obligation			8,280	
Compensated absences			(43,164)	
Bonds payable			(12,541)	
Accrued interest payable			(3,767)	
Other postemployment benefits			(13,483)	
Pollution remediation			(360,000)	
			<u>6,828,946</u>	
Net position - GAAP basis			<u>\$ 6,828,946</u>	

**City of Portland, Oregon**  
**Headwaters Apartment Complex Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Local cost sharing	\$ 860,000	\$ 950,000	\$ 970,625	\$ 20,625
Other:				
Investment earnings	-	2,800	2,812	12
	<u>860,000</u>	<u>952,800</u>	<u>973,437</u>	<u>20,637</u>
<b>EXPENDITURES</b>				
Current:				
Materials and services	62,914	84,500	349	84,151
General operating contingencies	-	36,515	-	36,515
Debt service and related costs:				
Principal	-	275,000	275,000	-
Interest	797,086	556,785	552,930	3,855
	<u>860,000</u>	<u>952,800</u>	<u>828,279</u>	<u>124,521</u>
Net change in fund balance	-	-	145,158	145,158
Fund balance - beginning	-	-	578,090	578,090
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	723,248	<u>\$ 723,248</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(543)	
Capital assets, net of accumulated depreciation and amortization			10,876,056	
Bonds payable			(10,556,695)	
Accrued interest payable			(127,823)	
Other liabilities			<u>(385,546)</u>	
Net position - GAAP basis			<u>\$ 528,697</u>	

# Internal Service Funds Budget and Actual

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## **Health Insurance Operating Fund**

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

<sup>37062 Exhibit B</sup>  
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.

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**City of Portland, Oregon**  
**Health Insurance Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 44,071,924	\$ 52,471,164	\$ 50,876,978	\$ (1,594,186)
Billings to other funds for services	-	238,673	275,753	37,080
Other:				
Investment earnings	563,230	75,000	66,243	(8,757)
Miscellaneous	3,532,836	782,836	687,234	(95,602)
Total revenues	<u>48,167,990</u>	<u>53,567,673</u>	<u>51,906,208</u>	<u>(1,661,465)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,098,007	1,208,007	1,110,221	97,786
Materials and services	47,951,311	55,411,798	53,108,849	2,302,949
General operating contingencies	17,182,899	10,824,396	-	10,824,396
Overhead charges - General Fund	95,521	95,521	95,521	-
Debt service and related costs:				
Principal	15,485	15,485	15,485	-
Interest	10,432	10,432	9,698	734
Total expenditures	<u>66,353,655</u>	<u>67,565,639</u>	<u>54,339,774</u>	<u>13,225,865</u>
Revenues over (under) expenditures	<u>(18,185,665)</u>	<u>(13,997,966)</u>	<u>(2,433,566)</u>	<u>11,564,400</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	-	771,000	771,000	-
Transportation Operating	-	120,000	120,000	-
Emergency Communication	-	40,000	40,000	-
Development Services	-	80,000	80,000	-
Housing Investment	-	9,000	9,000	-
Sewer System Operating	-	140,000	140,000	-
Water	-	200,000	200,000	-
Golf	-	20,000	20,000	-
Facilities Services Operating	-	20,219	20,219	-
Printing and Distribution Services Operating	406	20,546	20,546	-
Insurance and Claims Operating	-	33	33	-
Workers' Compensation Self Insurance Operating	-	30	30	-
Technology Services	321	60,378	60,378	-
Enterprise Business Solutions Services	675	1,240	1,240	-
Total transfers from other funds	<u>1,402</u>	<u>1,482,446</u>	<u>1,482,446</u>	<u>-</u>
Transfers to other funds:				
General	(500,000)	(500,000)	(301,820)	198,180
Pension Debt Redemption	(5,117)	(5,117)	(5,117)	-
Total transfers to other funds	<u>(505,117)</u>	<u>(505,117)</u>	<u>(306,937)</u>	<u>198,180</u>
Total other financing sources (uses)	<u>(503,715)</u>	<u>977,329</u>	<u>1,175,509</u>	<u>198,180</u>
Net change in fund balance	(18,689,380)	(13,020,637)	(1,258,057)	11,762,580
Fund balance - beginning	18,689,380	13,020,637	13,020,637	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	11,762,580	<u>\$ 11,762,580</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(11,478)	
Prepaid pension obligation			213,327	
Self insurance claims			(4,299,294)	
Compensated absences			(68,319)	
Bonds payable			(322,855)	
Accrued interest payable			(96,967)	
Other postemployment benefits			(24,673)	
Net position - GAAP basis			<u>\$ 7,152,321</u>	

**City of Portland, Oregon**  
**Facilities Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Federal cost sharing	\$ 569,088	\$ 569,088	\$ 14,798	\$ (554,290)
State cost sharing	-	-	1,180	1,180
Multnomah County cost sharing	530,032	530,032	2,399	(527,633)
Local cost sharing	60,000	60,000	70,588	10,588
Service charges and fees:				
Rents and reimbursements	1,135,573	1,135,573	1,625,016	489,443
Other service charges	-	-	10,614	10,614
Billings to other funds for services	24,894,322	25,374,508	23,136,666	(2,237,842)
Other:				
Sales - other	-	-	696,913	696,913
Donations	-	-	100	100
Investment earnings	-	-	207,503	207,503
Miscellaneous	-	-	39,621	39,621
<b>Total revenues</b>	<u>27,189,015</u>	<u>27,669,201</u>	<u>25,805,398</u>	<u>(1,863,803)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	3,497,883	3,489,093	3,215,079	274,014
Materials and services	25,104,322	40,066,504	20,369,370	19,697,134
General operating contingencies	19,516,794	11,938,454	-	11,938,454
Overhead charges - General Fund	664,581	664,581	664,581	-
Debt service and related costs:				
Principal	5,893,045	5,893,045	5,892,045	-
Interest	1,851,161	1,851,161	1,847,205	3,956
Debt issuance costs	-	-	344	(344)
Capital outlay	6,957,571	7,734,695	1,435,479	6,299,216
<b>Total expenditures</b>	<u>63,485,357</u>	<u>71,637,533</u>	<u>33,424,103</u>	<u>38,212,430</u>
Revenues over (under) expenditures	<u>(36,296,342)</u>	<u>(43,968,332)</u>	<u>(7,618,705)</u>	<u>36,348,627</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
General	4,310,963	4,554,182	4,554,179	(3)
CityFleet Operating	-	203	203	-
Printing and Distribution Services Operating	314	472	472	-
Insurance and Claims Operating	-	595	595	-
Workers' Compensation Self Insurance Operating	-	106	106	-
Technology Services	19,503	27,562	27,562	-
Enterprise Business Solutions Services	871	1,604	1,604	-
<b>Total transfers from other funds</b>	<u>4,331,651</u>	<u>4,584,724</u>	<u>4,584,721</u>	<u>(3)</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, 2013**

	<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	-	(51,690)	(51,690)	-
Transportation Operating	-	(7,311)	(7,311)	-
Emergency Communication	-	(2,285)	(2,285)	-
Development Services	-	(9,830)	(9,830)	-
Pension Debt Redemption	(27,557)	(27,557)	(27,557)	-
Parks Capital Improvement Program	-	(12)	(12)	-
Public Safety GO Bond Construction	-	(825)	(825)	-
Sewer System Operating	-	(7,626)	(7,626)	-
Water	-	(8,924)	(8,924)	-
Golf	-	(27)	(27)	-
Parking Facilities	-	(11,624)	(11,624)	-
Spectator Facilities Operating	-	(347)	(347)	-
Environmental Remediation	-	(497)	(497)	-
Health Insurance Operating	-	(20,219)	(20,219)	-
CityFleet Operating	-	(3,069)	(3,069)	-
Printing and Distribution Services Operating	-	(1,111)	(1,111)	-
Insurance and Claims Operating	-	(277)	(277)	-
Workers' Compensation Self Insurance Operating	-	(287)	(287)	-
Technology Services	-	(6,827)	(6,827)	-
Enterprise Business Solutions Services	-	(819)	(819)	-
Fire and Police Disability and Retirement	-	(10)	(10)	-
Cable	-	(10)	(10)	-
Total transfers to other funds	<u>(27,557)</u>	<u>(161,184)</u>	<u>(161,184)</u>	<u>-</u>
Internal loan proceeds	-	51,317	48,504	(2,813)
Internal loan remittances	-	(2,409,000)	(570,013)	1,838,987
Total other financing sources (uses)	<u>4,304,094</u>	<u>2,065,857</u>	<u>3,902,028</u>	<u>1,836,171</u>
Net change in fund balance	(31,992,248)	(41,902,475)	(3,716,677)	38,184,798
Fund balance - beginning	31,992,248	41,902,475	40,433,064	(1,469,411)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	36,716,387	<u>\$ 36,716,387</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(33,182)	
Allowance for uncollectible accounts			(9,114)	
Internal loans receivable			521,509	
Capital assets, net of accumulated depreciation and amortization			119,152,039	
Prepaid pension obligation			1,148,892	
Compensated absences			(206,875)	
Bonds payable			(47,075,228)	
Accrued interest payable			(724,788)	
Other postemployment benefits			(93,583)	
Net position - GAAP basis			<u>\$ 109,396,057</u>	

**City of Portland, Oregon**  
**CityFleet Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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:				
Federal cost sharing	\$ 110,000	\$ 110,000	\$ 93,417	\$ (16,583)
State cost sharing	5,000	19,000	29,375	10,375
Multnomah County cost sharing	-	250,000	293,187	43,187
Local cost sharing	25,000	176,000	364,758	188,758
Billings to other funds for services	28,538,078	28,686,189	25,602,311	(3,083,878)
Other:				
Investment earnings	125,000	125,000	98,523	(26,477)
Loan repayment	-	-	53,700	53,700
Miscellaneous	-	-	117,462	117,462
	<u>28,803,078</u>	<u>29,366,189</u>	<u>26,652,733</u>	<u>(2,713,456)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	6,803,610	6,932,866	6,630,165	302,701
Materials and services	13,214,008	14,215,484	12,423,680	1,791,804
General operating contingencies	16,600,631	14,356,793	-	14,356,793
Overhead charges - General Fund	471,816	471,816	471,816	-
Debt service and related costs:				
Principal	195,971	195,971	195,971	-
Interest	132,023	132,023	122,728	9,295
Capital outlay	8,182,858	11,884,463	7,486,146	4,398,317
	<u>45,600,917</u>	<u>48,189,416</u>	<u>27,330,506</u>	<u>20,858,910</u>
Revenues over (under) expenditures	<u>(16,797,839)</u>	<u>(18,823,227)</u>	<u>(677,773)</u>	<u>18,145,454</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Police Special Revenue	-	212,965	-	212,965
Water	-	7,659	-	7,659
Facilities Services Operating	-	3,069	3,069	-
Printing and Distribution Services Operating	191	281	281	-
Insurance and Claims Operating	-	276	276	-
Workers' Compensation Self Insurance Operating	-	237	237	-
Technology Services	3,531	4,280	4,280	-
Enterprise Business Solutions Services	590	1,089	1,089	-
	<u>4,312</u>	<u>229,856</u>	<u>9,232</u>	<u>220,624</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, 2013**

	<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	-	(25,510)	(25,510)	-
Transportation Operating	-	(23,340)	(23,340)	-
Emergency Communication	-	(3)	(3)	-
Development Services	-	(1,183)	(1,183)	-
Pension Debt Redemption	(64,758)	(64,758)	(64,758)	-
Parks Capital Improvement Program	-	(8)	(8)	-
Sewer System Operating	-	(1,680)	(1,680)	-
Water	-	(6,389)	(6,389)	-
Hydroelectric Power Operating	-	(12)	(12)	-
Golf	-	(524)	(524)	-
Portland International Raceway	-	(31)	(31)	-
Facilities Services Operating	-	(203)	(203)	-
Printing and Distribution Services Operating	-	(115)	(115)	-
Technology Services	-	(296)	(296)	-
Total transfers to other funds	<u>(64,758)</u>	<u>(124,052)</u>	<u>(124,052)</u>	<u>-</u>
Internal loan proceeds	-	51,317	48,504	(2,813)
Internal loan remittances	-	(1,250,000)	(570,013)	679,987
Sale of capital asset	550,000	550,000	2,072,688	1,522,688
Total other financing sources (uses)	<u>489,554</u>	<u>(542,879)</u>	<u>1,436,359</u>	<u>2,420,486</u>
Net change in fund balance	(16,308,285)	(19,366,106)	758,586	20,565,940
Fund balance - beginning	16,308,285	19,366,106	19,364,576	(1,530)
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	20,123,162	<u>\$ 20,123,162</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(18,366)	
Notes and loans receivable, net			429,600	
Internal loans receivable			521,509	
Inventories			1,314,095	
Capital assets, net of accumulated depreciation and amortization			40,872,123	
Prepaid pension obligation			2,699,825	
Compensated absences			(377,198)	
Bonds payable			(4,085,927)	
Accrued interest payable			(1,227,162)	
Other postemployment benefits			(211,601)	
Net position - GAAP basis			<u>\$ 60,040,060</u>	

**City of Portland, Oregon**  
**Printing and Distribution Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 266,205	\$ 266,205	\$ 155,262	\$ (110,943)
Multnomah County cost sharing	507,931	507,931	364,193	(143,738)
Local cost sharing	506,503	506,503	201,677	(304,826)
Service charges and fees:				
Other service charges	141,053	141,053	112,488	(28,565)
Billings to other funds for services	5,380,060	6,024,636	4,860,022	(1,164,614)
Other:				
Sales - other	67,451	67,451	69,358	1,907
Investment earnings	10,500	10,500	3,730	(6,770)
Miscellaneous	-	-	1,288	1,288
	<u>6,879,703</u>	<u>7,524,279</u>	<u>5,768,018</u>	<u>(1,756,261)</u>
<b>Total revenues</b>				
<b>EXPENDITURES</b>				
Current:				
Personal services	1,902,600	1,982,042	1,906,009	76,033
Materials and services	4,081,234	4,849,298	3,921,277	928,021
General operating contingencies	1,414,063	1,104,089	-	1,104,089
Overhead charges - General Fund	142,789	142,789	142,789	-
Debt service and related costs:				
Principal	66,411	66,411	66,411	-
Interest	44,740	44,740	41,590	3,150
Capital outlay	446,250	301,250	41,375	259,875
	<u>8,098,087</u>	<u>8,490,619</u>	<u>6,119,451</u>	<u>2,371,168</u>
<b>Total expenditures</b>				
Revenues over (under) expenditures	<u>(1,218,384)</u>	<u>(966,340)</u>	<u>(351,433)</u>	<u>614,907</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	1,111	1,111	-
CityFleet Operating	-	115	115	-
Insurance and Claims Operating	-	83	83	-
Workers' Compensation Self Insurance Operating	-	58	58	-
Technology Services	1,605	2,136	2,136	-
Enterprise Business Solutions Services	261	484	484	-
	<u>1,866</u>	<u>3,987</u>	<u>3,987</u>	<u>-</u>
<b>Total transfers from other funds</b>				

Continued next page

**City of Portland, Oregon**  
**Printing and Distribution Services Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2013**

	<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	(25,983)	(37,392)	(37,392)	-
Transportation Operating	(6,129)	(9,430)	(9,430)	-
Emergency Communication	(228)	(398)	(398)	-
Development Services	(2,449)	(3,610)	(3,610)	-
Children's Investment	(886)	(933)	(933)	-
Portland Parks Memorial	(6)	(6)	(6)	-
Pension Debt Redemption	(21,944)	(21,944)	(21,944)	-
Parks Capital Improvement Program	(74)	(109)	(109)	-
Sewer System Operating	(7,095)	(10,061)	(10,061)	-
Water	(13,649)	(21,777)	(21,777)	-
Hydroelectric Power Operating	(18)	(18)	(18)	-
Portland International Raceway	(12)	(12)	(12)	-
Solid Waste Management	(2,794)	(4,268)	(4,268)	-
Parking Facilities	(6)	(9)	(9)	-
Health Insurance Operating	(406)	(20,546)	(20,546)	-
Facilities Services Operating	(314)	(472)	(472)	-
CityFleet Operating	(191)	(281)	(281)	-
Insurance and Claims Operating	(92)	(144)	(144)	-
Workers' Compensation Self Insurance Operating	(148)	(229)	(229)	-
Technology Services	(332)	(492)	(492)	-
Enterprise Business Solutions Services	(117)	(157)	(157)	-
Fire and Police Disability and Retirement	(535)	(798)	(798)	-
Cable	(74)	(119)	(119)	-
Total transfers to other funds	<u>(83,482)</u>	<u>(133,205)</u>	<u>(133,205)</u>	<u>-</u>
Total other financing sources (uses)	<u>(81,616)</u>	<u>(129,218)</u>	<u>(129,218)</u>	<u>-</u>
Net change in fund balance	(1,300,000)	(1,095,558)	(480,651)	614,907
Fund balance - beginning	<u>1,300,000</u>	<u>1,095,558</u>	<u>1,116,703</u>	<u>21,145</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	636,052	<u>\$ 636,052</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(604)	
Capital assets, net of accumulated depreciation and amortization			514,103	
Prepaid pension obligation			914,912	
Compensated absences			(126,129)	
Bonds payable			(1,384,638)	
Accrued interest payable			(415,860)	
Other postemployment benefits			(69,020)	
Net position - GAAP basis			<u>\$ 68,816</u>	

**City of Portland, Oregon**  
**Insurance and Claims Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	\$ 9,626,452	\$ 9,591,935	\$ 9,591,977	\$ 42
Other:				
Investment earnings	162,000	162,000	134,315	(27,685)
Miscellaneous	140,000	140,000	131,244	(8,756)
	<u>9,928,452</u>	<u>9,893,935</u>	<u>9,857,536</u>	<u>(36,399)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,179,246	1,201,507	1,073,329	128,178
Materials and services	8,019,767	8,538,082	6,877,672	1,660,410
General operating contingencies	28,022,848	28,812,449	-	28,812,449
Overhead charges - General Fund	163,344	163,344	163,344	-
Debt service and related costs:				
Principal	36,594	36,594	36,594	-
Interest	24,653	24,653	22,917	1,736
	<u>37,446,452</u>	<u>38,776,629</u>	<u>8,173,856</u>	<u>30,602,773</u>
Revenues over (under) expenditures	<u>(27,518,000)</u>	<u>(28,882,694)</u>	<u>1,683,680</u>	<u>30,566,374</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	277	277	-
Printing and Distribution Services Operating	92	144	144	-
Workers' Compensation Self Insurance Operating	-	37	37	-
Technology Services	883	1,073	1,073	-
Enterprise Business Solutions Services	237	437	437	-
	<u>1,212</u>	<u>1,968</u>	<u>1,968</u>	<u>-</u>

Continued next page

**City of Portland, Oregon**  
**Insurance and Claims Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2013**

	<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	-	(55,092)	(55,092)	-
Transportation Operating	-	(3,548)	(3,548)	-
Emergency Communication	-	(460)	(460)	-
Development Services	-	(656)	(656)	-
Children's Investment	-	(17)	(17)	-
Pension Debt Redemption	(12,092)	(12,092)	(12,092)	-
Sewer System Operating	-	(3,939)	(3,939)	-
Water	-	(2,698)	(2,698)	-
Hydroelectric Power Operating	-	(249)	(249)	-
Golf	-	(126)	(126)	-
Portland International Raceway	-	(60)	(60)	-
Parking Facilities	-	(320)	(320)	-
Spectator Facilities Operating	-	(101)	(101)	-
Health Insurance Operating	-	(33)	(33)	-
Facilities Services Operating	-	(595)	(595)	-
CityFleet Operating	-	(276)	(276)	-
Printing and Distribution Services Operating	-	(83)	(83)	-
Workers' Compensation Self Insurance Operating	-	(35)	(35)	-
Technology Services	-	(924)	(924)	-
Enterprise Business Solutions Services	-	(65)	(65)	-
Fire and Police Disability and Retirement	-	(57)	(57)	-
Cable	-	(21)	(21)	-
	<u>(12,092)</u>	<u>(81,447)</u>	<u>(81,447)</u>	<u>-</u>
	<u>(10,880)</u>	<u>(79,479)</u>	<u>(79,479)</u>	<u>-</u>
Net change in fund balance	(27,528,880)	(28,962,173)	1,604,201	30,566,374
Fund balance - beginning	<u>27,528,880</u>	<u>28,962,173</u>	<u>26,139,475</u>	<u>(2,822,698)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	27,743,676	<u>\$ 27,743,676</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(23,976)	
Capital assets, net of accumulated depreciation and amortization			53,695	
Prepaid pension obligation			504,150	
Self insurance claims			(11,852,428)	
Compensated absences			(118,747)	
Bonds payable			(762,977)	
Accrued interest payable			(229,151)	
Other postemployment benefits			(32,880)	
Net position - GAAP basis			<u>\$ 15,281,362</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, 2013**

	<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	\$ 3,344,135	\$ 3,299,921	\$ 3,299,629	\$ (292)
Other:				
Investment earnings	123,500	123,500	87,705	(35,795)
Miscellaneous	200,000	200,000	44,621	(155,379)
	<u>3,667,635</u>	<u>3,623,421</u>	<u>3,431,955</u>	<u>(191,466)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Personal services	1,040,006	1,112,246	1,010,681	101,565
Materials and services	3,105,232	4,782,321	3,866,008	916,313
General operating contingencies	17,440,556	15,998,274	-	15,998,274
Overhead charges - General Fund	66,940	66,940	66,940	-
Debt service and related costs:				
Principal	34,229	34,229	34,229	-
Interest	23,060	23,060	21,436	1,624
	<u>21,710,023</u>	<u>22,017,070</u>	<u>4,999,294</u>	<u>17,017,776</u>
Total expenditures				
Revenues over (under) expenditures	<u>(18,042,388)</u>	<u>(18,393,649)</u>	<u>(1,567,339)</u>	<u>16,826,310</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	287	287	-
Printing and Distribution Services Operating	148	229	229	-
Insurance and Claims Operating	-	35	35	-
Technology Services	3,451	4,251	4,251	-
Enterprise Business Solutions Services	100	185	185	-
	<u>3,699</u>	<u>4,987</u>	<u>4,987</u>	<u>-</u>
Total transfers from other funds				

Continued next page

**City of Portland, Oregon**  
**Workers' Compensation Self Insurance Operating Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2013**

	<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	-	(6,077)	(6,077)	-
Transportation Operating	-	(3,554)	(3,554)	-
Emergency Communication	-	(335)	(335)	-
Development Services	-	(452)	(452)	-
Children's Investment	-	(15)	(15)	-
Pension Debt Redemption	(11,311)	(11,311)	(11,311)	-
Sewer System Operating	-	(1,016)	(1,016)	-
Water	-	(2,343)	(2,343)	-
Hydroelectric Power Operating	-	(8)	(8)	-
Golf	-	(91)	(91)	-
Portland International Raceway	-	(24)	(24)	-
Health Insurance Operating	-	(30)	(30)	-
Facilities Services Operating	-	(106)	(106)	-
CityFleet Operating	-	(237)	(237)	-
Printing and Distribution Services Operating	-	(58)	(58)	-
Insurance and Claims Operating	-	(37)	(37)	-
Technology Services	-	(516)	(516)	-
Enterprise Business Solutions Services	-	(57)	(57)	-
Fire and Police Disability and Retirement	-	(50)	(50)	-
Cable	-	(18)	(18)	-
Total transfers to other funds	<u>(11,311)</u>	<u>(26,335)</u>	<u>(26,335)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,612)</u>	<u>(21,348)</u>	<u>(21,348)</u>	<u>-</u>
Net change in fund balance	(18,050,000)	(18,414,997)	(1,588,687)	16,826,310
Fund balance - beginning	<u>18,050,000</u>	<u>18,414,997</u>	<u>18,323,629</u>	<u>(91,368)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	16,734,942	<u>\$ 16,734,942</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(14,693)	
Capital assets, net of accumulated depreciation and amortization			36,032	
Prepaid pension obligation			471,564	
Self insurance claims			(8,179,867)	
Compensated absences			(37,583)	
Bonds payable			(713,672)	
Accrued interest payable			(214,343)	
Other postemployment benefits			(24,932)	
Net position - GAAP basis			<u>\$ 8,057,448</u>	

**City of Portland, Oregon**  
**Technology Services Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Intergovernmental:				
Federal cost sharing	\$ 480,271	\$ 480,271	\$ 490,653	\$ 10,382
State cost sharing	418,515	418,515	353,307	(65,208)
Multnomah County cost sharing	1,750,950	1,750,950	1,583,126	(167,824)
Local cost sharing	2,999,106	2,999,106	2,502,741	(496,365)
Service charges and fees:				
Other service charges	172,630	172,630	122,611	(50,019)
Rents and reimbursements	-	-	18,000	18,000
Billings to other funds for services	42,178,920	43,076,802	40,797,334	(2,279,468)
Other:				
Sales - other	362,738	362,738	375,390	12,652
Refunds	-	-	328	328
Investment earnings	100,000	100,000	149,516	49,516
Miscellaneous	30,000	30,000	23,858	(6,142)
<b>Total revenues</b>	<b>48,493,130</b>	<b>49,391,012</b>	<b>46,416,864</b>	<b>(2,974,148)</b>
<b>EXPENDITURES</b>				
Current:				
Personal services	24,806,732	25,654,850	24,511,137	1,143,713
Materials and services	19,428,537	23,606,729	19,552,421	4,054,308
General operating contingencies	22,256,357	24,574,989	-	24,574,989
Overhead charges - General Fund	1,208,202	1,208,202	1,208,202	-
Debt service and related costs:				
Principal	1,104,241	1,104,241	1,104,266	(25)
Interest	186,178	186,178	175,106	11,072
Capital outlay	4,128,111	3,980,937	1,066,913	2,914,024
<b>Total expenditures</b>	<b>73,118,358</b>	<b>80,316,126</b>	<b>47,618,045</b>	<b>32,698,081</b>
Revenues over (under) expenditures	(24,625,228)	(30,925,114)	(1,201,181)	29,723,933
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Emergency Communication	39,514	39,514	39,514	-
Development Services	29,160	29,160	29,160	-
Sewer System Operating	4,022	4,022	4,022	-
Water	4,022	4,022	4,022	-
Facilities Services Operating	-	6,827	6,827	-
CityFleet Operating	-	296	296	-
Printing and Distribution Services Operating	332	492	492	-
Insurance and Claims Operating	-	924	924	-
Workers' Compensation Self Insurance Operating	-	516	516	-
Enterprise Business Solutions Services	1,187,833	1,189,330	1,189,330	-
<b>Total transfers from other funds</b>	<b>1,264,883</b>	<b>1,275,103</b>	<b>1,275,103</b>	<b>-</b>

Continued next page

**City of Portland, Oregon**  
**Technology Services Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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	(3,018,950)	(1,096,574)	(1,096,574)	-
Transportation Operating	(90,531)	(109,335)	(109,335)	-
Emergency Communication	(56,662)	(70,014)	(70,014)	-
Development Services	(39,728)	(48,368)	(48,368)	-
Children's Investment	(401)	(491)	(491)	-
Pension Debt Redemption	(76,966)	(76,966)	(76,966)	-
BFRES Facilities GO Bond Construction	(1,124)	(1,124)	(1,124)	-
Parks Capital Improvement Program	(482)	(686)	(686)	-
Public Safety GO Bond Construction	(2,408)	(2,647)	(2,647)	-
Sewer System Operating	(66,935)	(81,326)	(81,326)	-
Sewer System Construction	(10,000)	(10,000)	(10,000)	-
Water	(89,729)	(109,328)	(109,328)	-
Hydroelectric Power Operating	(241)	(282)	(282)	-
Golf	(642)	(744)	(744)	-
Portland International Raceway	(401)	(483)	(483)	-
Solid Waste Management	(80)	(80)	(80)	-
Parking Facilities	(2,488)	(3,147)	(3,147)	-
Spectator Facilities Operating	-	(21)	(21)	-
Environmental Remediation	(80)	(97)	(97)	-
Health Insurance Operating	(321)	(60,378)	(60,378)	-
Facilities Services Operating	(19,503)	(27,562)	(27,562)	-
CityFleet Operating	(3,531)	(4,280)	(4,280)	-
Printing and Distribution Services Operating	(1,605)	(2,136)	(2,136)	-
Insurance and Claims Operating	(883)	(1,073)	(1,073)	-
Workers' Compensation Self Insurance Operating	(3,451)	(4,251)	(4,251)	-
Enterprise Business Solutions Services	(73,276)	(89,963)	(89,963)	-
Fire and Police Disability and Retirement	(1,525)	(1,924)	(1,924)	-
Cable	(241)	(4,391)	(4,391)	-
	<u>(3,562,184)</u>	<u>(1,807,671)</u>	<u>(1,807,671)</u>	<u>-</u>
Total transfers to other funds				
Internal loan proceeds	-	41,052	38,803	(2,249)
Internal loan remittances	-	(1,000,000)	(456,011)	543,989
	<u>(2,297,301)</u>	<u>(1,491,516)</u>	<u>(949,776)</u>	<u>541,740</u>
Total other financing sources (uses)				
Net change in fund balance	(26,922,529)	(32,416,630)	(2,150,957)	30,265,673
Fund balance - beginning	26,922,529	32,416,630	32,416,630	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	30,265,673	<u>\$ 30,265,673</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(25,812)	
Internal loans receivable			417,208	
Inventories			742,893	
Capital assets, net of accumulated depreciation and amortization			21,751,227	
Prepaid pension obligation			3,208,788	
Compensated absences			(1,729,643)	
Bonds payable			(4,856,208)	
Accrued interest payable			(1,458,507)	
Other postemployment benefits			(584,102)	
Net position - GAAP basis			<u>\$ 47,731,517</u>	

**City of Portland, Oregon**  
**Enterprise Business Solutions Services Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<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>				
Billings to other funds for services	\$ 12,342,345	\$ 12,342,345	\$ 12,337,764	\$ (4,581)
Other:				
Investment earnings	40,000	40,000	24,377	(15,623)
Total revenues	<u>12,382,345</u>	<u>12,382,345</u>	<u>12,362,141</u>	<u>(20,204)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	2,289,015	2,374,693	2,337,514	37,179
Materials and services	5,836,422	6,690,627	6,378,168	312,459
General operating contingencies	2,459,430	1,523,127	-	1,523,127
Overhead charges - General Fund	290,935	290,935	290,935	-
Debt service and related costs:				
Principal	3,645,000	3,645,000	3,645,000	-
Interest	747,988	747,988	747,988	-
Capital outlay	-	124,080	124,080	-
Total expenditures	<u>15,268,790</u>	<u>15,396,450</u>	<u>13,523,685</u>	<u>1,872,765</u>
Revenues over (under) expenditures	<u>(2,886,445)</u>	<u>(3,014,105)</u>	<u>(1,161,544)</u>	<u>1,852,561</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	819	819	-
Printing and Distribution Services Operating	117	157	157	-
Insurance and Claims Operating	-	65	65	-
Workers' Compensation Self Insurance Operating	-	57	57	-
Technology Services	73,276	89,963	89,963	-
Total transfers from other funds	<u>73,393</u>	<u>91,061</u>	<u>91,061</u>	<u>-</u>

Continued next page

**City of Portland, Oregon**  
**Enterprise Business Solutions Services Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual, Continued**  
**For the Year Ended June 30, 2013**

	<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>				
Transfer to other fund:				
General	(16,030)	(57,481)	(57,481)	-
Transportation Operating	(5,562)	(10,248)	(10,248)	-
Assessment Collection	(4)	(8)	(8)	-
Emergency Communication	(546)	(1,007)	(1,007)	-
Development Services	(1,357)	(2,499)	(2,499)	-
Convention and Tourism	(28)	(53)	(53)	-
Parks Local Option Levy	(24)	(44)	(44)	-
BFRES Facilities GO Bond Construction	(44)	(81)	(81)	-
Local Improvement District	(80)	(148)	(148)	-
Parks Capital Improvement Program	(337)	(621)	(621)	-
Sewer System Operating	(6,148)	(11,418)	(11,418)	-
Water	(4,469)	(8,233)	(8,233)	-
Hydroelectric Power Operating	(52)	(96)	(96)	-
Golf	(209)	(384)	(384)	-
Portland International Raceway	(44)	(83)	(83)	-
Parking Facilities	(345)	(634)	(634)	-
Spectator Facilities Operating	(76)	(140)	(140)	-
Environmental Remediation	(108)	(108)	(108)	-
Health Insurance Operating	(675)	(1,240)	(1,240)	-
Facilities Services Operating	(871)	(1,604)	(1,604)	-
CityFleet Operating	(590)	(1,089)	(1,089)	-
Printing and Distribution Services Operating	(261)	(484)	(484)	-
Insurance and Claims Operating	(237)	(437)	(437)	-
Workers' Compensation Self Insurance Operating	(100)	(185)	(185)	-
Technology Services	(1,187,833)	(1,189,330)	(1,189,330)	-
Fire and Police Disability and Retirement	(92)	(170)	(170)	-
Cable	(88)	(161)	(161)	-
	<u>(1,226,210)</u>	<u>(1,287,986)</u>	<u>(1,287,986)</u>	<u>-</u>
Total transfers to other funds				
	<u>(1,152,817)</u>	<u>(1,196,925)</u>	<u>(1,196,925)</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	(4,039,262)	(4,211,030)	(2,358,469)	1,852,561
Fund balance - beginning	4,039,262	4,211,030	4,204,484	(6,546)
Fund balance - ending	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	1,846,015	\$ <u><u>1,846,015</u></u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,874)	
Capital assets, net of accumulated depreciation and amortization			8,288,171	
Compensated absences			(130,492)	
Bonds payable			(15,239,002)	
Accrued interest payable			(50,126)	
Other postemployment benefits			(29,311)	
Net position - GAAP basis			<u><u>(5,316,619)</u></u>	



View of Portland and Mt. Hood

# 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.

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### ***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:***

### ***Cable Fund***

This fund accounts for cable revenues and expenditures as required by an intergovernmental agreement with the Mt. Hood Cable Regulatory Commission.

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**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, 2013**

	<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	\$ 109,972,367	\$ 109,972,367	\$ 109,827,781	\$ (144,586)
Prior year property	2,100,000	2,100,000	2,661,936	561,936
Service charges and fees:				
Other service charges	-	-	31	31
Billings to other funds for services	360,200	360,200	360,200	-
Other:				
Investment earnings	158,000	158,000	209,392	51,392
Miscellaneous	50,000	50,000	95,358	45,358
Pension recovery	1,300,000	1,300,000	1,292,423	(7,577)
	<u>113,940,567</u>	<u>113,940,567</u>	<u>114,447,121</u>	<u>506,554</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,774,413	1,774,413	1,688,512	85,901
Materials and services	115,094,368	114,264,368	112,632,145	1,632,223
General operating contingencies	11,279,152	11,280,009	-	11,280,009
Overhead charges - General Fund	64,630	64,630	64,630	-
Debt service and related costs:				
Principal	25,231,893	25,231,893	21,050,893	4,181,000
Interest	264,676	264,676	368,258	(103,582)
Debt issuance costs	20,000	20,000	18,194	1,806
Capital outlay	95,500	175,500	170,648	4,852
	<u>153,824,632</u>	<u>153,075,489</u>	<u>135,993,280</u>	<u>17,082,209</u>
Revenues over (under) expenditures	<u>(39,884,065)</u>	<u>(39,134,922)</u>	<u>(21,546,159)</u>	<u>17,588,763</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	10	10	-
Printing and Distribution Services Operating	535	798	798	-
Insurance and Claims Operating	-	57	57	-
Workers' Compensation Self Insurance Operating	-	50	50	-
Technology Services	1,525	1,924	1,924	-
Enterprise Business Solutions Services	92	170	170	-
Fire and Police Disability and Retirement Reserve	750,000	750,000	750,000	-
	<u>752,152</u>	<u>753,009</u>	<u>753,009</u>	<u>-</u>
Transfers to other funds:				
Pension Debt Redemption	(6,904)	(6,904)	(6,382)	522
Fire and Police Disability and Retirement Reserve	-	(750,000)	(750,000)	-
	<u>(6,904)</u>	<u>(756,904)</u>	<u>(756,382)</u>	<u>522</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, 2013**

	<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	25,211,000	25,211,000	21,030,000	(4,181,000)
Bonds and notes premium	-	-	325,124	325,124
	<u>25,956,248</u>	<u>25,207,105</u>	<u>21,351,751</u>	<u>(3,855,354)</u>
Total other financing sources (uses)				
Net change in fund balance	(13,927,817)	(13,927,817)	(194,408)	13,733,409
Fund balance - beginning	13,927,817	13,927,817	14,393,884	466,067
Fund balance - ending	\$ -	\$ -	14,199,476	\$ 14,199,476
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(18,317)	
Deferred revenue			6,303,659	
Allowance for uncollectible accounts			(143,258)	
Prepaid expenses			287,845	
Capital assets, net of accumulated depreciation and amortization			309,082	
Compensated absences			(765,492)	
Bonds payable			(435,618)	
Accrued interest payable			(130,834)	
Contingent pension liability			(3,164,255)	
Other postemployment benefits			(37,273)	
Net position - GAAP basis			<u>\$ 16,405,015</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, 2013**

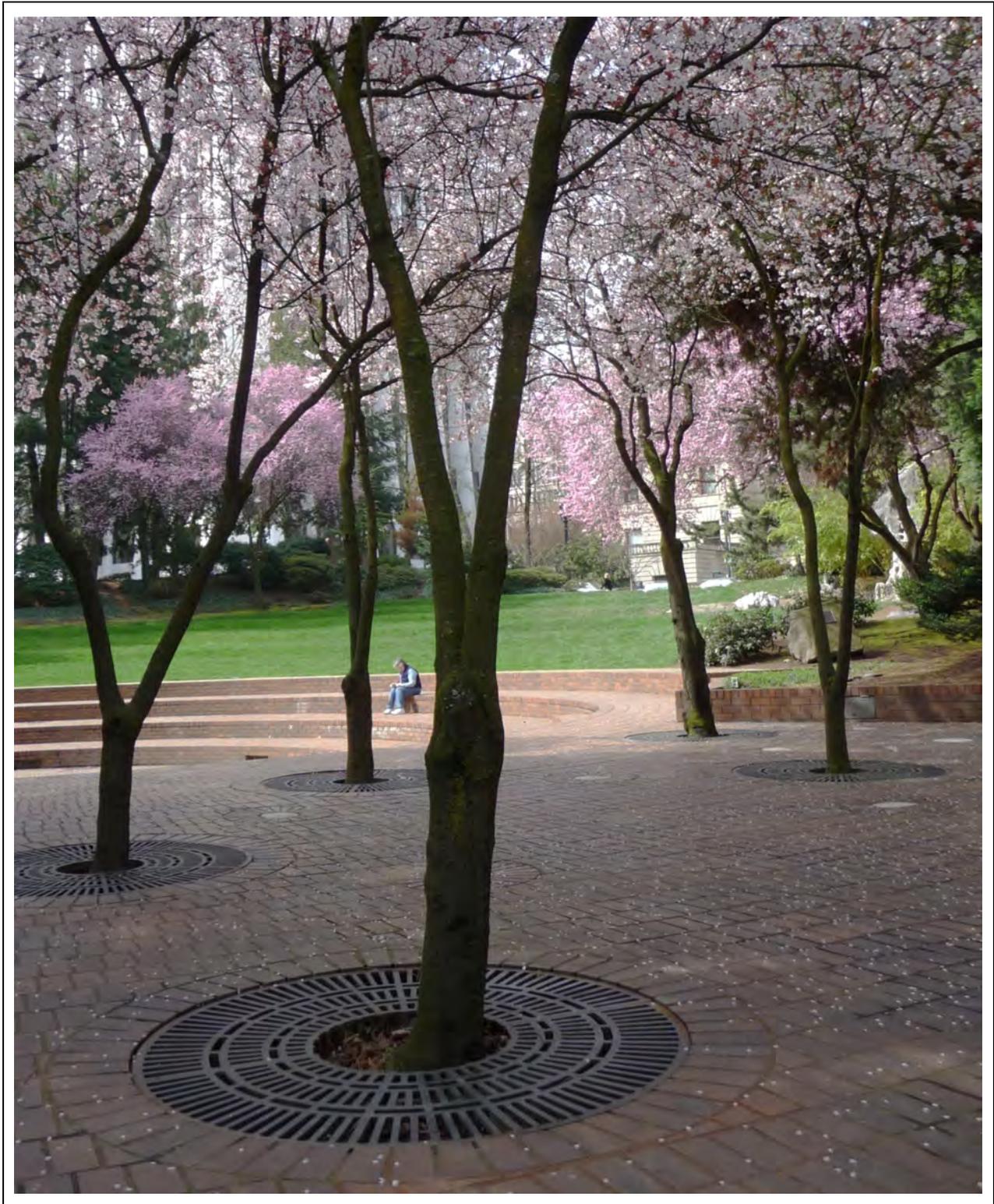
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES</b>				
Current:				
General operating contingencies	\$ -	\$ 750,000	\$ -	\$ 750,000
Total expenditures	<u>-</u>	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Revenues over (under) expenditures	<u>-</u>	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
<b>OTHER FINANCING SOURCE (USE)</b>				
Transfer from other fund:				
Fire and Police Disability and Retirement	-	750,000	750,000	-
Transfer to other fund:				
Fire and Police Disability and Retirement	<u>(750,000)</u>	<u>(750,000)</u>	<u>(750,000)</u>	<u>-</u>
Total other financing source (use)	<u>(750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(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>	
Net position - 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, 2013**

	<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	\$ 300	\$ 300	\$ 157	\$ (143)
<b>EXPENDITURES</b>				
Current:				
Materials and services	8,500	8,500	8,255	245
Net change in fund balance	(8,200)	(8,200)	(8,098)	102
Fund balance - beginning	35,802	35,802	36,271	469
Fund balance - ending	\$ <u>27,602</u>	\$ <u>27,602</u>	28,173	\$ <u>571</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Net position - GAAP basis			\$ <u>28,173</u>	

**City of Portland, Oregon**  
**Cable Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual**  
**For the Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits:				
Public utility licenses	\$ 1,595,395	\$ 1,595,395	\$ 4,323,622	\$ 2,728,227
Billings to other funds for services	231,021	156	-	(156)
Other:				
Investment earnings	58,000	58,000	30,329	(27,671)
Other service charges	4,865,799	4,865,799	2,546,783	(2,319,016)
Miscellaneous	-	230,865	231,021	156
	<u>6,750,215</u>	<u>6,750,215</u>	<u>7,131,755</u>	<u>381,540</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	383,220	-	-	-
Materials and services	6,907,405	7,700,689	5,314,106	2,386,583
General operating contingencies	723,403	5,118,158	-	5,118,158
Overhead charges - General Fund	67,149	67,149	67,149	-
	<u>8,081,177</u>	<u>12,885,996</u>	<u>5,381,255</u>	<u>7,504,741</u>
Revenues over (under) expenditures	<u>(1,330,962)</u>	<u>(6,135,781)</u>	<u>1,750,500</u>	<u>7,886,281</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds:				
Facilities Services Operating	-	10	10	-
Printing and Distribution Services Operating	74	119	119	-
Insurance and Claims Operating	-	21	21	-
Workers' Compensation Self Insurance Operating	-	18	18	-
Technology Services	241	4,391	4,391	-
Enterprise Business Solutions Services	88	161	161	-
	<u>403</u>	<u>4,720</u>	<u>4,720</u>	<u>-</u>
Net change in fund balance	(1,330,559)	(6,131,061)	1,755,220	7,886,281
Fund balance - beginning	<u>2,639,324</u>	<u>7,439,826</u>	<u>7,439,826</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,308,765</u>	<u>\$ 1,308,765</u>	9,195,046	<u>\$ 7,886,281</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(5,695)	
Agency relationship budgeted separately			(9,189,351)	
			<u>(9,195,046)</u>	
Fund balance - GAAP basis			<u>\$ -</u>	



Portland City Park

# 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

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**City of Portland, Oregon  
Schedule of Bond Principal Transactions  
For the Year Ended June 30, 2013**

Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2012	Bonds Issued/ Reclassified During Year	Called, Reclassified and Matured During Year	Outstanding June 30, 2013
<b>GENERAL OBLIGATION BONDS:</b>								
<b>Governmental Activities</b>								
2010A	4.00	04/16/2010	2010-2015	\$ 19,960,000	\$ 12,440,000	\$ -	\$ 3,985,000	\$ 8,455,000
2004A	3.375-4.250	01/28/2004	2004-2024	13,965,000	9,575,000	-	645,000	8,930,000
2008A	3.50-4.75	11/18/2008	2009-2028	15,360,000	13,855,000	-	640,000	13,215,000
2009A	2.20-4.00	07/10/2009	2010-2019	14,560,000	10,405,000	-	1,370,000	9,035,000
2011A	2.000-4.125	05/13/2011	2011-2026	25,835,000	24,465,000	-	1,425,000	23,040,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>				<b>89,680,000</b>	<b>70,740,000</b>	<b>-</b>	<b>8,065,000</b>	<b>62,675,000</b>
<b>LIMITED TAX IMPROVEMENT BONDS:</b>								
<b>Governmental Activities</b>								
2003A	4.35	05/22/2003	2003-2023	21,430,000	6,335,000	-	950,000	5,385,000
2007A	5.00	06/28/2007	2007-2027	41,745,000	28,245,000	-	2,200,000	26,045,000
2010A	3.000-4.125	04/29/2010	2010-2030	22,305,000	18,215,000	-	1,760,000	16,455,000
2011A	3.00-4.00	12/13/2011	2012-2032	3,400,000	3,145,000	-	330,000	2,815,000
<b>TOTAL LIMITED TAX IMPROVEMENT BONDS: Governmental Activities</b>				<b>88,880,000</b>	<b>55,940,000</b>	<b>-</b>	<b>5,240,000</b>	<b>50,700,000</b>
<b>URBAN RENEWAL &amp; REDEVELOPMENT BONDS:</b>								
<b>Governmental Activities</b>								
2008A	6.031-6.081	07/01/2008	2009-2019	34,580,000	29,470,000	-	3,485,000	25,985,000
2008B	5.00	07/01/2008	2009-2024	32,020,000	32,020,000	-	-	32,020,000
2011A	**	05/19/2011	2011-2013	2,585,000	210,000	-	210,000	-
2000B	**	10/31/2000	2001-2013	24,970,000	3,525,000	-	3,525,000	-
2008A	4.96-6.30	04/23/2008	2008-2024	50,165,000	42,200,000	-	1,870,000	40,330,000
2011A	3.00-5.00	07/09/2011	2012-2020	30,370,000	30,290,000	-	175,000	30,115,000
2011A	3.632-6.246	03/31/2011	2011-2021	10,205,000	9,535,000	-	985,000	8,550,000
2011B	4.000-5.375	03/31/2011	2011-2031	19,485,000	19,485,000	-	-	19,485,000
2005A	4.00-5.00	09/29/2005	2006-2020	45,370,000	36,465,000	-	3,815,000	32,650,000
2011A	**	05/19/2011	2011-2013	7,540,000	3,705,000	-	3,705,000	-
2012A	3.623-4.323	05/17/2012	2012-2025	69,760,000	69,760,000	-	-	69,760,000
2011B	4.00-5.00	07/09/2011	2012-2020	29,685,000	29,195,000	-	420,000	28,775,000
2003A	**	06/17/2003	2004-2023	33,180,000	33,180,000	-	33,180,000	-
2003B	4.02-4.10	06/17/2003	2004-2015	28,760,000	6,480,000	-	2,855,000	3,625,000
2012A	1.615-4.430	06/27/2012	2013-2032	24,250,000	-	24,250,000	1,480,000	22,770,000
2012B	3.00-5.00	06/27/2012	2013-2032	34,140,000	-	34,140,000	-	34,140,000
2012C	3.75-5.00	06/27/2012	2013-2031	15,275,000	-	15,275,000	-	15,275,000
2010A	4.253-6.284	06/16/2010	2010-2024	21,240,000	18,910,000	-	1,190,000	17,720,000
2010B	4.25-5.00	06/16/2010	2010-2030	15,650,000	15,650,000	-	-	15,650,000
2010A	3.610-5.574	09/23/2010	2011-2022	29,645,000	24,625,000	-	2,220,000	22,405,000
2010B	3.75-5.00	09/23/2010	2011-2030	35,280,000	35,280,000	-	-	35,280,000
2004A	4.00-5.25	12/09/2004	2005-2025	32,310,000	23,860,000	-	1,380,000	22,480,000
2011A	2.955-6.294	08/11/2011	2012-2021	28,890,000	27,040,000	-	1,515,000	25,525,000
2011B	4.50-5.00	08/11/2011	2012-2031	17,245,000	17,245,000	-	-	17,245,000
<b>TOTAL URBAN RENEWAL &amp; REDEVELOPMENT BONDS: Governmental Activities</b>				<b>672,600,000</b>	<b>508,130,000</b>	<b>73,665,000</b>	<b>62,010,000</b>	<b>519,785,000</b>

\* variable rate, see Note III.I. Long-term debt  
\*\* debt was paid off in fiscal year 2013

Continued next page

**City of Portland, Oregon  
Schedule of Bond Principal Transactions, Continued  
For the Year Ended June 30, 2013**

Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2012	Bonds Issued/Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2013
<b>LIMITED TAX AND LIMITED TAX REVENUE BONDS:</b>								
<b>Governmental Activities</b>								
1999C	7.701	11/01/1999	2000-2022	\$ 84,292,006	\$ 71,898,226	\$ -	\$ -	\$ 71,898,226
1999C	7.93	11/01/1999	2000-2029	30,090,310	30,090,310	-	-	30,090,310
1999D	*	11/01/1999	2000-2019	56,869,511	47,997,866	-	4,530,603	43,467,263
1999E	*	11/01/1999	2000-2019	56,869,511	47,997,866	-	4,530,604	43,467,262
2008A	3.75-5.00	06/24/2008	2008-2018	17,725,000	11,350,000	-	1,710,000	9,640,000
2011A	5.00	10/06/2011	2012-2022	67,015,000	65,930,000	-	10,000	65,920,000
2001B	4.95-5.36	02/13/2001	2001-2022	18,058,888	14,193,934	-	1,388,250	12,805,684
2010A	**	04/22/2010	2010-2013	2,565,000	480,000	-	480,000	-
2007A	4.25	04/24/2007	2007-2016	22,480,000	10,035,000	-	2,970,000	7,065,000
2009B	3.00-4.00	12/17/2009	2010-2017	9,400,000	8,380,000	-	675,000	7,705,000
2011B	2.00-3.00	12/15/2011	2012-2026	5,445,000	5,445,000	-	330,000	5,115,000
2012B	3.00-4.00	05/24/2012	2012-2022	13,305,000	13,305,000	-	1,145,000	12,160,000
2005C	4.45	06/21/2005	2005-2014	3,170,000	620,000	-	320,000	300,000
2005D	4.00-5.00	06/21/2005	2005-2025	6,975,000	6,845,000	-	125,000	6,720,000
2010A	3.000-3.125	04/22/2010	2010-2020	4,840,000	4,460,000	-	550,000	3,910,000
2011A	2.36	12/15/2011	2012-2021	1,315,000	1,200,000	-	140,000	1,060,000
2003A	**	01/15/2003	2003-2013	930,000	110,000	-	110,000	-
2003A	**	01/15/2003	2003-2013	160,000	20,000	-	20,000	-
2003A	**	01/15/2003	2003-2013	2,635,000	305,000	-	305,000	-
2012B	**	05/24/2012	2012-2013	86,350	86,350	-	86,350	-
2012B	3.00-4.00	05/24/2012	2012-2016	8,473,650	8,473,650	-	2,028,650	6,445,000
2007B	4.00-4.50	08/02/2007	2008-2017	16,860,000	9,250,000	-	1,700,000	7,550,000
LOC	5.75	11/20/2006	2007-2016	2,500,000	2,069,528	-	94,664	1,974,864
2012C	3.00-5.00	09/11/2012	2013-2032	36,160,000	-	36,160,000	-	36,160,000
2009B	3.00-4.00	12/17/2009	2010-2017	8,210,000	5,270,000	-	985,000	4,285,000
2007C	4.00-4.50	10/11/2007	2008-2028	11,925,000	10,230,000	-	465,000	9,765,000
				488,355,226	376,042,730	36,160,000	24,699,121	387,503,609
<b>Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities</b>								
<b>Business-type Activities</b>								
1999C	7.701	11/01/1999	2000-2022	26,678,633	22,755,991	-	-	22,755,991
1999C	7.93	11/01/1999	2000-2029	9,523,655	9,523,655	-	-	9,523,655
1999D	*	11/01/1999	2000-2019	17,999,360	15,191,460	-	1,433,950	13,757,510
1999E	*	11/01/1999	2000-2019	17,999,360	15,191,460	-	1,433,949	13,757,511
2009A	2.50-4.00	05/21/2009	2009-2024	21,450,000	17,815,000	-	1,240,000	16,575,000
LOC	6.14	10/25/2007	2008-2017	2,010,000	1,160,000	-	205,000	955,000
2005A	3.93-4.71	04/18/2005	2005-2035	10,480,000	9,525,000	-	245,000	9,280,000
2005B	4.70	04/18/2005	2005-2035	1,260,000	1,150,000	-	30,000	1,120,000
2005B	5.00	03/03/2005	2005-2017	17,810,000	14,490,000	-	2,760,000	11,730,000
2012A	3.25-3.50	04/24/2012	2012-2027	12,000,000	12,000,000	-	-	12,000,000
2001D	6.70-7.00	05/15/2001	2001-2023	35,000,000	23,250,000	-	1,540,000	21,710,000
				172,211,008	142,052,566	-	8,887,899	133,164,667
				660,566,234	518,095,296	36,160,000	33,587,020	520,668,276
<b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>								

\* variable rate, see Note III.I. Long-term debt  
\*\* debt was paid off in fiscal year 2013

Continued next page

**City of Portland, Oregon**  
**Schedule of Bond Principal Transactions, Continued**  
**For the Year Ended June 30, 2013**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Years of Maturity	Amount of Original Issue	Outstanding June 30, 2012	Bonds Issued/Reclassified During Year	Bonds Called, Reclassified and Matured During Year	Outstanding June 30, 2013
<b>REVENUE BONDS:</b>									
<b>Governmental Activities</b>									
Gas Tax Revenue Bonds	1988A	4.80-5.00	06/01/1998	1999-2018	\$ 3,070,000	\$ 1,230,000	\$ -	\$ 180,000	\$ 1,050,000
Gas Tax Revenue Refunding Bonds	2005A	3.50-3.75	03/17/2005	2005-2016	4,400,000	1,885,000	-	450,000	1,435,000
Gas Tax Revenue Bonds	2011A	3.00-5.00	11/08/2011	2012-2023	15,400,000	15,400,000	-	1,065,000	14,335,000
<b>Total Revenue Bonds: Governmental Activities</b>					<b>22,870,000</b>	<b>18,515,000</b>	<b>-</b>	<b>1,695,000</b>	<b>16,820,000</b>
<b>Business-type Activities</b>									
Second Lien Sewer System Revenue and Refunding Bonds	2003A	5.00-5.25	04/03/2003	2004-2023	88,370,000	33,155,000	-	2,305,000	30,850,000
First Lien Sewer System Revenue Bonds	2004A	4.00-5.00	11/30/2004	2005-2024	163,500,000	123,270,000	-	6,970,000	116,300,000
First Lien Sewer System Revenue Bonds	2004B	5.00	11/30/2004	2005-2017	93,080,000	83,130,000	-	1,930,000	81,200,000
First Lien Sewer System Revenue Refunding Bonds	2005A	5.00	06/16/2005	2005-2020	144,850,000	144,850,000	-	-	144,850,000
First Lien Sewer System Revenue Refunding Bonds	2006A	4.50-5.00	05/25/2006	2006-2031	177,845,000	152,470,000	-	5,090,000	147,380,000
Second Lien Sewer System Revenue Refunding Bonds	2006B	4.50-5.00	05/25/2006	2006-2031	87,135,000	74,900,000	-	2,455,000	72,445,000
First Lien Sewer System Revenue Refunding Bonds	2007A	5.00	03/08/2007	2007-2015	193,510,000	90,140,000	-	28,590,000	61,550,000
First Lien Sewer System Revenue and Refunding Bonds	2008A	4.25-5.00	04/17/2008	2008-2033	333,015,000	291,675,000	-	12,360,000	279,315,000
Second Lien Sewer System Revenue and Refunding Bonds	2008B	5.00	04/17/2008	2008-2033	195,700,000	190,675,000	-	1,545,000	189,130,000
Second Lien Sewer System Revenue Bonds	2010A	4.00-5.00	08/19/2010	2010-2035	407,850,000	381,520,000	-	9,560,000	371,960,000
Water System Revenue Refunding Bonds	2004A	**	05/06/2004	2004-2015	29,900,000	12,135,000	-	12,135,000	-
Water System Revenue Bonds	2004B	5.00	05/06/2004	2004-2023	61,900,000	43,360,000	-	40,460,000	2,900,000
Second Lien Water System Revenue Bonds	2006A	**	09/21/2006	2007-2031	68,970,000	60,585,000	-	60,585,000	-
First Lien Water System Revenue Bonds	2006B	4.00-5.00	09/21/2006	2007-2020	44,000,000	38,855,000	-	1,400,000	37,455,000
First Lien Water System Revenue Bonds	2008A	4.00-5.00	08/07/2008	2009-2033	79,680,000	74,240,000	-	1,995,000	72,245,000
First Lien Water System Revenue and Refunding Bonds	2010A	4.00-5.00	02/11/2010	2010-2035	73,440,000	70,560,000	-	1,850,000	68,710,000
First Lien Water System Revenue Bonds	2011A	4.00-5.00	03/22/2011	2011-2036	82,835,000	81,325,000	-	1,965,000	79,360,000
First Lien Water System Revenue Bonds	2012A	3.00-5.00	07/24/2012	2013-2037	76,510,000	-	76,510,000	2,720,000	73,790,000
First Lien Water System Revenue Bonds	2013A	2.00-5.00	05/02/2013	2014-2038	253,635,000	-	253,635,000	-	253,635,000
Hydroelectric Power Revenue Refunding Bonds	2006	5.523	04/05/2006	2006-2016	21,370,000	11,050,000	-	2,145,000	8,905,000
<b>Total Revenue Bonds: Business-type Activities</b>					<b>2,677,095,000</b>	<b>1,957,895,000</b>	<b>330,145,000</b>	<b>196,060,000</b>	<b>2,091,980,000</b>
<b>TOTAL REVENUE BONDS</b>					<b>2,699,965,000</b>	<b>1,976,410,000</b>	<b>330,145,000</b>	<b>197,755,000</b>	<b>2,108,800,000</b>
<b>TOTAL BONDED DEBT PRINCIPAL - PRIMARY GOVERNMENT</b>					<b>4,211,691,234</b>	<b>3,129,315,296</b>	<b>439,970,000</b>	<b>306,657,020</b>	<b>3,262,628,276</b>
<b>Fiduciary Funds</b>									
Limited Tax Pension Obligation Revenue Bonds	1999C	7.701	11/01/1999	2000-2022	194,360	165,783	-	-	165,783
Limited Tax Pension Obligation Revenue Bonds	1999D	7.93	11/01/1999	2000-2029	69,381	69,381	-	-	69,381
Limited Tax Pension Obligation Revenue Bonds	1999E	*	11/01/1999	2000-2019	131,130	110,674	-	10,447	100,227
Limited Tax Pension Obligation Revenue Bonds	1999E	*	11/01/1999	2000-2019	131,130	110,674	-	10,447	100,227
<b>Total Fiduciary Funds</b>					<b>526,001</b>	<b>456,512</b>	<b>-</b>	<b>20,894</b>	<b>435,618</b>
<b>TOTAL BONDED DEBT PRINCIPAL</b>					<b>\$4,212,217,235</b>	<b>\$3,129,771,808</b>	<b>\$ 439,970,000</b>	<b>\$ 306,677,914</b>	<b>\$3,263,063,894</b>
<b>SUMMARY</b>					<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>		
Bonded Debt: Primary Government					\$1,037,483,609	\$2,225,144,667	\$3,262,628,276		\$3,262,628,276
Plus unamortized premiums					32,249,279	117,194,027	149,443,306		149,443,306
Less unamortized discounts					(389,175)	(945,919)	(1,335,094)		(1,335,094)
Less deferred loss on refunding					-	(366,235)	(366,235)		(366,235)
<b>NET BONDED DEBT</b>					<b>\$1,069,343,713</b>	<b>\$2,341,026,540</b>	<b>\$3,410,370,253</b>		<b>\$3,410,370,253</b>

\* variable rate, see Note III.I. Long-term debt  
 \*\* debt was paid off in fiscal year 2013



**City of Portland, Oregon  
Schedule of Bond Interest Transactions, Continued  
For the Year Ended June 30, 2013**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2012	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2013
<b>LIMITED TAX AND LIMITED TAX REVENUE BONDS:</b>							
<b>Governmental Activities</b>							
Limited Tax Pension Obligation Revenue Bonds	1999C	7.701	11/01/1999	\$ 50,267,267	\$ -	\$ 5,536,883	\$ 44,730,384
Limited Tax Pension Obligation Revenue Bonds	1999C	7.93	11/01/1999	207,309,563	-	-	207,309,563
Limited Tax Pension Obligation Revenue Bonds	1999D	*	11/01/1999	7,702,454	(2,795,184)	119,995	4,787,275
Limited Tax Pension Obligation Revenue Bonds	1999E	*	11/01/1999	7,702,454	(2,798,785)	119,995	4,783,674
Limited Tax Revenue Refunding Bonds-Development Services Building	2008A	3.75-5.00	06/24/2008	1,853,125	-	490,275	1,362,850
Limited Tax Revenue Refunding Bonds-Oregon Convention Center Completion Project	2011A	5.00	10/06/2011	46,596,150	-	3,296,400	43,299,750
Limited Tax Revenue Refunding Bonds-Oregon Convention Center Completion Project-Deferred Interest	2001B	4.95-5.36	02/13/2001	19,081,066	-	1,111,750	17,969,316
Limited Tax Revenue Refunding Bonds-Integrated Regional Network Enterprise (IRNE)	2010A	**	04/22/2010	14,400	-	14,400	-
Limited Tax Revenue Bonds-Enterprise Business Solutions Project	2007A	4.25	04/24/2007	926,925	-	426,487	500,438
Limited Tax Revenue Bonds-Enterprise Business Solutions Project	2009B	3.00-4.00	12/17/2009	1,271,750	-	321,500	950,250
Limited Tax Revenue Bonds-Emergency Coordination Center Project	2011B	2.00-3.00	12/15/2011	1,208,213	-	146,557	1,061,656
Limited Tax Revenue and Refunding Bonds-Police Training Facility	2012B	3.00-4.00	05/24/2012	2,811,999	-	466,549	2,345,450
Limited Tax Housing Revenue Bonds-Housing Opportunity Program	2005C	4.45	06/21/2005	40,620	-	27,270	13,350
Limited Tax Housing Revenue Bonds-Housing Opportunity Program	2005D	4.00-5.00	06/21/2005	2,242,463	-	278,200	1,964,263
Limited Tax Revenue Refunding Bonds-Capital Improvement & Renovation	2010A	3,000-3,125	04/22/2010	590,000	-	134,369	455,631
Portland Center for Performing Arts Bonds	2011A	2.36	12/15/2011	148,916	-	28,320	120,596
Limited Tax Revenue Refunding Bonds-Radio Shop	2003A	**	01/15/2003	4,400	-	4,400	-
Limited Tax Revenue Refunding Bonds-Emergency Operations Center Expansion (EOC)	2003A	**	01/15/2003	800	-	800	-
Limited Tax Revenue Refunding Bonds-800 MHZ	2003A	**	01/15/2003	12,200	-	12,200	-
Limited Tax Revenue and Refunding Bonds-800 MHZ	2012B	**	05/24/2012	2,641	-	2,641	-
Limited Tax Revenue and Refunding Bonds-800 MHZ	2012B	3.00-4.00	05/24/2012	649,752	-	259,152	390,600
Limited Tax Revenue Bonds-Portland Mall Revitalization Project	2007B	4.00-4.50	08/02/2007	1,181,575	-	387,900	793,675
Non-Revolving Credit Facility-NMI Funding Obligation	LOC	5.75	11/20/2006	483,813	-	117,657	366,156
Limited Tax Revenue Bonds-Portland-Milwaukie Light Rail Project	2012C	3.00-5.00	09/11/2012	-	13,954,584	-	13,954,584
Limited Tax Revenue Bonds-CAD Project	2009B	3.00-4.00	12/17/2009	617,250	-	190,800	426,450
Limited Tax Revenue Bonds-Archives Space Acquisition Project	2007C	4.00-4.50	10/11/2007	4,075,626	-	427,246	3,648,380
<b>Total Limited Tax and Limited Tax Revenue Bonds: Governmental Activities</b>				<b>356,795,422</b>	<b>8,360,615</b>	<b>13,921,746</b>	<b>351,234,291</b>
<b>Business-type Activities</b>							
Limited Tax Pension Obligation Revenue Bonds	1999C	7.701	11/01/1999	15,909,732	-	1,752,440	14,157,292
Limited Tax Pension Obligation Revenue Bonds	1999C	7.93	11/01/1999	65,614,074	-	-	65,614,074
Limited Tax Pension Obligation Revenue Bonds	1999D	*	11/01/1999	2,437,848	(884,683)	37,979	1,515,186
Limited Tax Pension Obligation Revenue Bonds	1999E	*	11/01/1999	2,437,848	(885,823)	37,979	1,514,046
Limited Tax Revenue Bonds-Central City Streetcar	2009A	2.50-4.00	05/21/2009	4,732,800	-	635,125	4,097,675
Taxable Non-Revolving Line of Credit-Portland International Raceway Project	LOC	6.14	10/25/2007	222,882	-	71,224	151,658
Limited Tax Housing Revenue Bonds-Headwaters Apartments	2005A	3.93-4.71	04/18/2005	6,593,820	-	468,036	6,125,784
Limited Tax Housing Revenue Bonds-Headwaters Apartments	2005B	4.70	04/18/2005	754,350	-	54,050	700,300
Arena Limited Tax Revenue Refunding Bonds	2005B	5.00	03/03/2005	2,111,000	-	724,500	1,386,500
Limited Tax Revenue Bonds-JELD-WEN Field Project	2012A	3.25-3.50	04/24/2012	5,547,300	-	447,162	5,100,138
Limited Tax Revenue Bonds-Civic Stadium Project	2001D	6.70-7.00	05/15/2001	10,511,030	-	1,599,180	8,911,850
<b>Total Limited Tax and Limited Tax Revenue Bonds: Business-type Activities</b>				<b>116,872,684</b>	<b>(1,770,506)</b>	<b>5,827,675</b>	<b>109,274,503</b>
<b>TOTAL LIMITED TAX AND LIMITED TAX REVENUE BONDS</b>				<b>473,668,106</b>	<b>6,590,109</b>	<b>19,749,421</b>	<b>460,508,794</b>

\* variable rate, see Note III.H. Long-term debt  
 \*\* debt was paid off in fiscal year 2013

Continued next page

**City of Portland, Oregon  
Schedule of Bond Interest Transactions, Continued  
For the Year Ended June 30, 2013**

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Unmatured Interest Outstanding June 30, 2012	Unmatured and Accretion Interest on Bonds Issued/Called or Reclassified During Year	Interest Matured During Year	Unmatured Interest Outstanding June 30, 2013
<b>REVENUE BONDS:</b>							
<b>Governmental Activities</b>							
	1998A	4.80-5.00	06/01/1998	\$ 223,280	\$ -	\$ 60,560	\$ 162,720
	2005A	3.50-3.75	03/17/2005	173,365	-	67,017	106,348
	2011A	3.00-5.00	11/08/2011	3,756,073	-	677,373	3,078,700
				<u>4,152,718</u>	<u>-</u>	<u>804,950</u>	<u>3,347,768</u>
<b>Total Revenue Bonds: Governmental Activities</b>							
<b>Business-type Activities</b>							
	2003A	5.00-5.25	04/03/2003	11,048,813	-	1,713,288	9,335,525
	2004A	4.00-5.00	11/30/2004	42,933,388	-	5,819,475	37,113,913
	2004B	5.00	11/30/2004	18,002,250	-	4,156,500	13,845,750
	2005A	5.00	06/16/2005	54,559,750	-	7,242,500	47,317,250
	2006A	4.50-5.00	05/25/2006	79,873,644	-	7,140,744	72,732,900
	2006B	4.50-5.00	05/25/2006	41,309,925	-	3,660,925	37,649,000
	2007A	5.00	03/08/2007	9,161,000	-	4,507,000	4,654,000
	2008A	4.25-5.00	04/17/2008	143,079,125	-	14,000,175	129,078,950
	2008B	5.00	04/17/2008	104,485,500	-	9,533,750	94,951,750
	2010A	4.00-5.00	08/19/2010	259,361,325	-	18,302,475	241,058,850
	2004A	**	05/06/2004	1,122,862	(640,462)	482,400	-
	2004B	**	05/06/2004	13,523,325	(10,599,904)	2,850,921	72,500
	2006A	**	09/21/2006	30,376,381	(27,741,062)	2,635,319	-
	2006B	4.00-5.00	09/21/2006	10,182,222	-	1,695,006	8,487,216
	2008A	4.00-5.00	08/07/2008	44,477,866	-	3,403,544	41,074,322
	2010A	4.00-5.00	02/11/2010	40,401,288	-	2,976,425	37,424,863
	2011A	4.00-5.00	03/22/2011	54,439,587	-	3,694,087	50,745,500
	2012A	3.00-5.00	07/24/2012	-	35,505,806	1,762,318	33,743,488
	2013A	2.00-5.00	05/02/2013	-	132,668,060	-	132,668,060
	2006	5.523	04/05/2006	1,493,972	-	551,058	942,914
				<u>959,832,223</u>	<u>129,192,438</u>	<u>96,127,910</u>	<u>992,896,751</u>
<b>Total Revenue Bonds: Business-type Activities</b>							
<b>TOTAL REVENUE BONDS</b>							
				963,984,941	129,192,438	96,932,860	996,244,519
				<u>1,697,081,114</u>	<u>156,606,772</u>	<u>149,320,961</u>	<u>1,704,366,925</u>
<b>TOTAL BONDED DEBT INTEREST PRIMARY GOVERNMENT</b>							
<b>Fiduciary Funds</b>							
	1999C	7.01	11/01/1999	115,907	-	12,767	103,140
	1999D	7.93	11/01/1999	478,017	-	-	478,017
	1999E	*	11/01/1999	17,760	(6,444)	277	11,039
	1999E	*	11/01/1999	17,760	(6,453)	277	11,030
				<u>629,444</u>	<u>(12,897)</u>	<u>13,321</u>	<u>603,226</u>
<b>Total Fiduciary Funds</b>							
				<u>\$ 1,697,710,558</u>	<u>\$ 156,593,875</u>	<u>\$ 149,334,282</u>	<u>\$ 1,704,970,151</u>
<b>TOTAL BONDED DEBT INTEREST</b>							

\* variable rate, see Note III.H. Long-term debt  
\*\* debt was paid off in fiscal year 2013

**City of Portland, Oregon**  
**Schedule of Future Bond Principal Requirements**  
**June 30, 2013**

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
	Parks	Emergency Facilities	Total			Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities			
2014	\$ 4,145,000	\$ 4,210,000	\$ 8,355,000	\$ 1,525,000	\$ 29,050,000	\$ 26,305,418	\$ 9,723,883	\$ 36,029,301	\$ 98,210,000	\$ 175,019,301	\$ 23,997	\$ 175,043,298
2015	4,310,000	4,340,000	8,650,000	1,365,000	30,640,000	28,868,331	10,630,866	39,499,197	101,740,000	183,809,197	27,362	183,836,559
2016	-	4,455,000	4,455,000	215,000	31,930,000	31,263,271	11,604,848	42,868,119	108,990,000	190,438,119	31,034	190,469,153
2017	-	4,590,000	4,590,000	6,365,000	33,455,000	31,625,639	10,614,830	42,240,469	113,875,000	202,080,469	34,968	202,115,437
2018	-	4,750,000	4,750,000	-	35,125,000	25,993,660	9,282,608	35,276,268	118,560,000	195,341,468	39,252	195,380,720
2019	-	4,950,000	4,950,000	-	40,240,000	26,087,852	10,137,787	36,225,639	122,590,000	205,455,639	43,841	205,499,480
2020	-	3,415,000	3,415,000	4,050,000	39,480,000	28,724,477	11,064,162	39,788,639	127,720,000	215,973,639	48,842	216,022,481
2021	-	3,535,000	3,535,000	-	39,755,000	32,122,653	12,153,531	44,276,184	134,275,000	223,491,250	55,066	223,546,316
2022	-	3,660,000	3,660,000	1,045,000	41,630,000	35,636,998	13,368,298	49,005,296	133,400,000	230,380,296	61,875	230,442,171
2023	-	3,790,000	3,790,000	5,385,000	43,600,000	14,541,293	6,570,249	20,449,081	139,735,000	214,649,081	11,094	214,660,175
2024	-	3,960,000	3,960,000	-	45,160,000	14,809,498	6,570,249	21,379,747	77,835,000	148,334,747	10,675	148,345,422
2025	-	3,070,000	3,070,000	-	24,740,000	15,089,575	4,824,886	19,914,461	77,140,000	124,864,461	10,271	124,874,732
2026	-	3,200,000	3,200,000	-	13,295,000	14,645,959	4,881,487	19,527,346	67,620,000	103,642,346	9,882	103,652,228
2027	-	1,120,000	1,120,000	19,680,000	13,925,000	14,468,626	4,960,139	19,428,765	70,810,000	124,963,765	9,508	124,973,273
2028	-	1,175,000	1,175,000	-	14,560,000	14,787,941	1,765,865	16,573,606	74,155,000	106,463,606	9,149	106,472,755
2029	-	-	-	-	15,245,000	14,337,518	1,763,240	16,100,758	77,530,000	108,875,758	8,802	108,884,560
2030	-	-	-	9,950,000	16,000,000	11,005,000	585,000	11,590,000	81,070,000	118,550,000	-	118,550,000
2031	-	-	-	-	8,825,000	2,325,000	610,000	2,935,000	84,695,000	96,465,000	-	96,465,000
2032	-	-	-	1,120,000	3,130,000	2,395,000	640,000	3,035,000	70,245,000	77,530,000	-	77,530,000
2033	-	-	-	-	-	2,470,000	665,000	3,135,000	68,780,000	71,915,000	-	71,915,000
2034	-	-	-	-	-	-	700,000	700,000	52,080,000	52,780,000	-	52,780,000
2035	-	-	-	-	-	-	690,000	690,000	48,995,000	49,685,000	-	49,685,000
2036	-	-	-	-	-	-	-	-	18,570,000	18,570,000	-	18,570,000
2037	-	-	-	-	-	-	-	-	13,685,000	13,685,000	-	13,685,000
2038	-	-	-	-	-	-	-	-	9,730,000	9,730,000	-	9,730,000
<b>Total Principal</b>	<b>\$ 8,455,000</b>	<b>\$ 54,220,000</b>	<b>\$ 62,675,000</b>	<b>\$ 50,700,000</b>	<b>\$ 519,785,000</b>	<b>\$ 387,503,609</b>	<b>\$ 133,164,667</b>	<b>\$ 520,668,276</b>	<b>\$ 2,091,980,000</b>	<b>\$ 3,262,628,276</b>	<b>\$ 435,618</b>	<b>\$ 3,263,063,894</b>

2014	\$ 4,145,000	\$ 4,210,000	\$ 8,355,000	\$ 1,525,000	\$ 29,050,000	\$ 26,305,418	\$ 9,723,883	\$ 36,029,301	\$ 98,210,000	\$ 175,019,301	\$ 23,997	\$ 175,043,298
2015	4,310,000	4,340,000	8,650,000	1,365,000	30,640,000	28,868,331	10,630,866	39,499,197	101,740,000	183,809,197	27,362	183,836,559
2016	-	4,455,000	4,455,000	215,000	31,930,000	31,263,271	11,604,848	42,868,119	108,990,000	190,438,119	31,034	190,469,153
2017	-	4,590,000	4,590,000	6,365,000	33,455,000	31,625,639	10,614,830	42,240,469	113,875,000	202,080,469	34,968	202,115,437
2018	-	4,750,000	4,750,000	-	35,125,000	25,993,660	9,282,608	35,276,268	118,560,000	195,341,468	39,252	195,380,720
2019-2023	-	19,350,000	19,350,000	10,480,000	204,705,000	137,113,273	52,651,566	189,744,839	657,725,000	1,089,894,839	220,718	1,090,115,557
2024-2028	-	12,525,000	12,525,000	19,680,000	111,680,000	73,801,499	23,022,626	96,824,125	387,560,000	608,269,125	49,485	608,318,610
2029-2033	-	-	-	11,070,000	43,200,000	32,532,518	1,390,000	36,795,758	382,280,000	473,325,758	8,802	473,334,560
2034-2038	-	-	-	-	-	-	-	1,390,000	143,060,000	144,450,000	-	144,450,000
<b>Total</b>	<b>\$ 8,455,000</b>	<b>\$ 54,220,000</b>	<b>\$ 62,675,000</b>	<b>\$ 50,700,000</b>	<b>\$ 519,785,000</b>	<b>\$ 387,503,609</b>	<b>\$ 133,164,667</b>	<b>\$ 520,668,276</b>	<b>\$ 2,091,980,000</b>	<b>\$ 3,262,628,276</b>	<b>\$ 435,618</b>	<b>\$ 3,263,063,894</b>

**City of Portland, Oregon  
Schedule of Future Bond Interest Requirements  
June 30, 2013**

Fiscal Year Ending	Parks		Emergency Facilities		Limited Tax Improvement		Urban Renewal and Redevelopment		Governmental Activities		Limited Tax and Business-Type Activities		Governmental Activities		Business-Type Activities		Revenue Bonds		Subtotal Bonded Debt		Total Bonded Debt	
		Total		Total		Total		Total		Total		Total		Total		Total		Total		Total		Total
2014	338,200	1,892,815	2,321,015	2,248,186	2,482,833	24,912,833	16,038,136	5,691,172	21,729,308	645,663	97,090,117	97,735,780	148,947,122	14,771	148,961,893			14,771	148,961,893			148,961,893
2015	172,400	1,847,071	2,019,471	2,202,434	23,708,839	23,708,839	16,176,163	5,704,411	21,880,574	584,443	93,338,758	93,923,201	143,734,519	17,178	143,751,697			17,178	143,751,697			143,751,697
2016	-	1,728,046	1,722,046	2,161,486	22,430,959	22,430,959	16,297,246	5,474,505	21,771,751	507,962	88,293,518	88,801,480	136,887,722	17,985	136,905,707			17,985	136,905,707			136,905,707
2017	-	1,578,871	1,578,871	2,155,034	20,893,747	20,893,747	15,803,128	5,036,338	20,839,466	428,000	82,845,619	83,273,619	128,746,737	17,489	128,764,226			17,489	128,764,226			128,764,226
2018	-	1,429,197	1,429,197	1,836,786	19,240,926	19,240,926	14,913,286	4,586,499	19,498,785	363,600	77,227,369	77,590,969	119,596,663	16,507	119,613,170			16,507	119,613,170			119,613,170
2019	-	1,239,196	1,239,196	1,836,786	17,430,293	17,430,293	13,952,783	4,124,313	18,077,096	296,000	70,281,119	70,577,119	109,175,229	14,741	109,190,000			14,741	109,190,000			109,190,000
2020	-	1,057,061	1,057,061	1,836,786	15,376,271	15,376,271	12,972,807	3,616,982	16,589,789	223,750	64,505,752	64,505,752	99,378,426	12,767	99,391,223			12,767	99,391,223			99,391,223
2021	-	935,949	935,949	1,715,284	13,420,148	13,420,148	10,525,035	2,849,613	13,374,648	147,750	58,049,727	58,197,477	87,643,506	9,006	87,652,512			9,006	87,652,512			87,652,512
2022	-	806,299	806,299	1,715,284	11,556,026	11,556,026	8,078,036	2,001,801	10,079,837	99,900	53,162,878	53,262,778	77,422,226	4,765	77,427,000			4,765	77,427,000			77,427,000
2023	-	674,893	674,893	1,673,484	9,587,851	9,587,851	29,220,767	9,055,541	38,276,308	50,700	46,874,608	46,925,308	89,137,844	58,213	89,196,057			58,213	89,196,057			89,196,057
2024	-	531,100	531,100	1,439,238	7,495,624	7,495,624	30,156,796	9,247,352	39,404,148	-	40,220,936	40,220,936	89,091,046	61,403	89,152,449			61,403	89,152,449			89,152,449
2025	-	377,675	377,675	1,439,238	5,247,111	5,247,111	31,131,958	9,511,614	40,643,572	-	36,710,196	36,710,196	84,417,791	64,691	84,482,482			64,691	84,482,482			84,482,482
2026	-	247,700	247,700	1,439,238	4,100,456	4,100,456	32,127,259	9,857,623	41,984,882	-	33,453,905	33,453,905	81,226,181	68,079	81,294,260			68,079	81,294,260			81,294,260
2027	-	109,013	109,013	1,439,237	3,465,689	3,465,689	33,174,401	10,206,730	43,380,131	-	30,245,237	30,245,237	78,639,307	71,565	78,710,872			71,565	78,710,872			78,710,872
2028	-	55,812	55,812	455,237	2,823,441	2,823,441	34,268,345	10,566,054	44,834,399	-	26,907,967	26,907,967	75,152,033	75,176	75,227,209			75,176	75,227,209			75,227,209
2029	-	-	-	455,238	2,139,174	2,139,174	35,383,220	11,046,325	46,429,545	-	23,522,457	23,522,457	72,549,413	78,890	72,628,303			78,890	72,628,303			72,628,303
2030	-	-	-	455,238	1,378,663	1,378,663	687,025	193,225	880,250	-	20,050,848	20,050,848	22,764,999	-	22,764,999			-	22,764,999			22,764,999
2031	-	-	-	44,800	180,825	180,825	180,825	164,170	344,995	-	16,353,851	16,353,851	17,316,896	-	17,316,896			-	17,316,896			17,316,896
2032	-	-	-	44,800	110,025	110,025	110,025	133,865	243,890	-	12,476,180	12,476,180	12,890,070	-	12,890,070			-	12,890,070			12,890,070
2033	-	-	-	-	37,050	37,050	37,050	102,075	139,125	-	9,296,833	9,296,833	9,435,958	-	9,435,958			-	9,435,958			9,435,958
2034	-	-	-	-	-	-	-	69,035	69,035	-	6,057,213	6,057,213	6,126,248	-	6,126,248			-	6,126,248			6,126,248
2035	-	-	-	-	-	-	-	34,260	34,260	-	3,754,101	3,754,101	3,788,361	-	3,788,361			-	3,788,361			3,788,361
2036	-	-	-	-	-	-	-	-	-	-	1,489,562	1,489,562	1,489,562	-	1,489,562			-	1,489,562			1,489,562
2037	-	-	-	-	-	-	-	-	-	-	717,150	717,150	717,150	-	717,150			-	717,150			717,150
2038	-	-	-	-	-	-	-	-	-	-	194,600	194,600	194,600	-	194,600			-	194,600			194,600
<b>Total Interest</b>	<b>510,600</b>	<b>14,596,698</b>	<b>15,107,298</b>	<b>26,593,813</b>	<b>205,912,501</b>	<b>351,234,291</b>	<b>109,274,503</b>	<b>460,508,794</b>	<b>3,347,768</b>	<b>982,896,751</b>	<b>996,244,519</b>	<b>1,704,366,925</b>	<b>603,226</b>	<b>1,704,970,151</b>			<b>603,226</b>	<b>1,704,970,151</b>				

Fiscal Year Ending	Parks		Emergency Facilities		Limited Tax Improvement		Urban Renewal and Redevelopment		Governmental Activities		Limited Tax and Business-Type Activities		Governmental Activities		Business-Type Activities		Revenue Bonds		Subtotal Bonded Debt		Total Bonded Debt	
		Total		Total		Total		Total		Total		Total		Total		Total		Total		Total		Total
2014	338,200	1,892,815	2,321,015	2,248,186	2,482,833	24,912,833	16,038,136	5,691,172	21,729,308	645,663	97,090,117	97,735,780	148,947,122	14,771	148,961,893			14,771	148,961,893			148,961,893
2015	172,400	1,847,071	2,019,471	2,202,434	23,708,839	23,708,839	16,176,163	5,704,411	21,880,574	584,443	93,338,758	93,923,201	143,734,519	17,178	143,751,697			17,178	143,751,697			143,751,697
2016	-	1,728,046	1,722,046	2,161,486	22,430,959	22,430,959	16,297,246	5,474,505	21,771,751	507,962	88,293,518	88,801,480	136,887,722	17,985	136,905,707			17,985	136,905,707			136,905,707
2017	-	1,578,871	1,578,871	2,155,034	20,893,747	20,893,747	15,803,128	5,036,338	20,839,466	428,000	82,845,619	83,273,619	128,746,737	17,489	128,764,226			17,489	128,764,226			128,764,226
2018	-	1,429,197	1,429,197	1,836,786	19,240,926	19,240,926	14,913,286	4,586,499	19,498,785	363,600	77,227,369	77,590,969	119,596,663	16,507	119,613,170			16,507	119,613,170			119,613,170
2019-2023	-	4,715,998	4,715,998	8,777,624	67,370,589	67,370,589	74,749,428	21,648,250	96,397,678	818,100	282,660,334	283,468,434	470,729,723	99,492	470,829,215			99,492	470,829,215			470,829,215
2024-2028	-	1,321,300	1,321,300	6,212,168	23,132,321	23,132,321	160,868,759	49,386,373	210,247,132	-	167,538,241	167,538,241	406,461,162	340,914	406,802,076			340,914	406,802,076			406,802,076
2029-2033	-	-	-	-	-	-	36,398,145	103,295	103,295	-	12,212,626	12,212,626	12,212,626	-	12,212,626			-	12,212,626			12,212,626
2034-2038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			-	-			-
<b>Total Interest</b>	<b>510,600</b>	<b>14,596,698</b>	<b>15,107,298</b>	<b>26,593,813</b>	<b>205,912,501</b>	<b>351,234,291</b>	<b>109,274,503</b>	<b>460,508,794</b>	<b>3,347,768</b>	<b>982,896,751</b>	<b>996,244,519</b>	<b>1,704,366,925</b>	<b>603,226</b>	<b>1,704,970,151</b>			<b>603,226</b>	<b>1,704,970,151</b>				

**City of Portland, Oregon**  
**Schedule of Property Tax Transactions and Outstanding Balances**  
**For the Year Ended June 30, 2013**

Tax Year	Balance Receivable, July 1, 2012	Add Levy as Extended by Assessor	(Deduct) Discounts	Add Interest	(Deduct) Collections	Add (Deduct) Corrections and Adjustments	Balance Receivable, June 30, 2013
2012-13		\$ 452,452,709	\$ (11,424,201)	\$ 119,973	\$ (425,290,736)	\$ (1,531,207)	\$ 14,326,538
2011-12	\$ 15,903,632	-	-	287,953	(7,771,744)	(642,962)	7,776,879
2010-11	7,441,362	-	-	329,231	(2,746,821)	(184,244)	4,839,528
2009-10	4,986,226	-	-	438,408	(2,177,345)	(59,721)	3,187,568
2008-09	1,508,524	-	-	279,223	(1,496,190)	(44,331)	247,226
2007-08	229,945	-	-	46,090	(139,244)	(29,563)	107,228
2006-07	89,367	-	-	15,732	(46,700)	(6,963)	51,436
2005-06	44,409	-	-	3,444	(9,793)	(1,737)	36,323
2004-05	68,431	-	-	2,847	(9,784)	(28,450)	33,044
2003-04 and Prior	302,413	-	-	12,962	(28,992)	(129,223)	157,160
	<u>\$ 30,574,309</u>	<u>\$ 452,452,709</u>	<u>\$ (11,424,201)</u>	<u>\$ 1,535,863</u>	<u>\$ (439,717,349)</u>	<u>\$ (2,658,401)</u>	<u>\$ 30,762,930</u>

## Summary by Fund and Fund Type:

General Fund \$ 309,904,770 \$ 21,603,090

## Special Revenue Funds:

Parks Local Option Levy	7,037	14,247
Children's Investment	10,024,140	786,757
Subtotal	<u>10,031,177</u>	<u>801,004</u>

## Debt Service Funds:

River District URA* Debt Redemption	30,406,164	2,051,485
Bonded Debt Interest and Sinking	10,380,004	736,851
Waterfront Renewal Bond Sinking	9,511,037	751,492
Interstate Corridor Debt Service	15,779,717	992,496
South Park Block Redemption	7,050,220	519,357
Airport Way Debt Service	5,579,163	429,195
Lents Town Center URA* Debt Redemption	10,209,187	666,240
Central Eastside Industrial District Debt Service	5,403,975	367,591
Convention Center Area Debt Service	10,049,276	791,194
North Macadam URA* Debt Redemption	11,167,477	783,242
Gateway URA* Debt Redemption	3,485,605	214,106
Willamette Industrial URA* Debt Service	759,577	55,587
Subtotal	<u>119,781,402</u>	<u>8,358,836</u>

Total \$439,717,349 \$30,762,930

	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	\$ 309,904,770	\$ 92,048	\$ 22,794,265	\$ 332,791,083

## Special Revenue Funds:

Parks Local Option Levy	7,037	(1,444)	-	5,593
Children's Investment	10,024,140	(19,072)	-	10,005,068
Convention and Tourism	-	-	7,130,085	7,130,085
Subtotal	<u>10,031,177</u>	<u>(20,516)</u>	<u>7,130,085</u>	<u>17,140,746</u>

## Debt Service Funds:

River District URA* Debt Redemption	30,406,164	4,246	-	30,410,410
Bonded Debt Interest and Sinking	10,380,004	2,683	-	10,382,687
Waterfront Renewal Bond Sinking	9,511,037	(5,671)	-	9,505,366
Interstate Corridor Debt Service	15,779,717	19,256	-	15,798,973
South Park Block Redemption	7,050,220	540	-	7,050,760
Airport Way Debt Service	5,579,163	99	-	5,579,262
Lents Town Center URA* Debt Redemption	10,209,187	5,648	-	10,214,835
Central Eastside Industrial District Debt Service	5,403,975	1,732	-	5,405,707
Convention Center Area Debt Service	10,049,276	(717)	-	10,048,559
North Macadam URA* Debt Redemption	11,167,477	(4,509)	-	11,162,968
Gateway URA* Debt Redemption	3,485,605	4,112	-	3,489,717
Willamette Industrial URA* Debt Service	759,577	(765)	-	758,812
Subtotal	<u>119,781,402</u>	<u>26,654</u>	<u>-</u>	<u>119,808,056</u>

Total \$ 439,717,349 \$ 98,186 \$ 29,924,350 \$ 469,739,885

\*URA - Urban Renewal Area

**City of Portland, Oregon**  
**Schedule of Property Taxes Receivable by Levy Year by Fund**  
**For the Year Ended June 30, 2013**

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	Central Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal	Willamette Industrial Urban Renewal	Town Center Urban Renewal	Eastside Industrial District	Convention Center Area Debt	North Macadam Urban Renewal	Gateway Urban Renewal	Willamette Industrial Urban Renewal	
2012-13	\$ 14,326,538	\$ 10,094,673	-	\$ 324,460	\$ 991,288	\$ 341,177	\$ 308,760	\$ 516,673	\$ 229,361	\$ 181,854	\$ 176,014	\$ 326,882	\$ 363,431	\$ 114,054	\$ 24,618	\$ 333,293	\$ 176,014	\$ 326,882	\$ 363,431	\$ 114,054	\$ 24,618	
2011-12	7,776,879	5,427,934	-	196,300	536,004	206,272	191,499	246,652	132,695	111,704	92,803	203,695	198,569	51,004	12,856	168,892	92,803	203,695	198,569	51,004	12,856	
2010-11	4,839,528	3,398,658	-	145,906	307,281	92,910	126,130	137,582	87,446	74,216	56,196	138,185	135,085	30,682	12,148	97,103	56,196	138,185	135,085	30,682	12,148	
2009-10	3,187,568	2,233,095	-	105,295	191,116	70,684	88,516	81,687	60,777	52,621	38,952	102,814	79,263	17,584	5,424	59,740	38,952	102,814	79,263	17,584	5,424	
2008-09	247,226	177,158	-	8,699	11,990	5,226	8,873	5,184	6,626	3,219	3,004	11,574	4,232	(856)	416	1,881	3,004	11,574	4,232	(856)	416	
2007-08	107,228	76,236	3,695	1,266	5,643	2,143	4,119	2,541	2,070	1,526	1,275	2,035	1,911	607	107	1,279	1,275	2,035	1,911	607	107	
2006-07	51,436	37,969	(72)	1,823	3,749	1,185	457	1,450	837	183	898	948	343	369	18	1,279	898	948	343	369	18	
2005-06	36,323	25,225	(458)	3,383	2,507	518	505	903	768	51	687	802	271	219	-	942	687	802	271	219	-	
2004-05	33,044	22,396	2,467	1,124	1,124	(480)	1,453	431	684	657	406	667	178	126	498	406	667	178	126	498	126	
2003-04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
and Prior	157,160	109,746	2,879	2,924	783	17,216	21,180	(607)	(1,907)	3,164	(2,644)	3,592	(41)	317	-	558	(2,644)	3,592	(41)	317	-	
<b>Total</b>	<b>\$ 30,762,930</b>	<b>\$ 21,603,090</b>	<b>\$ 14,247</b>	<b>\$ 786,757</b>	<b>\$ 2,051,485</b>	<b>\$ 736,851</b>	<b>\$ 751,492</b>	<b>\$ 992,496</b>	<b>\$ 519,357</b>	<b>\$ 429,195</b>	<b>\$ 367,591</b>	<b>\$ 791,194</b>	<b>\$ 783,242</b>	<b>\$ 214,106</b>	<b>\$ 55,587</b>	<b>\$ 666,240</b>	<b>\$ 367,591</b>	<b>\$ 791,194</b>	<b>\$ 783,242</b>	<b>\$ 214,106</b>	<b>\$ 55,587</b>	

**City of Portland, Oregon**  
**Schedule of Property Taxes Collected by Levy Year by Fund**  
**For the Year Ended June 30, 2013**

Tax Year	Special Revenue Funds										Debt Service Funds									
	Total	General	Parks Local Option Levy	Children's Investment	River District Urban Renewal Debt Redemption	Bonded Debt Interest & Sinking	Downtown Waterfront Renewal Bond Sinking	Interstate Corridor Debt Service	South Park Block Redemption	Airport Way Debt Service	Center Urban Renewal Area Debt Redemption	Central Eastside Industrial District Debt Service	Convention Center Area Debt Service	North Macadam Urban Renewal Area Debt Redemption	Gateway Urban Renewal Area Debt Redemption	Willamette Industrial Urban Renewal Area Debt Service				
2012-13	\$ 425,290,736	\$ 299,736,083	\$ -	\$ 9,668,117	\$ 29,425,180	\$ 10,047,053	\$ 9,161,543	\$ 15,337,037	\$ 6,805,861	\$ 5,394,578	\$ 9,591,260	\$ 5,223,476	\$ 9,696,561	\$ 10,757,631	\$ 3,384,352	\$ 732,004				
2011-12	7,771,744	5,435,367	-	195,158	553,704	195,995	180,553	254,877	126,251	99,569	177,147	95,973	183,328	205,183	55,289	13,350				
2010-11	2,746,821	1,928,230	-	82,305	184,500	53,831	65,446	82,702	45,980	35,317	59,814	33,710	66,614	81,124	19,948	7,300				
2009-10	2,177,345	1,524,465	-	71,297	143,631	47,571	53,356	61,466	37,384	28,112	46,681	29,181	55,351	59,590	15,000	4,074				
2008-09	1,496,190	1,113,117	-	-	88,409	30,547	40,723	39,089	30,175	18,103	30,339	18,939	43,025	31,134	9,887	2,703				
2007-08	139,244	96,683	4,693	4,843	7,161	2,699	5,233	3,225	2,631	1,938	2,607	1,618	2,584	2,425	769	136				
2006-07	46,700	32,564	1,563	1,614	2,267	1,011	2,358	876	1,050	688	772	554	942	207	223	11				
2005-06	9,793	7,045	321	331	390	231	413	144	205	172	149	112	201	40	39	-				
2004-05	9,784	7,130	294	304	321	228	419	125	205	191	145	123	201	58	40	-				
2003-04																				
and Prior	28,992	24,086	166	171	601	652	993	176	478	495	273	289	469	85	58	-				
<b>Total</b>	<b>\$ 439,717,349</b>	<b>\$ 309,904,770</b>	<b>\$ 7,037</b>	<b>\$ 10,024,140</b>	<b>\$ 30,406,164</b>	<b>\$ 10,380,004</b>	<b>\$ 9,511,037</b>	<b>\$ 15,779,717</b>	<b>\$ 7,050,220</b>	<b>\$ 5,579,163</b>	<b>\$ 10,209,187</b>	<b>\$ 5,403,975</b>	<b>\$ 10,049,276</b>	<b>\$ 11,167,477</b>	<b>\$ 3,485,605</b>	<b>\$ 759,577</b>				



Pioneer Courthouse and Sign Showing Points of Interest Near and Far

# STATISTICAL SECTION

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First Congregational Church, 1890

37062 Exhibit B

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## 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:

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**City of Portland, Oregon**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2013	2012 <sup>1</sup>	2011	2010	2009 <sup>1</sup>	2008	2007	2006	2005	2004
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 2,125,382,711	\$ 2,170,541,622	\$ 2,219,412,554	\$ 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
Restricted	254,008,558	211,292,440	197,584,177	183,204,776	159,973,612	177,255,997	162,581,357	92,280,515	49,610,773	49,785,785
Unrestricted	(2,024,224,393)	(1,843,957,006)	(1,748,535,567)	(1,686,820,664)	(1,551,207,748)	(1,401,339,786)	(1,286,157,817)	(1,151,782,192)	(849,583,790)	(788,474,651)
Total governmental activities net position	\$ 355,166,876	\$ 537,877,056	\$ 668,461,164	\$ 619,819,308	\$ 784,229,997	\$ 1,029,035,322	\$ 1,185,980,158	\$ 1,298,967,225	\$ 1,424,397,879	\$ 1,538,117,329
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 1,879,196,917	\$ 1,792,291,343	\$ 1,682,414,671	\$ 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
Restricted	13,855,864	14,848,536	14,716,777	110,697,822	19,033,446	18,819,068	11,087,158	10,407,271	11,482,805	11,108,557
Unrestricted	105,676,056	103,946,351	127,233,261	30,210,742	161,146,338	97,018,347	148,627,828	100,607,343	111,605,718	96,351,491
Total business-type activities net position	\$ 1,998,728,837	\$ 1,911,086,230	\$ 1,824,364,709	\$ 1,703,928,655	\$ 1,636,853,051	\$ 1,572,715,121	\$ 1,498,151,355	\$ 1,400,633,229	\$ 1,283,030,797	\$ 1,237,092,953
<b>Primary government:</b>										
Net investment in capital assets	\$ 4,004,579,628	\$ 3,962,832,965	\$ 3,901,827,225	\$ 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
Restricted	267,864,422	226,140,976	212,300,954	293,902,598	179,007,058	196,075,065	173,668,515	102,687,786	61,093,578	60,894,342
Unrestricted	(1,918,548,337)	(1,740,010,655)	(1,621,302,306)	(1,656,609,922)	(1,390,061,410)	(1,304,321,439)	(1,137,529,989)	(1,051,174,849)	(737,978,072)	(692,123,160)
Total primary government net position	\$ 2,353,895,713	\$ 2,448,963,286	\$ 2,492,825,873	\$ 2,323,747,963	\$ 2,421,083,048	\$ 2,601,750,443	\$ 2,684,131,513	\$ 2,699,600,454	\$ 2,707,428,676	\$ 2,775,210,282

<sup>1</sup> Data as restated

**City of Portland, Oregon**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2013	2012 <sup>1</sup>	2011	2010	2009 <sup>1</sup>	2008	2007	2006	2005	2004
<b>Expenses</b>										
<b>Governmental activities:</b>										
Public safety	\$ 539,582,340	\$ 486,886,299	\$ 460,750,759	\$ 444,705,167	\$ 452,067,911	\$ 398,379,565	\$ 424,132,995	\$ 402,791,253	\$ 367,555,695	\$ 323,540,069
Parks, recreation and culture	77,384,671	77,703,274	71,215,918	70,745,599	79,614,221	72,274,388	64,904,551	56,277,014	53,128,816	52,785,697
Community development	206,451,529	276,382,471	235,115,877	204,410,103	131,261,667	130,997,139	127,768,450	117,247,997	114,225,541	82,717,602
Transportation	304,095,341	247,019,675	264,399,020	276,185,628	248,914,860	241,780,135	242,619,027	232,391,159	220,406,789	215,372,390
Legislative / admin / support services	106,340,680	92,989,301	85,191,243	92,190,425	178,268,571	174,636,727	160,332,687	174,658,640	122,993,533	103,897,971
Environmental services	604,474	503,400	187,805	326,089	-	-	-	-	-	-
Water	221,364	409,074	89,336	157,563	-	-	-	-	-	-
Interest on long-term debt	50,436,861	48,030,292	46,341,420	44,629,763	50,010,337	52,748,138	48,484,915	46,733,850	39,790,431	46,218,942
<b>Total governmental activities expenses</b>	<b>1,285,117,260</b>	<b>1,229,923,786</b>	<b>1,163,291,378</b>	<b>1,133,350,337</b>	<b>1,140,137,567</b>	<b>1,070,816,092</b>	<b>1,088,242,625</b>	<b>1,030,099,913</b>	<b>918,100,805</b>	<b>824,532,671</b>
<b>Business-type activities:</b>										
Environmental services	229,742,394	194,880,070	189,838,169	184,036,412	188,969,781	185,767,974	188,465,656	141,320,525	161,920,527	131,818,242
Water	120,814,693	108,344,964	103,260,628	101,965,612	98,707,471	94,367,153	86,345,164	78,612,800	78,010,156	77,212,445
Hydroelectric power	1,786,015	1,895,974	2,049,214	2,112,254	2,458,249	2,343,333	2,366,679	4,309,732	2,845,858	3,088,163
Parking facilities	6,272,155	6,858,239	6,419,814	9,372,084	9,764,605	7,923,477	7,317,105	7,343,850	7,780,324	7,029,560
Golf	8,532,476	7,704,762	7,803,648	8,023,880	8,603,692	7,358,537	5,842,717	6,024,174	5,746,381	5,876,808
Motor sports	1,745,465	1,702,924	1,730,151	1,830,052	1,811,021	1,941,127	1,837,708	1,382,360	1,450,819	1,440,085
Spectator facilities	10,232,186	8,098,517	9,412,865	8,175,758	8,698,111	8,004,713	7,079,419	6,955,608	9,391,042	7,461,866
Housing	763,346	967,848	1,750,675	-	-	-	-	-	-	-
<b>Total business-type activities expenses</b>	<b>379,888,730</b>	<b>330,453,298</b>	<b>322,265,164</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>Total primary government expenses</b>	<b>\$ 1,665,005,990</b>	<b>\$ 1,560,377,084</b>	<b>\$ 1,485,556,542</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>\$ 1,276,046,962</b>	<b>\$ 1,185,246,012</b>	<b>\$ 1,058,459,840</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Fees, fines and charges for services:										
Public safety	\$ 9,198,789	\$ 12,351,514	\$ 10,589,711	\$ 11,350,111	\$ 29,183,131	\$ 25,855,028	\$ 28,840,004	\$ 21,428,149	\$ 20,791,106	\$ 19,125,680
Parks, recreation and culture	21,659,255	19,377,137	17,956,318	18,109,058	28,955,330	24,041,781	21,743,457	19,681,284	21,391,325	18,322,726
Community development	46,267,824	43,503,027	29,178,351	46,285,869	45,989,635	59,843,519	85,597,802	78,013,694	51,192,021	46,409,485
Transportation	81,578,019	77,531,542	61,912,494	60,397,143	71,206,830	68,101,536	149,780,434	131,036,479	124,134,875	101,969,665
Legislative / admin / support services	198,673,424	183,276,317	181,437,591	168,785,605	194,127,883	183,505,065	208,408,276	188,468,633	172,150,325	164,797,915
Environmental services	22,086	-	30,888	-	-	-	-	-	-	-
Operating grants and contributions	187,508,857	196,150,183	179,417,682	136,693,542	30,899,130	95,594,872	32,974,212	52,126,898	52,304,455	36,436,606
Capital grants and contributions	65,753,370	94,247,887	190,020,546	77,921,901	61,307,882	24,337,254	27,953,173	43,561,907	3,337,595	4,671,989
<b>Total governmental activities program revenues</b>	<b>610,661,624</b>	<b>626,437,607</b>	<b>670,543,581</b>	<b>519,543,229</b>	<b>461,669,821</b>	<b>481,279,055</b>	<b>555,297,368</b>	<b>534,317,044</b>	<b>445,301,702</b>	<b>391,734,066</b>

Continued next page

**City of Portland, Oregon**  
**Changes in Net Position, Continued**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2013	2012 <sup>1</sup>	2011	2010	2009 <sup>1</sup>	2008	2007	2006	2005	2004
<b>Business-type activities:</b>										
Charges for services:										
Environmental services	292,754,016	268,824,936	256,570,147	239,960,866	237,136,104	228,089,453	245,630,949	210,973,349	196,236,601	181,436,335
Water	147,514,349	130,911,138	118,000,643	112,702,102	101,728,593	96,645,344	93,988,988	90,506,041	81,868,923	92,113,473
Hydroelectric power	4,060,110	4,082,287	3,650,986	3,617,879	3,363,647	3,525,956	4,642,528	4,312,950	4,642,528	4,553,359
Parking facilities	12,164,895	12,092,247	11,901,704	11,316,355	10,708,326	12,033,569	11,792,583	11,174,857	9,819,459	9,275,009
Golf	8,270,199	7,732,554	7,434,680	7,754,612	8,388,970	7,157,913	6,654,847	6,152,162	5,793,855	6,035,289
Motor sports	1,704,866	1,752,621	1,748,086	1,875,497	1,922,096	1,650,541	2,140,723	1,778,963	1,637,836	1,464,644
Spectator facilities	10,846,860	8,601,320	8,870,310	8,846,051	9,000,391	8,401,058	7,002,481	6,846,642	6,977,926	6,585,475
Housing	970,625	1,015,467	1,060,568	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	801,397	3,306,831	-	3,431,790	4,316,805
Capital grants and contributions	3,259,994	3,964,882	44,450,756	954,259	1,998,768	12,385,699	5,423,653	6,188,992	1,240,018	2,859,149
Total business-type activities program revenues	481,546,014	438,977,452	453,687,880	387,027,621	374,246,895	370,690,930	379,618,614	337,933,956	311,648,936	308,639,518
Total primary government program revenues	\$ 1,092,207,638	\$ 1,065,415,059	\$ 1,124,231,461	\$ 906,570,850	\$ 835,916,716	\$ 851,969,985	\$ 934,915,972	\$ 872,251,000	\$ 756,950,638	\$ 700,373,584
<b>Net Expense / (Revenue)</b>										
Governmental activities	(674,455,636)	(603,486,179)	(492,747,797)	(613,807,108)	(678,467,746)	(589,537,037)	(512,945,267)	(495,782,869)	(472,799,103)	(432,798,605)
Business-type activities	101,657,284	108,524,154	131,422,716	71,511,569	55,233,965	62,984,616	80,364,166	91,984,907	44,503,729	74,712,349
Total primary government net expense	\$ (572,798,352)	\$ (494,962,025)	\$ (361,325,081)	\$ (542,295,539)	\$ (623,233,781)	\$ (526,552,421)	\$ (432,581,101)	\$ (403,797,962)	\$ (428,295,374)	\$ (358,086,256)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property	\$ 441,030,147	\$ 432,481,353	\$ 431,933,936	\$ 421,211,270	\$ 388,147,722	\$ 384,423,685	\$ 354,572,143	\$ 334,965,727	\$ 320,933,919	\$ 314,666,579
Logding	28,746,920	21,359,108	19,142,687	16,511,907	23,571,670	19,647,497	17,526,682	15,963,890	14,170,141	13,324,822
Investment earnings	7,815,970	8,967,966	10,565,464	6,104,945	18,518,024	25,699,774	23,795,988	16,484,142	9,105,038	3,905,760
Gain (loss) on sale of capital assets	6,496,779	-	-	-	-	-	1,060,179	-	-	(5,220,865)
Gain (loss) on sale of property held for resale	-	-	-	-	-	-	-	-	-	2,404,881
Transfers	7,655,640	6,398,095	15,500,817	5,568,297	3,425,005	2,821,245	2,972,910	2,938,456	3,930,251	3,379,035
Transfers of capital assets	-	-	-	-	-	-	-	-	(1,238,946)	-
Special item:	-	-	-	-	-	-	-	-	-	-
Contribution from PDC	-	3,695,549	64,246,749	-	-	-	-	-	-	-
Total governmental activities	491,745,456	472,902,071	541,389,653	449,396,419	433,662,421	432,592,201	399,927,902	370,352,215	346,900,403	332,460,192
Business-type activities:										
Investment earnings	640,963	1,450,984	4,514,155	1,132,332	12,328,970	14,400,395	20,126,870	9,004,698	5,364,366	1,508,643
Gain (loss) on sale of capital assets	(7,655,640)	(6,398,095)	(15,500,817)	(5,568,297)	(3,425,005)	(2,821,245)	(2,972,910)	(2,938,456)	(3,930,251)	(3,379,035)
Special item:	(7,000,000)	(16,855,522)	-	-	-	-	-	-	-	-
Capital asset write-off	(14,014,677)	(21,802,633)	(10,986,662)	(4,435,965)	8,903,965	11,579,150	17,153,960	6,066,242	1,434,115	(1,870,392)
Total business-type activities	\$ 477,730,779	\$ 451,099,438	\$ 530,402,991	\$ 444,960,454	\$ 442,566,386	\$ 444,171,351	\$ 417,081,862	\$ 376,418,457	\$ 348,334,518	\$ 330,589,800
Total primary government	(182,710,180)	(130,564,108)	48,641,856	(164,410,689)	(244,805,325)	(156,944,836)	(113,017,365)	(125,430,654)	(125,898,700)	(100,338,413)
<b>Change in Net Position</b>	87,642,607	86,721,521	120,436,054	67,075,604	64,137,930	74,563,766	97,518,126	98,051,149	45,937,844	72,841,957
Governmental activities	(95,067,573)	(43,862,587)	169,077,910	(97,335,085)	(180,667,395)	(82,381,070)	(15,499,239)	(27,379,505)	(79,960,856)	(27,496,456)
Business-type activities	182,710,180	130,564,108	48,641,856	(164,410,689)	(244,805,325)	(156,944,836)	(113,017,365)	(125,430,654)	(125,898,700)	(100,338,413)
Total primary government change in net position	\$ 87,642,607	\$ 86,721,521	\$ 120,436,054	\$ 67,075,604	\$ 64,137,930	\$ 74,563,766	\$ 97,518,126	\$ 98,051,149	\$ 45,937,844	\$ 72,841,957

<sup>1</sup> Data as restated

**City of Portland, Oregon**  
**Fund Balances, Governmental Funds, <sup>2</sup>**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2013	2012 <sup>1</sup>	2011 <sup>2</sup>	2010	2009 <sup>1</sup>	2008	2007	2006	2005	2004
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 446,016	\$ 415,012
Unreserved	-	-	-	91,872,408	133,755,426	130,939,791	131,326,813	119,280,600	93,496,556	67,621,138
Nonspendable	531,247	555,088	234,968	-	-	-	-	-	-	-
Committed	49,930,120	48,984,519	46,294,375	-	-	-	-	-	-	-
Assigned	314,562	5,415,881	23,588,446	-	-	-	-	-	-	-
Unassigned	28,514,937	22,296,208	23,962,998	-	-	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 79,290,866</b>	<b>\$ 77,251,696</b>	<b>\$ 94,080,787</b>	<b>\$ 91,872,408</b>	<b>\$ 133,755,426</b>	<b>\$ 130,939,791</b>	<b>\$ 131,326,813</b>	<b>\$ 119,280,600</b>	<b>\$ 93,942,572</b>	<b>\$ 68,036,150</b>
<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
Unreserved, reported in:										
Major fund:										
Transportation Operating				10,449,909	10,596,286	21,065,188	22,568,566	16,773,455	15,433,232	21,364,777
Nonmajor funds:				(12,163,792)	8,976,573	30,633,551	31,967,456	28,858,030	55,217,802	27,429,976
Special revenue funds				62,208,494	43,489,029	77,416	73,427	64,986	-	-
Debt service funds				5,295,880	6,407,173	5,596,855	5,566,240	4,272,949	20,552,392	20,031,625
Capital projects funds				-	-	-	-	-	-	-
<b>Total other governmental funds</b>				<b>\$ 15,819,740</b>	<b>\$ 24,940,060</b>	<b>\$ 98,997,913</b>	<b>\$ 83,975,043</b>	<b>\$ 92,280,515</b>	<b>\$ 33,281,111</b>	<b>\$ 32,712,627</b>
<b>Total all other governmental funds</b>				<b>\$ 15,819,740</b>	<b>\$ 24,940,060</b>	<b>\$ 98,997,913</b>	<b>\$ 83,975,043</b>	<b>\$ 92,280,515</b>	<b>\$ 33,281,111</b>	<b>\$ 32,712,627</b>
<b>Total governmental funds</b>	<b>\$ 363,709,535</b>	<b>\$ 333,615,158</b>	<b>\$ 270,372,396</b>	<b>\$ 173,482,640</b>	<b>\$ 228,164,547</b>	<b>\$ 287,310,714</b>	<b>\$ 275,477,545</b>	<b>\$ 261,530,535</b>	<b>\$ 218,427,109</b>	<b>\$ 169,575,155</b>
<b>Total all other governmental funds</b>	<b>\$ 284,418,669</b>	<b>\$ 256,363,462</b>	<b>\$ 176,291,609</b>	<b>\$ 81,610,231</b>	<b>\$ 94,409,121</b>	<b>\$ 156,370,923</b>	<b>\$ 144,150,732</b>	<b>\$ 142,249,935</b>	<b>\$ 124,484,537</b>	<b>\$ 101,539,005</b>

<sup>1</sup> Data as restated

<sup>2</sup> This schedule was modified with the implementation of GASB 54, effective fiscal year 2011, which affected the categories used to report fund balances.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Taxes	\$ 476,378,425	\$ 448,364,391	\$ 450,618,907	\$ 439,807,189	\$ 404,648,934	\$ 400,907,347	\$ 371,089,320	\$ 350,920,250	\$ 335,755,929	\$ 327,756,515
Licenses and permits	196,568,153	185,187,374	164,940,343	163,524,368	172,412,165	185,733,671	177,594,267	163,336,697	150,908,460	148,667,397
Intergovernmental	206,179,343	262,848,347	306,470,348	179,137,795	112,420,936	130,480,681	165,819,945	163,146,678	143,173,781	124,107,397
Charges for services	152,490,691	134,729,794	118,372,143	118,727,478	127,059,236	158,624,745	163,790,312	136,456,915	115,929,942	109,038,347
Loan collections	5,822	825	472	5,504,941	8,042,680	6,616,117	1,962,568	2,717,027	2,672,429	3,238,821
Assessments	9,019,761	8,965,051	9,628,143	17,859,689	10,494,525	11,486,471	8,815,857	9,999,245	8,355,490	10,014,016
Investment earnings	6,394,758	7,997,693	8,656,961	5,940,419	14,150,878	19,196,940	18,038,418	12,612,043	7,079,381	3,841,779
Miscellaneous	24,861,439	23,024,707	18,273,086	17,599,825	18,691,693	23,933,782	16,182,024	16,872,660	22,270,616	14,524,582
<b>Total revenues</b>	<b>1,071,898,392</b>	<b>1,071,118,182</b>	<b>1,076,960,402</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>Expenditures</b>										
Current:										
Public safety	405,171,299	402,526,990	382,040,051	381,431,467	365,837,451	344,018,244	326,329,377	312,268,173	296,457,985	286,455,438
Parks, recreation and culture	69,159,278	70,095,137	65,553,655	65,421,722	66,513,218	69,553,194	70,774,053	59,611,313	57,749,953	55,784,784
Community development	211,030,610	299,816,445	233,452,342	216,256,817	130,498,875	135,568,800	129,505,227	115,384,409	111,498,804	97,229,024
Transportation	162,045,823	102,732,375	119,743,004	133,225,382	106,859,618	104,537,362	99,925,003	92,553,766	83,957,866	80,890,199
Legislative / admin / support services	82,597,301	73,694,282	70,316,678	71,214,023	183,391,043	182,562,975	170,658,268	167,238,732	109,982,848	93,920,882
Environmental services	604,474	503,400	187,805	326,089	-	-	-	-	-	-
Water	221,364	409,074	89,336	157,563	-	-	-	-	-	-
Debt service and related costs:										
Principal	136,765,972	271,515,940	277,450,351	71,726,634	102,210,897	109,078,563	132,458,884	61,837,018	91,863,588	92,283,953
Interest	45,186,688	41,996,682	38,899,209	37,280,438	41,451,139	44,139,283	44,837,099	37,815,058	35,207,044	36,437,263
Debt issuance costs	1,052,128	2,113,436	1,528,816	1,355,153	1,063,423	909,132	714,354	1,275,799	1,693,682	-
Capital outlay	69,410,696	109,842,632	140,101,129	102,014,291	60,394,581	79,737,850	101,688,256	85,419,896	68,216,783	46,874,625
<b>Total expenditures</b>	<b>1,183,245,633</b>	<b>1,375,246,393</b>	<b>1,329,362,376</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>Revenues over (under) expenditures</b>	<b>(111,347,241)</b>	<b>(304,128,211)</b>	<b>(252,401,974)</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>Other Financing Sources (Uses)</b>										
Transfers in	103,344,628	110,772,511	104,599,012	119,996,827	64,381,992	84,829,128	116,693,537	88,865,311	50,639,434	70,920,342
Transfers out	(99,832,685)	(96,610,031)	(106,727,613)	(142,667,821)	(73,645,578)	(93,054,958)	(119,714,976)	(90,802,370)	(59,221,158)	(75,479,205)
Proceeds from sale of capital assets	94,107	74,438	313,703	32,993	1,409,800	175,000	-	80,851	17,865	-
Proceeds from sale of property held for resale	-	-	-	-	-	-	-	-	-	1,785,731
Bonds and notes issued	129,646,072	311,873,457	287,505,419	157,041,092	160,941,346	151,109,500	168,558,626	165,062,633	112,904,951	69,919,066
Bonds and note premium	8,189,496	18,809,163	1,203,343	3,118,769	1,390,471	198,553	1,519,900	2,974,854	1,521,458	1,002,630
Bonds and note discounts	-	(82,485)	(266,645)	(73,870)	-	-	-	-	-	-
Loan proceeds	-	900,000	4,704,000	3,421,000	1,540,000	1,600,000	376,192	1,824,000	5,565,000	3,067,000
Payments to refunded bond escrow agent	-	-	-	(63,243,022)	(24,865,000)	-	-	(47,588,215)	(4,293,832)	-
Change in inventory held for resale	-	-	-	-	-	-	-	-	-	(1,510,000)
<b>Total other financing sources (uses)</b>	<b>141,441,618</b>	<b>345,737,053</b>	<b>291,331,219</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>Special Item</b>										
Contribution from PDC	-	3,695,549	64,246,749	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ 30,094,377</b>	<b>\$ 45,304,391</b>	<b>\$ 103,175,994</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>
Debt service as a percentage of noncapital expenditures	16.3%	24.8%	26.6%	11.1%	14.4%	15.5%	18.2%	11.8%	16.1%	17.3%

**City of Portland, Oregon**  
**Program Revenues by Function**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Function	Fiscal Year									
	2013	2012	2011	2010	2009 <sup>1</sup>	2008	2007	2006	2005	2004
<b>Governmental activities:</b>										
Public safety	\$ 34,994,419	\$ 39,996,014	\$ 36,112,027	\$ 36,579,628	\$ 37,618,789	\$ 36,040,408	\$ 40,094,279	\$ 35,679,723	\$ 33,043,577	\$ 25,125,871
Parks, recreation and culture	57,103,523	47,995,617	43,739,584	30,052,917	33,900,730	28,139,754	33,303,087	20,097,069	21,721,963	22,091,777
Community development	103,323,245	117,419,849	96,334,022	77,715,883	65,551,272	82,395,639	107,075,872	103,148,200	77,761,925	58,307,773
Transportation	181,963,408	207,660,033	284,663,629	181,040,220	128,348,190	135,732,608	166,338,862	152,929,983	136,063,241	121,266,594
Legislative / admin / support services	229,168,166	210,433,303	207,800,528	192,800,377	196,250,840	198,970,646	208,485,258	222,462,069	176,710,996	164,942,051
Environmental services	1,774,149	1,602,219	1,136,538	1,239,419	-	-	-	-	-	-
Water	2,334,714	1,330,572	757,253	114,785	-	-	-	-	-	-
<b>Subtotal governmental activities</b>	<b>610,661,624</b>	<b>626,437,607</b>	<b>670,543,581</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>Business-type activities:</b>										
Environmental services	295,468,918	270,144,257	258,701,515	240,915,125	239,134,872	233,741,504	250,011,948	216,030,473	200,557,147	186,427,924
Water	148,014,801	131,695,155	120,880,132	112,702,102	101,728,593	104,180,389	98,335,604	91,635,821	82,220,185	94,297,838
Hydroelectric power	4,060,110	4,082,287	3,650,986	3,617,879	3,363,647	3,525,956	3,677,559	4,312,950	4,642,528	4,553,359
Parking facilities	12,164,895	12,092,247	11,901,704	11,316,355	10,708,326	12,033,569	11,795,452	11,174,857	9,819,459	9,275,009
Golf	8,270,199	7,734,929	7,434,680	7,754,612	8,388,970	7,157,913	6,654,847	6,154,250	5,793,855	6,035,269
Motor sports	1,704,966	1,752,621	29,123,925	1,875,497	1,922,096	1,650,541	2,140,723	1,778,963	1,637,836	1,464,644
Spectator facilities	10,891,500	10,460,489	8,870,310	8,846,051	9,000,391	8,401,058	7,002,481	6,846,642	6,977,926	6,585,475
Housing	970,625	1,015,467	13,124,628	-	-	-	-	-	-	-
<b>Subtotal business-type activities</b>	<b>481,546,014</b>	<b>438,977,452</b>	<b>453,687,880</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>Total primary government</b>	<b>\$ 1,092,207,638</b>	<b>\$ 1,065,415,059</b>	<b>\$ 1,124,231,461</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>

<sup>1</sup> Data as restated

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

Fiscal Year	Property Taxes	Lodging Taxes	Other Taxes	Total Taxes
2013	\$ 439,815,535	\$ 28,746,920	\$ 1,177,430	\$ 469,739,885
2012	426,963,931	21,359,108	1,701,077	450,024,116
2011	431,476,219	19,142,687	408,159	451,027,065
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

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
	Property	Property	Property	Property	Property	Property	Value				
2013	\$ 43,406,553,685	\$ 1,877,327,577	\$ 2,094,956,450	\$ 2,094,956,450	\$ 47,378,837,712	7.82	\$ 79,896,235,855	59.30			%
2012	42,300,972,173	1,870,775,539	2,121,534,522	2,121,534,522	46,293,282,234	7.69	81,163,435,001	57.04			
2011	40,974,245,223	1,948,909,831	2,061,177,281	2,061,177,281	44,984,332,334	7.69	86,374,680,444	52.08			
2010*	39,707,015,212	2,039,362,255	2,040,333,669	2,040,333,669	43,786,711,136	7.81	89,022,110,363	49.19			
2009*	38,366,558,470	2,078,744,985	1,912,975,520	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	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	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	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	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	2,121,291,127	35,002,570,061	8.19	55,492,382,935	63.08			

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.

\* Data was revised in FY11

**City of Portland, Oregon**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(per \$1,000 of assessed valuation)**  
**(unaudited)**

Fiscal Year	City of Portland					Overlapping Rates					Total
	General	Special Revenue	Debt Service	Total	Multnomah County	Education Districts	Urban Renewal PDC <sup>1</sup>	Port of Portland	Metropolitan Service Districts	TriMet	
2013	\$ 7.19	\$ 0.40	\$ 0.24	\$ 7.83	\$ 5.42	\$ 6.40	\$ 0.29	\$ 0.07	\$ 0.40	\$ -	\$ 20.41
2012	7.05	0.40	0.24	7.69	5.44	8.32	0.29	0.07	0.32	0.06	22.19
2011	7.05	0.40	0.24	7.69	5.44	8.32	0.29	0.07	0.32	0.06	22.19
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

Source: Multnomah County Division of Assessment and Taxation

<sup>1</sup> Portland Development Commission: Includes taxes collected on the urban renewal special levy imposed city-wide.

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

Taxpayer	June 30, 2013			June 30, 2004		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Port of Portland	\$ 538,039,000	1	1.14 %	\$ -	-	- %
Portland General Electric Co.	434,898,000	2	0.92	242,138,880	3	0.69
Comcast Corporation	375,817,000	3	0.79	-	-	-
PacifiCorp (PP&L)	332,377,000	4	0.70	266,340,000	2	0.76
Weston Investment Co LLC	251,667,000	5	0.53	-	-	-
Evrax Inc NA	217,362,000	6	0.46	-	-	-
LC Portland LLC	178,598,000	7	0.38	130,196,970	7	0.37
Boeing Co	178,209,000	8	0.38	-	-	-
Alaska Airlines	173,934,000	9	0.37	108,000,000	9	0.31
Fred Meyer Stores Inc	167,173,000	10	0.35	-	-	-
Wacker Silttronic Corporation	-	-	-	211,842,450	4	0.61
Oregon Steel Mills, Inc.	-	-	-	135,060,590	5	0.38
Freightliner LLC (DaimlerChrysler)	-	-	-	107,316,150	6	0.38
Oregon Arena Corporation	-	-	-	131,603,000	10	0.31
NW Natural Gas	-	-	-	125,079,220	8	0.36
Qwest Communications, Inc.	-	-	-	430,999,830	1	1.23
<b>Total</b>	<b>\$ 2,848,074,000</b>		<b>6.01 %</b>	<b>\$ 1,888,577,090</b>		<b>5.39 %</b>
<b>Total assessed valuation</b>	<b>\$ 47,378,837,712</b>			<b>\$ 35,002,570,061</b>		

Source: Multnomah County Division of Assessment and Taxation and the City of Portland 2004 CAFR

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

Fiscal Year	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
2013	\$452,452,709	\$425,290,736	94.00 %	\$ -	\$ 425,290,736	94.00 %
2012	445,043,642	412,972,199	92.79	7,771,744	420,743,943	94.54
2011	445,238,206	416,836,027 <sup>2</sup>	93.62 <sup>2</sup>	7,975,220	424,811,247	95.41
2010	436,246,475	407,939,510	93.51	11,809,544	419,749,054	96.22
2009	397,821,681	368,922,355	92.74	15,103,593	384,025,948	96.53
2008	394,491,508	369,478,250	93.66	13,528,722	383,006,972	97.09
2007	363,073,424	341,570,207	94.08	11,850,532	353,420,739	97.34
2006	346,053,142	324,530,783	93.78	11,321,780	335,852,563	97.05
2005	333,043,855	310,716,109	93.30	11,042,827	321,758,936	96.61
2004	324,373,722	303,118,079	93.45	10,506,888	313,624,967	96.69

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.

<sup>2</sup>Restated amount collected within the fiscal year of levy and recalculated percentage of levy.

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental activities:</b>										
Capitalized lease obligations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General obligation bonds	62,675,000	70,740,000	78,530,000	58,890,000	66,820,000	56,770,000	61,770,000	66,580,000	71,220,000	808,220
Limited tax improvement bonds	50,700,000	55,940,000	57,425,000	63,105,000	44,260,000	49,460,000	55,250,000	15,795,000	19,355,000	19,355,000
Urban renewal and redevelopment bonds	519,785,000	508,130,000	425,050,000	353,405,000	334,445,000	308,330,000	271,730,000	284,595,000	295,645,000	273,075,000
Limited tax and limited tax revenue bonds	387,503,608	376,042,730	388,347,991	420,165,722	422,137,316	439,919,759	426,681,483	416,340,215	425,870,215	448,630,215
Revenue bonds	16,820,000	18,515,000	3,715,000	4,295,000	4,865,000	5,415,000	5,940,000	6,450,000	6,935,000	7,120,000
Notes, loan and line of credit payable	71,688,388	97,914,167	124,454,570	183,116,127	194,129,708	169,416,794	155,161,651	141,934,922	57,138,759	34,113,729
<b>Total governmental activities</b>	<b>1,109,171,996</b>	<b>1,127,281,897</b>	<b>1,077,522,561</b>	<b>1,082,976,849</b>	<b>1,066,657,024</b>	<b>1,029,311,553</b>	<b>976,533,134</b>	<b>932,167,220</b>	<b>876,972,194</b>	<b>863,280,299</b>
<b>Business-type activities:</b>										
Capitalized lease obligations	-	-	-	-	84,772	139,129	562,456	1,167,271	1,776,810	2,517,418
General obligation bonds	-	-	-	1,590,000	3,135,000	4,630,000	6,080,000	7,485,000	7,542,155	9,624,399
Limited tax and limited tax revenue bonds	133,164,668	142,052,566	138,179,477	134,415,413	140,815,546	146,888,088	149,854,242	153,801,017	156,891,017	147,831,017
Revenue bonds	2,091,980,000	1,957,895,000	2,042,696,000	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
Notes and loans payable	97,796,100	20,815,849	32,472,241	182,355,327	20,034,963	21,145,029	21,355,431	13,060,750	2,415,499	554,504
<b>Total business-type activities</b>	<b>2,322,940,768</b>	<b>2,120,763,415</b>	<b>2,213,347,718</b>	<b>1,959,316,740</b>	<b>1,804,184,281</b>	<b>1,791,560,246</b>	<b>1,587,923,129</b>	<b>1,579,555,038</b>	<b>1,351,072,481</b>	<b>1,233,632,440</b>
<b>Total primary government</b>	<b>\$ 3,432,112,764</b>	<b>\$ 3,248,045,312</b>	<b>\$ 3,290,870,279</b>	<b>\$ 3,042,293,589</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>
Percentage of personal income	N/A	3.48%	3.70%	3.36%	3.31%	3.24%	3.26%	3.44%	3.21%	3.15%
Per capita	\$ 5,691	\$ 5,544	\$ 5,637	\$ 5,226	\$ 4,985	\$ 4,963	\$ 4,557	\$ 4,514	\$ 4,047	\$ 3,847

Source: Bureau of Financial Services

N/A: Data not available for this fiscal year.

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

Governmental Activities					
Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2013	\$ 62,675,000	\$ 47,378,837,712	0.13 %	\$ 104	603,106
2012	70,740,000	46,293,282,234	0.15	121	585,845
2011	78,530,000	44,984,332,334	0.17	135	583,775
2010	58,890,000	43,786,711,136	0.13	101	582,130
2009	66,820,000	42,358,278,975	0.16	116	575,930
2008	56,770,000	40,661,766,792	0.14	100	568,380
2007	61,770,000	38,674,302,110	0.16	110	562,690
2006	66,580,000	37,177,488,891	0.18	120	556,370
2005	71,220,000	36,126,155,540	0.20	129	550,560
2004	75,460,000	35,002,570,061	0.22	138	545,140

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	Population
2013	\$ -	\$ 47,378,837,712	- %	\$ -	603,106
2012	-	46,293,282,234	-	-	585,845
2011	-	44,984,332,334	-	-	583,775
2010	1,590,000	43,786,711,136	-	3	582,130
2009	3,135,000	42,358,278,975	0.01	5	575,930
2008	4,630,000	40,661,766,792	0.01	8	568,380
2007	6,080,000	38,674,302,110	0.02	11	562,690
2006	7,485,000	37,177,488,891	0.02	13	556,370
2005	7,540,000	36,126,155,540	0.02	14	550,560
2004*	7,640,000	35,002,570,061	0.02	14	545,140

Note: Represents general obligation bonded debt issued for Water infrastructure.

\* One Bond series 2004C issued 6/9/2004, original issue \$7,640,000 matures 2004-2010.

**City of Portland, Oregon**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2013**  
**(unaudited)**

Jurisdiction	Net Property Tax Backed Debt	Percentage within City of Portland	Amount Applicable to City of Portland
Clackamas Community College	\$ 26,817,500	0.20 %	\$ 53,635
Clackamas County	106,571,200	0.25	266,428
Clackamas County ESD	16,160,000	0.02	3,232
Clackamas County SD* 7J (Lake Oswego)	4,911,346	0.52	25,539
Clackamas County SD 12 (North Clackamas)	23,403,187	7.53	1,762,260
Columbia County School District 1J (Scappoose)	5,428,320	43.69	2,371,633
Metro	266,040,942	40.77	108,464,892
Mt Hood Community College	12,514,404	85.04	10,642,249
Multnomah County	175,263,823	97.66	171,162,650
Multnomah County School District 1J (Portland)	582,856,845	98.52	574,230,564
Multnomah County School District 3 (Parkrose)	267,063,273	22.67	60,543,244
Multnomah County School District 7 (Reynolds)	567,732,318	5.35	30,373,679
Multnomah County School District 51J(Riverdale)	2,648,605	53.53	1,417,798
Multnomah County School District 28J (Centennial)	16,594,458	100.00	16,594,458
Multnomah County School District 40 (David Douglas)	105,987,481	100.00	105,987,481
Multnomah County Drainage District 1	235,647	46.68	110,000
Portland Community College	176,569,904	46.65	82,369,860
Tualatin Hills Park & Recreation District	108,800,000	0.02	21,760
Washington County	26,841,429	0.28	75,156
Washington County SD 23J (Tigard-Tualatin)	123,813,333	0.09	111,432
Washington County SD 48J (Beaverton)	444,923,000	0.30	1,334,769
Subtotal overlapping debt	<u>\$ 3,061,177,015</u>		1,167,922,719
City direct debt			<u>1,109,171,997</u>
Total direct and overlapping debt			<u>\$ 2,277,094,716</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.

\*SD - School District

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit	\$ 2,396,887,076	\$ 2,434,903,050	\$ 2,591,240,413	\$ 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
Total net debt applicable to limit	62,136,842	69,938,604	77,789,280	58,206,868	66,332,480	56,270,499	61,050,970	66,007,710	70,890,199	74,903,069
Legal debt margin	\$ 2,334,750,234	\$ 2,364,964,446	\$ 2,513,451,133	\$ 2,612,456,443	\$ 2,644,420,847	\$ 2,472,458,882	\$ 2,126,059,655	\$ 1,893,267,705	\$ 1,693,300,223	\$ 1,589,868,719
Total net debt applicable to limit as a percentage of legal debt margin	2.66%	2.96%	3.09%	2.23%	2.51%	2.28%	2.87%	3.49%	4.19%	4.71%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Real market value	\$ 79,896,235,855
Debt limit (3% of real market value)	2,396,887,076
Debt applicable to limit:	
General obligation bonds	62,675,000
Less: amount set aside for repayment of general obligation debt	(538,158)
Total net debt applicable to limit	62,136,842
Legal debt margin	\$ 2,334,750,234

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, Continued**  
**Sewer System**  
**Last Ten Fiscal Years**

Fiscal Year	Second Lien Sewer System Revenue Bonds <sup>1</sup>										
	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>		
			Debt Service	Available for	Fund	Stabilization	Debt Service	Available for	Principal	Interest <sup>4</sup>	Total
2013	\$284,975,424	\$102,302,929	\$182,672,495	\$170,212,483	\$7,550,000	\$190,222,495	\$70,805,000	\$76,076,831	\$146,881,831	1.24	1.30
2012	264,178,982	93,966,499	170,212,483	161,469,851	18,585,000	188,797,483	67,540,000	79,341,406	146,881,406	1.16	1.29
2011	250,891,268	89,421,417	161,469,851	144,476,612	29,500,000	190,969,851	72,685,000	73,602,513	146,287,513	1.10	1.31
2010	231,689,729	87,213,116	144,476,612	146,706,291	9,750,000	154,226,612	52,460,000	66,076,106	118,536,106	1.22	1.30
2009	231,577,544	84,871,252	146,706,291	144,506,550	10,000,000	156,706,291	47,040,000	72,584,279	119,624,279	1.23	1.31
2008	225,984,310	81,477,760	144,506,550	168,444,284	(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	136,550,877	(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	119,700,452	(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	136,550,877	(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	136,550,877	(8,825,000)	101,693,696	25,730,000	41,846,868	67,576,868	1.64	1.50
										Required	1.00
										Bureau Goal	1.00

Fiscal Year	Subordinate Lien Sewer System State Revolving Fund Loans <sup>1</sup>														
	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						
			Debt Service	Available for	Fund	Stabilization	Debt Service	Available for	Principal	Interest <sup>4</sup>	Total	Subordinate Lien SRF Loan Debt Service Requirements	135% of Subord. Lien Debt Service	Non-Stabilized Coverage	Stabilized Coverage
2013	\$284,975,424	\$102,302,929	\$182,672,495	\$170,212,483	\$7,550,000	\$190,222,495	\$70,805,000	\$76,076,831	\$146,881,831	\$1,312,759	\$200,275	\$1,513,034	\$2,042,596	1.23	1.28
2012	264,178,982	93,966,499	170,212,483	161,469,851	18,585,000	188,797,483	67,540,000	79,341,406	146,881,406	1,284,705	204,835	1,489,540	1,983,879	1.14	1.27
2011	250,891,268	89,421,417	161,469,851	144,476,612	29,500,000	190,969,851	72,685,000	73,602,513	146,287,513	1,153,142	535,805	1,688,947	2,280,079	1.09	1.29
2010	231,689,729	87,213,116	144,476,612	146,706,291	9,750,000	154,226,612	52,460,000	66,076,106	118,536,106	1,331,711	196,530	1,528,241	1,997,810	1.20	1.28
2009	231,577,544	84,871,252	146,706,291	144,506,550	10,000,000	156,706,291	47,040,000	72,584,279	119,624,279	1,107,505	206,085	1,313,590	1,773,347	1.21	1.29
2008	225,984,310	81,477,760	144,506,550	168,444,284	(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	136,550,877	(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	136,550,877	(8,825,000)	101,693,696	34,020,000	43,336,274	77,356,274	37,421	4,012	41,433	55,935	1.76	1.47
										Required	none			Required	1.00
										Bureau Goal	1.00				1.30

Source: Bureau of Environmental Services

<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, interest on second lien variable rate bonds is the actual interest payments.

**City of Portland, Oregon**  
**Pledged-Revenue Coverage**  
**First Lien Water System Revenue Bonds**  
**Last Ten Fiscal Years**  
**(unaudited)**  
**(amounts expressed in thousands)**

Fiscal Year	Gross Revenues <sup>1</sup>	Direct Operating Expenses <sup>1</sup>	Net Revenues Available for Debt Service	First Lien Bond Debt Service Requirements			Debt Service Coverage (x)
				Principal	Interest	Total	
2013	\$ 148,656	\$ 66,199	\$ 82,457	\$ 15,520	\$ 15,991	\$ 31,511	2.62
2012	132,356	67,670	64,686	11,885	15,141	27,026	2.39
2011	118,700	64,373	54,327	10,015	12,128	22,143	2.45
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

Source: Portland Water Bureau

Note: Other Post-Employment Retirement Benefits (OPEB) cost is included as operating expense. There was no OPEB expense prior to FY 2007-2008.

<sup>1</sup> Amounts in schedule are calculated in accordance with applicable bond ordinances.



**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>
2013	603,106	NA	NA	NA	48,080	7.6 %
2012	585,845	2,262,605	\$ 93,449,170	\$ 41,302	47,508	8.5
2011	583,775	2,232,896	88,964,975	39,843	47,288	9.4
2010	582,130	2,233,417	90,653,694	40,590	46,803	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

N/A: Data not available for this fiscal year

<sup>1</sup> Portland State University Research Center, Department of Commerce, Bureau of Economic Analysis (PSURC updated April 2013 new estimates for 2010; revised estimates for 2000-2009)

<sup>2</sup> Bureau of Economic Analysis CA1-3 Personal income summary; 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)

<sup>3</sup> Portland Public Schools, Data and Policy Analysis Fall Membership 2013

<sup>4</sup> U.S. Department of Labor, Bureau of Labor Statistics

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

Employer	2013			2004		
	Employees <sup>1</sup>	Rank	Percentage of Total Metropolitan Statistical Area Employment <sup>2</sup>	Employees <sup>3</sup>	Rank	Percentage of Total Metropolitan Statistical Area Employment <sup>2</sup>
Intel Corporation	16,250	1	1.50 %	14,363	1	1.43 %
Providence Health System	14,389	2	1.32	13,753	2	1.37
U.S. Government	13,900	3	1.28	-	N/A	-
Oregon Health and Science University	13,733	4	1.26	11,400	3	1.13
Fred Meyer Stores	10,389	5	0.96	5,300	9	0.53
Legacy Health System	9,662	6	0.89	7,907	4	0.79
Kaiser Permanente NW	9,195	7	0.85	7,433	5	0.74
City of Portland	8,951	8	0.82	5,355	8	0.53
State of Oregon	7,559	9	0.70	4,865	11	0.48
NIKE, Inc.	7,000	10	0.64	5,742	7	0.57
Portland School District	6,544	11	0.60	6,700	6	0.67
Evergreen School District	6,282	12	0.58	2,600	24	0.26
<b>Total</b>	<b>123,854</b>		<b>11.40 %</b>	<b>85,418</b>		<b>8.50 %</b>
<b>Total MSA<sup>2</sup> employment</b>	<b>1,086,927</b>			<b>1,005,046</b>		

Sources:

<sup>1</sup> Portland Business Journal; December 21, 2012

<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.

**City of Portland, Oregon**  
**Full-Time Equivalent Employees by Function/Program**  
**Last Ten Fiscal Years**  
**(unaudited)**

Function/Program	Full-time Equivalent Employees as of June 30, <sup>1</sup>									
	2013 <sup>5</sup>	2012 <sup>3</sup>	2011 <sup>2</sup>	2010	2009	2008	2007	2006	2005	2004
Public safety	2,117	2,159	2,163	2,178	2,212	2,216	2,190	2,112	2,147	2,101
Parks, recreation and culture	411	441	445	447	434	413	408	414	425	423
Community development	402	393	390	505	562	546	503	474	464	455
Transportation	738	761	751	743	802	788	768	757	770	708
Legislative / admin / support services	833	865	858	852	832	821	834	931	916	740
Environmental services	533	539	548	541	524	504	484	479	486	474
Water	617	626	638	627	666	664	658	487	434	557
Hydroelectric power <sup>4</sup>	2	2	3	3	3	3	3	3	3	3
<b>Total employees</b>	<b>5,653</b>	<b>5,786</b>	<b>5,796</b>	<b>5,896</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>

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2012-2013, Volume 1

<sup>1</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>2</sup> Amount represents revised FY10-11 amount as published in the Adopted Budget FY 2011-12.

<sup>3</sup> Amount represents year-end estimate as published in the Adopted Budget FY 2011-12.

<sup>4</sup> Hydroelectric power employees are part of the Water Bureau.

<sup>5</sup> Amount represents year-end estimate as published in the Adopted Budget FY 2012-13.

**City of Portland, Oregon**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**  
**(unaudited)**

Function/Program	Fiscal Year									
	2013	2012 <sup>1</sup>	2011	2010	2009	2008	2007	2006	2005	2004
<b>Public safety:</b>										
Number of crimes (parts 1 and 2)	62,646	64,000	66,878	64,919	70,715	76,377	80,771	87,219	90,285	87,668
Number of police incidents (dispatched / reported / initiated)	507,203	504,509	489,983	473,789	424,817	444,349	450,729	464,415	458,416	484,964
Number of fire, medical and other incidents	65,912	68,979	67,212	65,912	67,238	65,721	65,304	61,466	59,696	60,672
Fire loss per capita, adjusted	\$ 49	\$ 33	\$ 24	\$ 52	\$ 53	\$ 33	\$ 41	\$ 47	\$ 51	\$ 66
Number of calls on emergency 9-1-1 lines	468,738	374,053	363,440	355,963	464,084	486,759	503,842	495,800	549,691	615,966
Calls per capita, emergency and non-emergency	1	1,006	0,975	1	1	1	1,1	1,1	1,3	1,4
Disaster exercises conducted	3	4	4	4	4	5	5	5	5	5
<b>Parks, recreation and culture:</b>										
Estimated attendance counts (millions)	4.5	4	4	6	5	6	6	6	6	6
Number of acres maintained (including golf courses and PIR)	11,546	11,415	11,209	10,940	10,795	10,763	10,685	10,613	10,481	10,511
Number of hours volunteered	475,324	474,709	453,941	460,746	465,353	462,877	461,274	457,307	454,777	440,526
<b>Community development:</b>										
Construction inspections	134,391	109,495	124,094	131,011	176,626	209,916	217,138	191,347	161,274	173,963
Building permits	9,013	8,017	7,490	7,410	8,843	10,621	11,437	11,031	10,238	9,590
Tons of recycling collected (thousands)	880	N/A	NA	600	720	680	645	553	572	570
One night shelter count of homeless	2,546	3,112	2,727	4,448	4,187	3,529	3,018	2,840	2,752	2,660
Adults served in homeless programs	8,716	7,559	9,288	14,524	12,196	10,446	10,622	10,091	10,016	9,783
<b>Transportation:</b>										
Unimproved streets (centerline miles) <sup>2</sup>	56.8	60	NA	61	NA	NA	NA	627	597	586
Miles resurfaced/sealed/rehabilitated (lane miles) <sup>3</sup>	33.8	35	42	43	38	NA	120	59	79	51
Streets swept (curb miles)	28,222	38,773	40,005	40,290	35,386	44,941	45,525	49,482	51,616	50,007
<b>Legislative / admin / support services:</b>										
Litigation cases	1,500	2,100	2,000	2,110	1,975	2,100	2,103	2,074	1,789	1,525
Number of audit services reports issued	12	12	12	12	12	12	12	14	4	7
Number of active grants - All types	475	475	475	475	328	281	231	264	250	231
Percentage availability of all vehicles	90%	90%	90%	90%	90%	90%	90%	85%	95%	94%
Number of duplicating work orders completed	18,500	20,000	22,000	22,000	33,000	30,000	37,834	26,845	25,353	29,000

Continued next page

**City of Portland, Oregon**  
**Operating Indicators by Function/Program, Continued**  
**Last Ten Fiscal Years**  
**(unaudited)**

Function/Program	Fiscal Year									
	2013	2012 <sup>1</sup>	2011	2010	2009	2008	2007	2006	2005	2004
<b>Environmental services:</b>										
Wastewater treated (billions of gallons)	29	28	30	28	25	29	30	29	27	27
Miles of pipe cleaned	361	256	257	220	216	213	190	263	228	266
<b>Water:</b>										
Population served with water	938,600	934,800	932,400	915,800	884,300	879,900	860,000	801,900	770,241	782,284
Annual per capita water usage (gallons)	35,200	34,700	35,300	37,600	39,800	40,500	42,000	42,300	40,754	43,607
Water delivered (billions of gallons)	33	33	33	34	35	35	36	34	33	37
<b>Hydroelectric power:</b>										
Power sold to PGE (mwh)	50,400	85,200	85,000	77,570	85,825	103,548	79,412	83,969	65,612	79,488

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2012-13, Volume 1 City of Portland, Bureau of Transportation, Asset Status and Condition Report

NA: Data not available for this fiscal year

<sup>1</sup> Amount represents year-end estimates as published in the most recent Adopted Budget.

<sup>2</sup> Centerline miles are the actual length of a roadway in one direction of travel.

<sup>3</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).

**City of Portland, Oregon**  
**Capital Asset Statistics by Function/Programs**  
**Last Ten Fiscal Years**  
**(unaudited)**

Function/Program	Fiscal Year									
	2013	2012 <sup>1</sup>	2011	2010	2009	2008	2007	2006	2005	2004
<b>Public safety:</b>										
Number of front-line emergency vehicles	81	81	80	73	80	68	68	65	63	63
Fire stations	30	30	30	30	30	30	30	30	29	29
Police precincts	3	3	3	3	3	5	5	5	5	5
Police vehicles	627	688	673	653	659	644	645	652	600	641
<b>Parks, recreation and culture:</b>										
Developed parks	203	203	196	187	186	187	181	180	178	171
Sports fields <sup>2</sup>	232	225	225	351	351	326	326	333	365	365
Airs and community centers	18	18	18	18	18	18	18	18	18	19
Pools	13	13	13	13	13	13	13	13	13	14
Golf courses	5	5	5	5	5	5	5	5	5	5
<b>Transportation:</b>										
Lane miles of streets	4,829	4,907	4,931	4,776	4,804	3,949	3,949	3,941	3,949	3,943
Miles of bikeways	331	328	328	324	277	272	266	262	260	254
Number of street lights	55,477	55,055	54,911	54,755	54,963	54,588	55,977	54,011	53,614	53,139
Unimproved streets	57	60.4	31	61						
<b>Environmental services:</b>										
Sanitary, storm and combined pipeline (miles)	2,300	2,336	2,330	2,330	2,333	2,324	2,308	2,287	2,284	2,341
<b>Water:</b>										
Miles of water mains	2,250	2,200	2,100	2,100	2,090	2,089	2,088	2,083	1,963	1,957
Fire hydrants	14,200	14,200	14,000	14,000	14,228	14,263	14,197	14,045	13,336	13,213
Local water storage (millions of gallons)	289	301	220	220	295	298	298	298	300	298
<b>Hydroelectric power:</b>										
Utility plants	2	2	2	2	2	2	2	2	2	2

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2012-13, Volume 1  
 Previous Years of the City of Portland, Oregon Comprehensive Annual Financial Reports  
 2012 City-wide Assets Report, Portland Bureau of Planning and Sustainability  
 Portland Police Bureau  
 Portland Parks & Recreation Bureau  
 Portland Bureau of Transportation

<sup>1</sup> Amount represents year-end estimate as published in the most recent Adopted Budget.  
<sup>2</sup> From 2012 going forward, amounts represent sports fields owned by the City of Portland. Amounts prior to 2012 include fields that the City of Portland permits.

# Audit Comments and Disclosures

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Skidmore Fountain, 1888

37062 Exhibit B

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**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE AND ON INTERNAL CONTROL  
 OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
 PERFORMED IN ACCORDANCE WITH OREGON MINIMUM AUDIT 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, 2013 and have issued our report thereon dated December 20, 2013. 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 from material misstatement.

**Compliance**

As part of obtaining reasonable assurance about whether the City's basic financial statements are free from 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:

OAR	Section	Instances of Non-Compliance Identified?
162-010-0000	Preface	None Noted
162-010-0010	Definitions	None Noted
162-010-0020	Introduction	None Noted
162-010-0030	General Requirements	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Other Supplementary Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Fund Balances, / Net Assets, Budget and Actual (Each Fund)	None Noted
162-010-0150	Schedule of Property Tax Transactions or Acreage Assessments	None Noted
162-010-0160	Schedule of Bonded or Long-Term Debt Transactions	None Noted
162-010-0170	Schedule of Future Requirements for Retirement of Bonded or Long-Term Debt	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Required Disclosures and Independent Auditors Comments	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	Yes
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	Yes
162-010-0295	Highway Funds	None Noted
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0320	Other Comments and Disclosures	None Noted

**MOSS ADAMS** LLP

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, except those noted below.

- The City experienced deficit fund balances in the Grants and Enterprise Business Solutions Services Funds, which are described in Note II.C. of the City's financial statements.
- Our single audit over the City's federal grant programs identified two instances of noncompliance and related internal control weaknesses that are reported in the Schedule of Findings and Questioned Costs.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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.

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 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. A significant deficiency is a deficiency, or a 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. The finding identified as number 2013-001 is related to the City's financial statements.

We noted certain matters that we reported to management of the City in a separate letter dated December 20, 2013.

**Purpose of this Report**

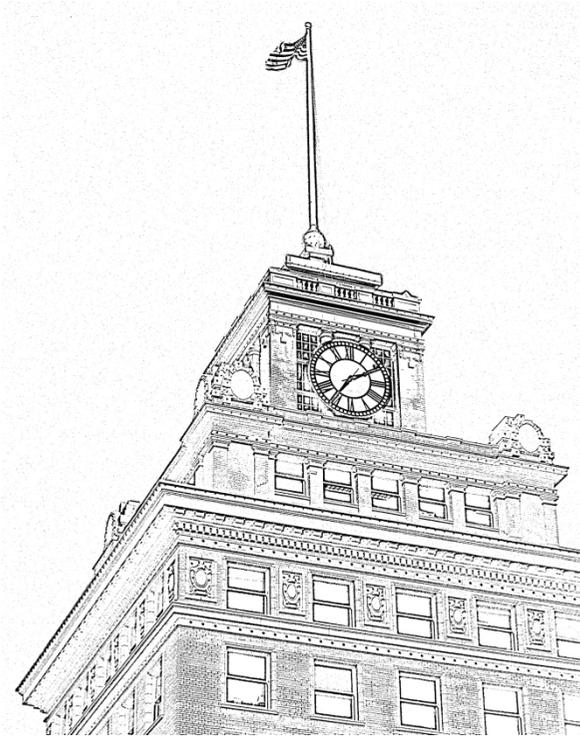
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and do not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is intended solely for the information of City 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. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Moss Adams LLP  
Eugene, Oregon  
December 20, 2013

# Federal Grant Programs

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37062 Exhibit B

Downtown Building

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**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The City Council  
City of Portland, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. A *significant deficiency* is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-001 that we consider to be a significant deficiency.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The City's Response to Findings**

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss Adams, LLP*

Eugene, Oregon  
December 20, 2013

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

The City Council  
City of Portland, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited the City of Portland, Oregon's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City of Portland, Oregon complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003. Our opinion on each major federal program is not modified with respect to these matters.

**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE (continued)**

The City's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-002 and 2013-003, which we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Moss Adams, LLP*

Eugene, Oregon  
December 20, 2013

CITY OF PORTLAND, OREGON  
Schedule of Expenditures of Federal Awards  
Fiscal year ended June 30, 2013

Federal Grantor	Federal CFDA Number/Program Title/Pass Through Agency/Identifying Name	Identifying Number	Federal Expenditures for the Year Ended 06/30/2013
<b>U.S. Department of Agriculture</b>			
	<b>10.558 Child and Adult Care Food Program</b>		
	Passed Through Oregon Department of Education		
	Afterschool Meal Program	26 16026	\$ 33,672
	Afterschool Child Wellness Practices	26 16026	4,904
	<b>Total 10.558 Child and Adult Care Food Program</b>		<b>38,576</b>
<b>Total U.S. Department of Agriculture</b>			<b>38,576</b>
<b>U.S. Department of Commerce</b>			
	<b>11.463 Habitat Conservation</b>		
	Direct Programs:		
	NOAA Open Rivers Initiative-Crystal Springs Culvert Removal/Habitat Restoration	NA10NMF4630222	300,000
	<b>Total 11.463 Habitat Conservation</b>		<b>300,000</b>
<b>Total U.S. Department of Commerce</b>			<b>300,000</b>
<b>U.S. Department of Housing and Urban Development</b>			
	<b>Community Development Block Grants/Entitlement Grants cluster</b>		
	<b>14.218 Community Development Block Grants/Entitlement Grants</b>		
	Direct Programs:		
	CDBG		12,440,010
	Passed Through City of Gresham		
	Gresham CDBG 2011-12	N/A	10,451
	Passed Through Multnomah County		
	Multnomah County CDBG 2011-12	N/A	3,550
	Passed Through Oregon Housing and Community Svcs		
	Neighborhood Stabilization Program 11/12	B-11-DN-41-001	623,344
	Neighborhood Stabilization Program 08/09	01092-NSP	385,748
	<b>Subtotal 14.218 Community Development Block Grants/Entitlement Grants</b>		<b>13,463,103</b>
	<b>ARRA 14.253 Community Development Block Grant ARRA Entitlement Grants</b>		
	Direct Programs:		
	CDBG-R ARRA	B-09-MY-41-0003	2,004
	<b>Subtotal ARRA 14.253 Community Development Block Grant ARRA Entitlement Grants</b>		<b>2,004</b>
	<b>Total Community Development Block Grants/Entitlement Grants cluster</b>		<b>13,465,107</b>
	<b>14.231 Emergency Solutions Grant Program</b>		
	Direct Programs:		
	ESG 2010		399
	ESG 2011		193,570
	ESG 2012		674,258
	<b>Total 14.231 Emergency Solutions Grant Program</b>		<b>868,227</b>
	<b>14.235 Supportive Housing Program</b>		
	Direct Programs:		
	Otis/McKinney 12-13	OR-0031-B0-E0-11104	272,239
	HMIS 2013-14	OR0025L0E011205	42,524
	HMIS 2011-12	OR0025B0E011003	4
	HMIS 2012-13	OR-0025-B0-E0-11104	198,423
	McKinney OTIS 2011-12--grant closed in FY2012-13	OR0031B0E011003	4
	<b>Total 14.235 Supportive Housing Program</b>		<b>513,194</b>

<b>14.239 Home Investment Partnerships Program</b>		
Direct Programs:		
HOME		4,631,831
<b>Total 14.239 Home Investment Partnerships Program</b>		<b>4,631,831</b>
<b>14.241 Housing Opportunities for Persons with AIDS</b>		
Direct Programs:		
HOPWA "Springboard to Stability, Self-Sufficiency and Health"		514,262
HOPWA 2011		19
HOPWA FY 2012-13		1,119,453
<b>Total 14.241 Housing Opportunities for Persons with AIDS</b>		<b>1,633,734</b>
<b>14.248 Community Development Block Grants_Section 108 Loan Guarantees</b>		
Direct Programs:		
Section 108		494,094
<b>Total 14.248 Community Development Block Grants_Section 108 Loan Guarantees</b>		<b>494,094</b>
<b>14.251 Economic Development Initiative-Special Projects, Neighborhood initiatives</b>		
Direct Programs:		
HUD-EDI-Bridges to Housing	B-08-SP-OR-0555	44,048
Washington Monroe EDI Special Project Grant	B-08-SP-OR-0554	9,539
<b>Total 14.251 Economic Development Initiative-Special Projects, Neighborhood initiatives</b>		<b>53,587</b>
<b>ARRA 14.257 Homelessness Prevention and Rapid Re-Housing Program</b>		
Direct Programs:		
ARRA - Homelessness Prevention and Rapid Re-housing Program	S09-MY-41-0001	33,242
<b>Total ARRA 14.257 Homelessness Prevention and Rapid Re-Housing Program</b>		<b>33,242</b>
<b>14.900 Lead-Based Paint Hazard Control in Privately-Owned Housing</b>		
Direct Programs:		
Lead Based Paint Abatement 2009	ORLHD0208-09	994,400
<b>Total 14.900 Lead-Based Paint Hazard Control in Privately-Owned Housing</b>		<b>994,400</b>
<b>14.913 Healthy Homes Production Grant Program</b>		
Direct Programs:		
Healthy Homes Production HUD Grant	ORLHH0216-10	484,718
<b>Total 14.913 Healthy Homes Production Grant Program</b>		<b>484,718</b>
<b>Total U.S. Department of Housing and Urban Development</b>		<b>23,172,134</b>
<b>U.S. Department of the Interior</b>		
<b>15.655 Migratory Bird Monitoring, Assessment and Conservation</b>		
Direct Programs:		
Bird-Safe Portland	F11AC00125	4,850
<b>Total 15.655 Migratory Bird Monitoring, Assessment and Conservation</b>		<b>4,850</b>
<b>15.904 Historic Preservation Fund Grants-In-Aid</b>		
Passed Through SHPO State Historic Preservation		
State Historic Preservation Grant 2012	OR-12-16	7,797
<b>Total 15.904 Historic Preservation Fund Grants-In-Aid</b>		<b>7,797</b>
<b>Total U.S. Department of the Interior</b>		<b>12,647</b>

U.S. Department of Justice

<b>16.000 Asset Forfeiture</b>		
Direct Programs:		
Asset Forfeiture		715,882
<b>Total 16.000 Asset Forfeiture</b>		<b>715,882</b>
<b>16.560 National Institute of Justice Research, Evaluation, and Development Project Grants</b>		
Direct Programs:		
Cold Case DNA	2008-DN-BX-K414	493
FY 2010 Solving Cold Cases with DNA	2010-DN-BX-K040	31,311
<b>Total 16.560 National Institute of Justice Research, Evaluation, and Development Project Grants</b>		<b>31,804</b>
<b>16.575 Crime Victim Assistance</b>		
Passed Through Oregon Department of Justice		
VOCA Non-Competitive	VOCA-NC-2012-00020	25,707
VOCA 2010 non-competitive--Crisis Response Team	VOCA-NC-2010-00004	6,489
<b>Total 16.575 Crime Victim Assistance</b>		<b>32,196</b>
<b>16.580 Edward Byrne Memorial State &amp; Local Law Enforcement Assistance Discretionary Grant</b>		
Passed Through Oregon Department of Justice		
2012 Domestic Cannabis ERadication/Suppression Program	LOU 2012-104	25,000
<b>Total 16.580 Edward Byrne Memorial State &amp; Local Law Enforcement Assistance Discretionary Grant</b>		<b>25,000</b>
<b>16.590 Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program</b>		
Direct Programs:		
DVERT 06	2006-WE-AX-0057	382
Passed Through Multnomah County		
Multnomah County Domestic Violence Enhanced Response Team	2012WEAX0020/4400000331	23,811
OVW FY10 Community Defined Solutions to VAW Program	IGA#4600008566	24,667
<b>Total 16.590 Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program</b>		<b>48,860</b>
<b>16.710 Public Safety Partnership and Community Policing Grants</b>		
Direct Programs:		
FY2010 COPS Child Sexual Predator Program-SORD	2010-CS-WX-00004	26,811
<b>Total 16.710 Public Safety Partnership and Community Policing Grants</b>		<b>26,811</b>
<b>16.712 Police Corps</b>		
Direct Programs:		
E-Citation Project/formerly Police Corps Officer Reimbursement		73,059
<b>Total 16.712 Police Corps</b>		<b>73,059</b>
<b>16.737 Gang Resistance Education and Training (GREAT)</b>		
Direct Programs:		
2010 Gang Resistance Education & Training Region Training Center	2010-JV-FX-K003	49,081
GREAT Region 2010 Supplemental Award - FY11 Solicited	2010-JV-FX-K003	226,502
GREAT Local 2010 Evaluation Site	2010-JV-FX-0010	(1,923)
GREAT Regional 2009	2010-JV-FX-0010	(31,915)
GREAT Local Evaluation Grant - FY11 Solicited	2010-JV-FX-0010	20,524
<b>Total 16.737 Gang Resistance Education and Training</b>		<b>262,269</b>

**Justice Assistance Grant Program cluster****16.738 Edward Byrne Memorial Justice Assistance Grant (JAG) Program**

## Direct Programs:

JAG 2009"regular"-Portland, Gresham, Multnomah County		203,343
JAG 2010-Portland, Gresham, Mult. Co. DA/Sheriff/Community Justice		152,235
Justice Assistance Grant FY11 Multnomah County & City of Gresham		185,709
FY12 Justice Assistance Grant w/Multnomah County and City of Gresham		305,354

<b>Subtotal 16.738 Edward Byrne Memorial Justice Assistance Grant Program</b>		<b>846,641</b>
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**ARRA 16.804 Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants To Units Of Local Government**

## Direct Programs:

ARRA JAG Formula/Portland, Mult. Co., Gresham, Fairview & Troutdale ARRA-Formula	2009-SB-B9-0977	457,248
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<b>Subtotal ARRA 16.804 Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program</b>		<b>457,248</b>
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<b>Total Justice Assistance Grant Program cluster</b>		<b>1,303,889</b>
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**16.742 Paul Coverdell Forensic Sciences Improvement Grant Program**

## Direct Programs:

FY12 Coverdell Forensic Science Improvement Grant	2012-CD-BX-0031	27,297
FY11 Coverdell Forensic Science Improvement Grant	2011-CD-BX-0066	(541)

<b>Total 16.742 Paul Coverdell Forensic Sciences Improvement Grant Program</b>		<b>26,756</b>
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**16.752 Economic High-Tech and Cyber Crime Prevention**

## Direct Programs:

2011 Intellectual Property Crime Enforcement Program	2011-BE-BX-0003	62,563
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<b>Total 16.752 Economic High-Tech and Cyber Crime Prevention</b>		<b>62,563</b>
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**16.753 Congressionally Recommended Awards**

## Direct Programs:

One Stop Center for Domestic Violence Services	2009-D1-BX-0216	171,026
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<b>Total 16.753 Congressionally Recommended Awards</b>		<b>171,026</b>
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<b>Total U.S. Department of Justice</b>		<b>2,780,115</b>
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**U.S. Department of Transportation****Highway Planning and Construction cluster****20.205 Highway Planning and Construction**

## Passed Through Metro

GIBBS ST PED BRIDGE T00009	25658	(20,749)
ARRA SE Madison Grand to 12, SE 39th and SE Hawthorne	25508	(1,431)
ARRA SO Auditorium Lighting Phase 1	25510	67,296

## Passed Through Oregon Department of Transportation

50'S BIKEWAY/THOMPSON-WDSTK, NE/SE	26187	173,488
82ND AVE COL INTERSECTION	25344	54,732
Central Eastside Street Plan	25192	3
Columbia Slough Trail	24517	128,352
GATEWAY:102ND AVE	20975	(59,402)
Going to the River	27435	312,028
Lombard: Col Sl O-XING	24450	133,458
MCLOUGHLIN BLVD BRIDGE STAIRCASE	26846	446
MLK VIADUCT	52107	21,271
N Going St Bridget Rehab-OTIA	23352	(2,039)
N IVANHOE N RICHMOND (ST JOHNS)	24786	(18,789)
N Leadbetter Extension Overcrossing	23368	(1,819)
NE 102nd Avenue: NE Glisan to SE Washington Phase II	27026	623,568
NE Columbia Boulevard at OR 99E (MLK Jr. Boulevard)	27883	78,764
NE Cully Blvd: NE Prescott to NE Killingsworth Key	24786	(2,264)
ODOT KILLINGSWORTH: COMMERCIAL	26133	91,854
Foster - Woodstock: SE 87th Av to SE 10st Av	26285	1,690,866
PORTLAND RD/COLUMBIA BLVD FED	26962	51,772
Red Electric Trail: SW 30th Avenue to SW Vermont Street	28038	6,867
Safer Routes to Schools Citywide Ped Safety Enhancements	26726	318,923
SPRINGWATER GAPS FED	25048	120,311
Division Streetscape	25986/21492	249,470
SULLIVANS GULCH TRAIL CONCEPT PLAN	27222	286
SW 122nd Avenue Complete & Green	27938	347,568
I-5: NE Holladay Street - Marquam	27034	460
TRAFFIC SIGNALS-GREEN CLEAR-OUT FOR RAIL	23917	314
TTG- PROJ 37588 BURNSIDE: BURNSIDE BR - 14TH	24898	4
Union Station Restoration Phase 2	24432	(74,260)
US 26 ADAPTIVE SIGNAL SYSTEM PRJ	25404	6,938
WAUD Bluff Trail	14273	820,103
WILLAMETTE GREENWAY TRAIL: NORTH COLUMBIA BLVD- STEEL BRIDGE	27276	34,724
Portland SRTS HU-13-10-10	HU-13-10-10	12,126
SAFE ROUTES TO SCHOOL	23935	(73,784)
Smart Trips: Streetcar (Downtown & Central Eastside)	25475/21492	189,691
Bike Share Development	28287/21492	50,865
Peer to Peer Car Share	28452	99,824
20's Bikeway: NE Lombard-SE Harney Drive (T00338)	29014	19,707
Thurman St: Macleay Park Bridge Rehab, N (T00391)	29241	95,577
SE Holgate & SE Ramona: 122nd to 136th Avenue Sidewalks	28129/21492	115,511
Capital Highway: Mult Taylor Ferry	25311	(6)

## Passed Through ODOT Traffic Safety Division

ODOT/Transportation Safety Div Work Zone 2011-2013	1113WKZN-421 GGG	139,714
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## Passed Through Washington State Department of Transportation

Columbia River Crossing	30001914	51,258
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**Total Highway Planning and Construction cluster**

5,853,596

**20.218 National Motor Carrier Safety**

## Passed Through Oregon Department of Transportation

2012 ODOT Motor Carrier Enforcement Program (MSCAP)	28601	33,552
2013 ODOT Motor Carrier Enforcement Program (MSCAP)	28965	9,587

**Total 20.218 National Motor Carrier Safety**

43,139

**Total 20.319 Capital Assistance to States-Intercity Passenger Rail Service**

7,291

**ARRA 20.321 RAILROAD SAFETY TECHNOLOGY GRANTS**

Passed Through Oregon Department of Transportation

ARRA: Union Station Facility Improvements Phase II B; High Speed Rail	26760	1,415,798
<b>Total ARRA 20.321 RAILROAD SAFETY TECHNOLOGY GRANTS</b>		<b>1,415,798</b>

**Federal Transit cluster****20.500 Federal Transit\_Capital Investment Grants**

Passed Through TRIMET

Downtown Mall LRT

GH070428TL (44)

I-205 Light Rail

GH050284TL (6,629)

STREETCAR LOOP - CONSTRUCTION - TRIMET

GH 080176TL 1,045,414

**Subtotal 20.500 Federal Transit\_Capital Investment Grants****1,038,741****20.507 Federal Transit\_Formula Grants**

Passed Through Metro

South Waterfront

(889)

Sunday Parkways 2012

17,000

STREETCAR LOOP - CONSTRUCTION - TRIMET

GH 080176TL 972,673

**Subtotal 20.507 Federal Transit\_Formula Grants****988,784****Total Federal Transit cluster****2,027,525****Highway Safety cluster****20.600 State and Community Highway Safety**

Passed Through Oregon Department of Transportation

Portland Safe Community 11/12

SA-12-25-05 27,768

Portland Safe Community 2012/13

SA-13-25-05 76,537

**Subtotal 20.600 State and Community Highway Safety****104,305****20.601 Alcohol Impaired Driving Countermeasures Incentive Grants I**

Passed Through OACP

2013 OACP DUUI

K8-13-12-36 47,847

OACP DUUI 2012

K2-12-12-38 32,935

**Subtotal 20.601 Alcohol Impaired Driving Countermeasures Incentive Grants I****80,782****20.602 Occupant Protection Incentive Grants**

Passed Through OACP

2013 OACP Safety Belt

K2-13-46-08 34,320

OACP Safety Belt 2012

K2-12-46-08 10,603

**Subtotal 20.602 Occupant Protection Incentive Grants****44,923****Total Highway Safety cluster****230,010****20.608 Minimum Penalties for Repeat Offenders for Driving While Intoxicated**

Passed Through ODOT Traffic Safety Division

ODOT DUUI Intensive Supervision Program 2013

164AL-13-14-17 42,405

ODOT DUUI Intensive Supervision Program 2012

164AL-12-14-17 14,625

**Total 20.608 Minimum Penalties for Repeat Offenders for Driving While Intoxicated****57,030****ARRA 20.932 Surface Transportation Discretionary Grants for Capital Investment**

Passed Through TRIMET

ARRA Transportation Investment Generating Economic Recovery  
(TIGER) Grants

GH11021912 169,219

**Total ARRA 20.932 Surface Transportation Discretionary Grants for Capital Investment****169,219****Total U.S. Department of Transportation****9,803,608****National Science Foundation****47.076 Education and Human Resources**

Passed Through OMSI

OMSI Sustainability

N/A 7,813

**Total 47.076 Education and Human Resources****7,813****Total National Science Foundation****7,813****U.S. Environmental Protection Agency**

66.202 Congressionally Mandated Projects

Direct Programs:			
EPA Innovative Wet Weather Program	XP97045801-0		24,294
<b>Total 66.202 Congressionally Mandated Projects</b>			<u>24,294</u>
<b>66.818 Brownfields Assessment and Cleanup Cooperative Agreements</b>			
Direct Programs:			
BROWNFIELD HAZARDOUS MATERIALS	BF 96024102-0		95,514
BROWNFIELD PETROLEUM	BF 96024002-0		125,174
EPA Brownfield Petroleum & Hazardous Assessment 2011	BF-00J45301		163,612
EPA Brownfield 2011 Revolving Loan Fund-subfund 217011	BF-00J45201		1,181
<b>Total 66.818 Brownfields Assessment and Cleanup Cooperative Agreements</b>			<u>385,481</u>
<b>Total U.S. Environmental Protection Agency</b>			<u><b>409,775</b></u>
<b><u>U.S. Department of Energy</u></b>			
<b>81.041 State Energy Program</b>			
Passed Through Oregon Department of Energy			
ARRA: ODOE SEP Solar	SEP 12-1315		19,729
<b>Total 81.041 State Energy Program</b>			<u>19,729</u>
<b>ARRA 81.128 Energy Efficiency and Conservation Block Grant Program (EECBG)</b>			
Direct Programs:			
ARRA - EECBG (competitive) - CLEAN ENERGY WORKS OREGON (CEWO)	DEQ # 067-10		7,780,796
ARRA- Energy Efficiency and Conservation Block Grants -FORMULA	DE-EE0000923		198,050
<b>Total ARRA 81.128 Energy Efficiency and Conservation Block Grant Program</b>			<u>7,978,846</u>
<b>Total U.S. Department of Energy</b>			<u><b>7,998,575</b></u>
<b><u>U.S. Department of Health and Human Services</u></b>			
<b>93.778 Medical Assistance Program</b>			
Passed Through Oregon DHS			
DD Employment Alternatives	SDS 0466D		87,983
<b>Total 93.778 Medical Assistance Program</b>			<u>87,983</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>87,983</b></u>
<b><u>Executive Office of the President</u></b>			
<b>95.001 High Intensity Drug Trafficking Areas (HIDTA) Program</b>			
Passed Through Office of National Drug Control Policy			
HIDTA 2011	GR11OR0002A		(12,466)
HIDTA 2012	GR12OR0002A		130,159
<b>Total 95.001 High Intensity Drug Trafficking Areas Program</b>			<u>117,693</u>
<b>Executive Office of the President</b>			<u><b>117,693</b></u>
<b><u>U.S. Department of Homeland Security</u></b>			
<b>97.044 Assistance to Firefighters Grant</b>			
Direct Programs			
2010 Assistance to Firefighters	09-120		720,000
<b>Total 97.044 Assistance to Firefighters Grant</b>			<u>720,000</u>
<b>Homeland Security cluster</b>			
<b>97.008 Non-Profit Security Program</b>			
Passed Through Oregon Office of Emer Management			
Urban Area Security Initiative - UASI 2011	11-170		1,303,531
Urban Areas Security Initiative - UASI 2009	09-170		(9,071)
Urban Areas Security Initiative- UASI 2010	10-170		6,448,394
<b>Subtotal 97.008 Non-Profit Security Program</b>			<u>7,742,854</u>
<b>97.071 Metropolitan Medical Response System</b>			
Passed Through Oregon Office of Emer Management			
MMRS FY 10: Planning and Medical Equipment	10-181		317,419

MMRS FY 11 - Antidote Replacement	11-181	131,801
<b>Subtotal 97.071 Metropolitan Medical Response System</b>		<b>449,220</b>
<b>97.073 State Homeland Security Program (SHSP)</b>		
Passed Through Oregon Office of Emer Management		
State Homeland Security Program 2011	11-277	40,000
Regional US&R Excercise, Phase 2	10-310	13,959
Satellite Upgrade for Mobile Command 9	11-276	52,002
SHSP 2011 - Air Support Unit Microwave Downlink	11-279	98,611
State Homeland Security Program 2010	10-314	9,023
State Homeland Security Program 2010 XTS5000 VHF Radios	10-312	1,422
<b>Subtotal 97.073 State Homeland Security Program (SHSP)</b>		<b>215,017</b>
<b>Total Homeland Security cluster</b>		<b>8,407,091</b>
<b>97.039 Hazard Mitigation Grant</b>		
Passed Through Oregon Office of Emer Management		
HAZARD MITIGATION PLANNING GRANT FEMA	FEMA DR-1733-OR	3,032
<b>Total 97.039 Hazard Mitigation Grant</b>		<b>3,032</b>
<b>97.042 Emergency Management Performance Grants</b>		
Passed Through Oregon Office of Emer Management		
Emergency Management Performance Grant 2011/2012	12-529	212,922
Emergency Management Performance Grant 2010/2011	11-527	4,742
<b>Total 97.042 Emergency Management Performance Grants</b>		<b>217,664</b>
<b>97.047 Pre-Disaster Mitigation</b>		
Passed Through Oregon Office of Emer Management		
FEMA Lents Floodplain	PDM EMS-2005 PC-004	14,710
<b>Total 97.047 Pre-Disaster Mitigation</b>		<b>14,710</b>
<b>97.056 Port Security Grant Program</b>		
Passed Through Merchants Exchange of Portland		
Port Security Grant Program FY 08: Boathouse	2008-GB-T8-K142-PFB-5.1	800,291
Port Security Grant Program FY 10	2010-PU-TO-K052-PFB-2	5,500
<b>97.056 Port Security Grant Program</b>		<b>805,791</b>
<b>Total U.S. Department of Homeland Security</b>		<b>10,168,288</b>
<b>Research and Development cluster</b>		
<b>20.514 Public Transportation Research</b>		
Passed Through TRIMET		
Trimet Prototype Streetcar	GH060317-TL	308,216
<b>Total 20.514 Public Transportation Research</b>		<b>308,216</b>
<b>ARRA 81.087 Renewable Energy Research and Development</b>		
Direct Programs:		
ARRA - Solar Market Transformation: Solar America Cities Special Projects	DE-EE0002069	77
<b>Total ARRA 81.087 Renewable Energy Research and Development</b>		<b>77</b>
<b>Total Research and Development cluster</b>		<b>308,293</b>
<b>Total Federal Expenditures</b>		<b>\$ 55,205,500</b>

**CITY OF PORTLAND, OREGON**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2013**

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**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the City of Portland, Oregon (the City) under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flow of the City.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule or Notes to the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity indentifying numbers are presented where available.

**CITY OF PORTLAND, OREGON**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2013**

**Note 3 – Sub-Recipients**

During the fiscal year ended June 30, 2013, the City disbursed federal funding to various program recipients from the following federal programs:

CFDA Number	Federal Program Name	Expenditures
11.307	Economic Adjustment Assistance	\$ 43,649
14.218	Community Development Block Grants/Entitlement Grants	5,275,046
14.231	Emergency Solutions Grant Program	776,859
14.235	Supportive Housing Program	258,760
14.239	Home Investment Partnerships Program	1,113,099
14.241	Housing Opportunities for Persons with AIDS	1,560,098
14.251	Economic Development Initiative-Special Projects, Neighborhood Initiatives	41,159
14.257	ARRA-Homelessness Prevention and Rapid Re-Housing Program	33,242
14.900	Lead-Based Paint Hazard Control in Privately-Owned Housing	59,337
14.913	Healthy Homes Production Program	399,705
16.738	Edward Byrne Memorial Justice Assistance Grant Program	502,551
16.752	Economic High-Tech and Cyber Crime Prevention	49
16.753	Congressionally Recommended Awards	154,881
16.804	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	75,449
66.202	Congressionally Mandated Projects	13,072
81.128	ARRA-Energy Efficiency and Conservation Block Grant Program(EECBG)	7,136,092
97.008	Urban Area Security Initiative	1,617,002
97.071	Metropolitan Medical Response System	71,359
97.073	State Homeland Security Program (BZPP)	2,021
	Total federal funds passed through to sub-recipients	<u>\$ 19,133,430</u>

**Note 4 – Federal Loan Programs**

The federal loans under the federal program listed subsequently are administered directly by the City and balances and transactions relating to this program are included in the City's basic financial statements. Loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2013 consists of:

CFDA Number	Federal Program Name	Outstanding Balance at June 30, 2013
14.239	U.S. Department of Housing and Urban Development HOME Investment Partnerships Program	\$ 51,460,918

**CITY OF PORTLAND, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:

*Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes  No

**Identification of Major Programs**

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued</i>
14.239	Home Investment Partnership Program	<i>Unmodified</i>
14.241	Housing Opportunities for Persons with AIDS	<i>Unmodified</i>
16.738 ARRA - 16.804	Justice Assistance Grant (JAG) Program Cluster Edward Byrne Memorial JAG Program Recovery Act - Edward Byrne Memorial JAG Program/Grants To Units Of Local Government	<i>Unmodified</i>
ARRA - 20.321	Railroad Safety Technology Grants	<i>Unmodified</i>
20.500 20.507	Federal Transit Cluster Federal Transit – Capital Investment Grants Federal Transit – Formula Grants	<i>Unmodified</i>
ARRA - 81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs:

\$1,517,210

Auditee qualified as low-risk auditee?

Yes  No

**CITY OF PORTLAND, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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**Section II – Financial Statement Findings**

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**FINDING 2013-001 – Capitalization of Internally Developed Software Personnel Costs, Significant Deficiency in Internal Controls**

**Criteria:** Internally developed software costs are to be capitalized and depreciated over their useful life pursuant to GASB No. 51 – *Accounting and Financial Reporting for Intangible Assets* that became effective for the City in its year ended June 30, 2010. The amount to be capitalized, in part, consists of costs incurred in the development stage of the project including personnel directly involved in software development.

**Condition:** In our audit testing and inquiry procedures over internally developed software, the City Controller brought to our attention that the City was not consistently capturing all personnel time and costs incurred for specific internally developed software projects. Specifically, personnel time involved in the administration and supervision of a particular project was not found to be consistently tracked and included in the capitalized cost of the software.

**Context:** Management initiated an assessment of internally developed software projects for the fiscal years 2010 - 2013, and estimated the administration and supervision personnel costs that were not capitalized at approximately \$1.2 million.

**Cause:** Personnel in the various Bureaus involved in internally developed software did not appear to be aware of the accounting requirements.

**Effect:** City functional and operational costs have been overstated by \$1.2 million, net of the depreciation expense that would have been claimed, in the past three years since the implementation of GASB No. 51.

**Recommendation:** We recommend that management provide education to Bureau personnel responsible for internally developed software on the requirements of GASB No. 51 generally, and the types of costs specifically, required to be capitalized.

**Views of responsible officials and planned corrective actions (unaudited):** Management of the City prepared their response in a separately issued document.

**CITY OF PORTLAND, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

**Section III – Federal Award Findings and Questioned Costs**

**FINDING 2013-002 – Procurement, Suspension and Debarment – Significant Deficiency in Internal Control and Instances of Noncompliance**

<i>CFDA Number</i>	<i>Federal Agency - Program Name</i>	<i>Award year</i>
	<i>U.S. Department of Justice</i>	2012-13
	Justice Assistance Grant (JAG) Program Cluster:	
16.738	Edward Byrne Memorial Justice Assistance Grant (JAG) Program	
ARRA -16.804	Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	

**Criteria:** Per Title 2 Code of Federal Regulations (CFR), Part 215.48 (e), all contracts, including small purchases awarded by recipients and their contractors, shall contain the procurement provisions of appendix A to this part, as applicable. This section covers compliance with laws and regulations when obtaining a good or services from a vendor, supplier, or provider. The procurement requirement is established to ensure that such goods and services are obtained in an effective manner and in compliance with laws and regulations, including the prohibition of conflicts of interest, the fair selection of vendors, provide open and free competition among vendors, etc. The suspension and debarment requirement establishes that certain non-Federal entities have been prohibited from participating in or receiving Federal assistance for various reasons, including prior mismanagement of funds or previous non-compliance with laws and regulations. This prohibition may be temporary (suspension) or indefinite (debarment; until specifically allowed by the government). When performing this purchase, the recipient must verify that the vendor, supplier, provider or their respective principals (e.g., owners, top management, etc.) are not suspended, debarred or otherwise excluded by the Federal government.

**Condition:** During our testing of procurement, we noted three instances in three contracts tested for this program where there was no documentation that was retained to substantiate that the required procurement procedures noted in the *Criteria* discussed above had occurred. However, through our test procedures we noted the costs paid by the grant were allowable per the scope of the grant and the vendors were not suspended or debarred parties.

**Questioned Costs:** None noted

**Context:** The lack of federal language in the contract is due to the City utilizing open purchase orders for specific program purchases from a qualified vendor. The purchase orders were initially procured when no federal funding was being used.

**CITY OF PORTLAND, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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**Cause:** The Police bureau did not notify the Purchasing bureau that the open purchase orders were going to be utilized towards purchases that were federally funded.

**Effect:** Federal funds are being expended under procurement contracts that are missing required certifications and evidence of the City following required procurement procedures. Without these certifications a contractor may be in direct violation of a federal compliance requirement and ineligible for contracting under federal laws.

**Recommendation:** We have noted that the City began corrective action during the fiscal year 2013 on a go-forward basis for new contracts. However, this federal program was still utilizing contractors in place prior to the implementation of the corrective action plan. It is our recommendation that the City continue to enforce its established policies to help ensure federal language is included in contracts when federal funding is being applied.

**Views of responsible officials and planned corrective actions:** (unaudited): Management of the City prepared their response in a separately issued document.

**FINDING 2013-003 – Sub-recipient Monitoring – Significant Deficiency in Internal Control and Instance of Noncompliance**

<i>CFDA Number</i>	<i>Federal Agency/Pass-through Entity - Program Name</i>	<i>Award year</i>
14.241	U.S. Department of Housing and Urban Development Housing Opportunities for Persons with AIDS (HOPWA)	2012-13

**Criteria:** Per OMB Circular A-133, Section 400(d) outlines the responsibilities of recipients of Federal awards regarding funds passed-through to other organizations. Specifically, the pass-through entity is to: (1) monitor the activities of sub-recipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contract or grant agreements and that performance goals are achieved; and (2) ensure that sub-recipients, as qualified, meet the audit requirements of Circular A-133, and to review sub-recipient audit findings and corrective action. To help meet this requirement the Portland Housing Bureau (PHB) has sub-recipient monitoring policies and procedures in place that require a risk assessment and desk review to be conducted within the first three and nine months, respectively, of the effective date of the contract as well as annual risk assessment and desk reviews or on-site monitoring, as needed.

**Condition:** During our testing of sub-recipient monitoring, we examined four sub-recipient files and noted that PHB had not performed any risk assessment or desk review or on-site monitoring for one of the program sub-recipients. PHB has a process in place, through internal policy, to ensure that federal requirements are being met. However, PHB did not follow their own internal policy that each sub-recipient receives an initial risk assessment and annual desk review. The breakdown in internal control led to noncompliance with sub-recipient monitoring.

**CITY OF PORTLAND, OREGON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2013**

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However, based on our audit procedures and a sample of sub-recipients tested, we noted that the City's sub-recipients for this program did not have audit findings in their most recent A-133 audits.

**Questioned Costs:** None noted.

**Context:** The grants department provides tools and resources to the bureaus to help monitor sub-recipient's A-133 audit compliance. In addition, the PHB has internal written sub-recipient monitoring processes and procedures. During our testing of sub-recipient monitoring, we noted one of the four sub-recipients for this program was not being monitoring in accordance with City and Bureau policies.

**Cause:** The absence of thorough and complete monitoring for the sub-recipient appears to be due to oversight at the project manager level.

**Effect:** The OMB Circular A-133 requirement for sufficient sub-recipient monitoring is not being met. Without sufficient monitoring, funds passed through to the sub-recipients may not have been used in compliance with program provisions or could be inappropriate for the services performed.

**Recommendation:** We recommend that PHB communicate and provide training to their project managers on the City's and the Bureaus' current policies to ensure appropriate sub-recipient monitoring activities are occurring timely. Additionally, we recommend that the City enforce compliance with these policies and procedures to help ensure that all sub-recipients are adequately monitored.

**Views of responsible officials and planned corrective actions (unaudited):** Management of the City prepared their response in a separately issued document.

**CITY OF PORTLAND, OREGON  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

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**FINDING 2012-08 – Procurement, Suspension and Debarment: Lack of Federal Language in the Contract – Significant Deficiency in Control and Instance of Noncompliance**

**Federal Program:** JAG Program cluster:

1. Edward Byrne Memorial Justice Assistance Grant (JAG) Program – CFDA #16.738
2. Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government – CFDA ARRA #16.804

**Federal Agency:** U.S. Department of Justice

**Condition:** During our testing of procurement, we noted one instance in seven contracts tested where there was no documentation that was retained to substantiate that the required procurement procedures had occurred.

**Recommendation:** We recommended that the City review the federal procurement standards and establish a communication process to help ensure federal language is included in contracts containing federal funding, as applicable.

**Current Status:** Partial corrective action - repeat finding (see 2013.002 in the Schedule of Findings and Questioned Costs)

**FINDING 2012-09 – Sub-recipient Monitoring – Significant Deficiency in Control and Instance of Noncompliance**

**Federal Program:** JAG Program cluster:

1. Edward Byrne Memorial Justice Assistance Grant (JAG) Program – CFDA #16.738
2. Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government – CFDA ARRA #16.804

**Federal Agency:** U.S. Department of Justice

**Condition:** The process to ensure that a responsible person is reviewing the results of A-133 audit reports from sub-recipient entities, that are required to have them, is not occurring for this program at an appropriate level (Portland Police Bureau (PPB)). As such, the City is not aware of sub-recipient audit findings and any required corrective action(s) for the most recent audits of their sub-recipients. However, based on our audit procedures and a sample of sub-recipients tested, we noted that the City's sub-recipients for this program did not have audit findings in their most recent A-133 audits.

**CITY OF PORTLAND, OREGON  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2013**

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***Recommendation:*** We recommended that PPB review their current policies to ensure appropriate monitoring activities are outlined in the policy, such as requesting and reviewing sub-recipient audit reports timely. Additionally, we recommended that the City enforce compliance with these policies and procedures and ensure that all sub-recipients are adequately monitored.

***Current Status:*** Resolved for this program



# CITY OF PORTLAND

OFFICE OF MANAGEMENT AND FINANCE

37062 Exhibit B

Charlie Hales, Mayor

Fred Miller, Interim Chief Administrative Officer

1120 SW Fifth Ave., Suite 1250

Portland, Oregon 97204-1912

(503) 823-5288

FAX (503) 823-5384

TTY (503) 823-6868

December 20, 2013

To: James Lanzarotta, Moss Adams LLP  
LaVonne Griffin-Valade, City Auditor

From: Fred Miller, Interim Chief Administrative Officer

*Fred Miller*

As part of the City's FY2012-13 audit and required Auditor Communications performed and reported by Moss Adams LLP, I am responding to your Schedule of Findings and Questioned Costs (SFQC) for the finding related to the Office of Management and Finance, as follows:

**FINDING 2013-001 – Capitalization of Internally Developed Software Personnel Costs, Significant Deficiency in Internal Controls**

**Recommendation:** We recommend that management provide education to Bureau personnel responsible for internally developed software on the requirements of GASB No. 51 generally, and the types of costs specifically, required to be capitalized.

**Management Response:** (unaudited): The Office of Management and Finance (OMF) provided software capitalization requirements to bureaus represented in the October 17, 2013 Accounting Advisory Committee meeting. Additionally, OMF provided information to bureaus City-wide during a Chief Administrative Officer sponsored meeting held October 21, 2013.

During FY 2014, OMF plans to provide focused training for the Bureau Capital Asset and Project Accountants, the Accounting Advisory Committee members, and Bureau Audit Leads. Also, OMF plans to coordinate efforts with the Bureau of Technology Services, Enterprise Business Solutions, the Technology Oversight Committee, and the City Budget Office, to ensure they have the information prior to and during the preliminary project phase of software development of technology projects. Also, OMF will revise Accounting Administrative Rule Fin 6.09 *Capitalization of Computer Software Developed or Obtained for Internal Use* to provide more definitions and further clarify which specific costs must be capitalized and what costs would not qualify for capitalization.

The City appreciates the comments and recommendations of our independent financial auditor, and will use this information to improve processes going forward. If you have any questions, comments, or concerns about these responses, please do not hesitate to let me know.

*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*



## CITY OF PORTLAND, OREGON



### Bureau of Police

Charlie Hales, Mayor  
Michael Reese, Chief of Police

1111 S.W. 2nd Avenue • Portland, OR 97204 • Phone: 503-823-0000 • Fax: 503-823-0342

Integrity • Compassion • Accountability • Respect • Excellence • Service

December 18, 2013

To: James Lanzarotta, Moss Adams LLP  
LaVonne Griffin-Valade, City Auditor

From: Michael Reese, Chief of Police 

As part of the City's FY2012-13 audit and required Auditor Communications performed and reported by Moss Adams, LLP, I am responding to your Schedule of Findings and Questioned Costs (SFQC) for one finding related to the Portland Police Bureau, as follow:

### **FINDING 2013-002 - Procurement, Suspension and Debarment - Significant Deficiency in Internal Control and Instances of Noncompliance**

**Recommendation:** We have noted that the City began corrective action during the fiscal year 2013 on a go-forward basis for new contracts. However, this federal program was still utilizing contractors in place prior to the implementation of the corrective action plan. It is our recommendation that the City continue to enforce its established policies to help ensure federal language is included in contracts when federal funding is being applied.

#### ***Views of responsible officials and planned corrective actions: (unaudited):***

The City implemented a Corrective Action Plan to address an issue identified by the independent auditor in FY 2011-12 Single Audit Finding 2012-08 regarding inclusion of references to the appropriate federal provisions and citations that will be included with any purchase order or contract. A process for the review and a communications plan was developed for future grant-funded purchases to ensure required federal language be included. Focused training was provided by Procurement Services to the Bureau of Police and Bureau of Fire and Rescue.

At the time that Finding 2012-08 was delivered, the City was aware that procurements already completed, or that were in process and at risk of the expiration of grant-funding, would not benefit from this corrective action. The plan did allow the City to ensure applicable federal language was included in subsequent purchase documents.

The City discovered a gap in the process that relates to the use of pre-existing supply contracts that do not yet contain the applicable language. This led to instances of non-compliance. The Police Bureau is working with Procurement Services to determine which existing contracts require renegotiation to incorporate appropriate language in advance of making grant-funded purchases from that vendor.

C. Jane Kingston, Controller  
Fiona Earle, Principal Management Auditor, Audit Services

**Community Policing: Making the Difference Together**  
**An Equal Opportunity Employer**

City Information Line: 503-823-4000, TTY (for hearing and speech impaired): 503-823-6868 Website: [www.portlandpolice.com](http://www.portlandpolice.com)



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CITY OF  
**PORTLAND, OREGON**  
PORTLAND HOUSING BUREAU

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Traci Manning, Director  
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Portland OR 97204  
(503) 823-2375  
Fax (503) 823-2387  
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December 18, 2013

To: James Lanzarotta, Moss Adams LLP  
LaVonne Griffin-Valade, City Auditor

From: Traci Manning

As part of the City's FY2012-13 audit and required Auditor Communications performed and reported by Moss Adams, LLP, I am responding to your Schedule of Findings and Questioned Costs (SFQC) for one finding related to the Portland Housing Bureau, as follow:

**FINDING 2013-003 – Sub-recipient Monitoring – Significant Deficiency in Internal Control and Instance of Noncompliance**

Recommendation: We recommend that PHB communicate and provide training to their project managers on the City's and the Bureaus' current policies to ensure appropriate sub-recipient monitoring activities are occurring timely. Additionally, we recommend that the City enforce compliance with these policies and procedures to help ensure that all sub-recipients are adequately monitored.

***Views of responsible officials and planned corrective actions:***

PHB and OMF agree with the recommendation and will continue to strengthen staff skills in understanding and applying the City's processes to subrecipient monitoring. As part the corrective action plan, PHB is instituting a peer completeness review during the fiscal year. PHB will work to continue strengthening communication with regard to City procedures for reviewing and monitoring subrecipient contracts to ensure no oversight happens again as we move forward. Organizational changes and new management are in place for the current fiscal year and will serve to mitigate the risk of this problem arising in the future.

cc: Jane Kingston, Controller  
Fiona Earle, Principal Management Auditor, Audit Service