

Portland Development Commission Doing Business As

# Prosper Portland



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended June 30, 2019**



Building an Equitable Economy

A Component Unit of the City of Portland, Oregon

## On the Cover

**Left to right:**

Developer candidates for the Broadway Corridor project presented their qualifications at a public forum that offered hundreds of community members the opportunity for feedback and interaction.

Lents Commons, a collaboration between Prosper Portland and the Portland Housing Bureau, is a mixed-use, mixed-income project with 54 units of housing and ground floor retail space.

Vendors at the first My People's Market, a showcase of diverse entrepreneurs, makers, artists, and food and beverage artisans.

A reunion for the first class of the Increase Project, an Inclusive Business Resource Network program that provides minority-owned small businesses with tools for growth and expansion.



**Building an Equitable Economy**

# **PROSPER PORTLAND**

A Component Unit of the City of Portland, Oregon

# **Comprehensive Annual Financial Report**

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**Prepared by Prosper Portland  
Finance and Business Operations**

Kimberly Branam, Executive Director  
Adam Lane, Chief Financial Officer

For the fiscal year ended June 30, 2019



## **Who we are...**

## **What we do...**

We are the economic and urban development agency for the city of Portland. We are deeply committed to building an equitable economy by focusing on four cornerstones of our work: creating vibrant neighborhoods and communities, job creation, advancing opportunities for prosperity and collaborating with partners for an equitable city. We work with partners to drive public attention and resources to different areas of the city, which helps Portland realize capital projects – parks, streetscape improvements, community centers – that would not happen on their own, making it a better place to live for all Portlanders.

Our five year strategic plan is to achieve widely shared prosperity among residents by harnessing and expanding the agency's tools for job creation, place-making and economic opportunity. The agency's new name and identity further demonstrate its commitment to these goals.

### ***Prosper Portland's Mission***

*Prosper Portland creates economic growth and opportunity for Portland.*

### ***Prosper Portland's Vision***

*Portland is one of the most globally competitive, equitable, and healthy cities in the world.*

*Prosper Portland stimulates job creation, encourages broad economic prosperity, and fosters great places on behalf of the City of Portland.*

*We are a workplace of choice with passionate staff excelling in an open and empowering environment and sharing a commitment to our collective success.*

Our new logo was inspired by the shape of a keystone, the pivotal final piece of an archway in ancient bridge construction. It is used to symbolize trust, partnership, and our role in building an equitable economy for Portlanders. The five keystone shapes represent the five neighborhoods of Portland (N, NE, SE, SW, and NW) as well as the five objectives of our Strategic Plan.

Prosper Portland is responsible for maintaining an accounting system and providing for a comprehensive independent financial audit. The following pages are Prosper Portland's Comprehensive Annual Financial Report with accompanying report of independent auditor.



**Building an Equitable Economy**

# Table of Contents

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	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal from Executive Director and Chief Financial Officer .....	I
Governing Board .....	V
Organization Chart .....	VI
Map of Urban Renewal Areas .....	VII
Certificate of Achievement for Excellence in Financial Reporting.....	VIII
 <b>FINANCIAL SECTION</b>	
Independent Auditors Report .....	1
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	17
Statement of Activities .....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	26
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General Fund (adopted as Urban Redevelopment Fund) .....	27
Statement of Net Position – Proprietary Funds .....	28
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	29
Statement of Cash Flows – Proprietary Funds .....	30
Notes to the Financial Statements:	
I. Summary of Significant Accounting Policies .....	31
II. Stewardship, Compliance, and Accountability .....	38

# Table of Contents (continued)

---

## Page

### FINANCIAL SECTION, Continued:

#### Notes to the Financial Statements, Continued:

##### III. Detailed Notes on All Funds:

A. Cash and Cash Equivalents and Cash with City of Portland Investment Pool .....	39
B. Internal Balances and Transfers .....	44
C. Loans Receivable .....	45
D. Restricted Net Position .....	47
E. Property Held for Sale .....	47
F. Capital Assets .....	48
G. Operating Leases .....	48
H. Changes in Long-Term Liabilities .....	49
I. Amounts Due To and From the City of Portland .....	50
J. Revenue .....	51

##### IV. Other Information:

A. Pension Plans .....	51
B. Other Post-Employment Benefits .....	59
C. OPERS Retirement Health Insurance Account (RHIA) .....	61
D. Commitments .....	66
E. Prosper Portland's Use of the City of Portland's Conduit Debt .....	67
F. Contingencies .....	67
G. Risk Management .....	67
H. Reviews by Grantor Agencies .....	69

#### Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability (Asset) .....	72
Schedule of Contributions to Oregon Public Retirement System .....	73
Schedule of Changes in Total Other Post-Employment Benefits Liability and Related Ratios .....	74
Schedule of the Proportionate Share of the Net OPEB Liability (Asset) .....	75

#### SUPPLEMENTARY DATA (Combining Statements and Schedules, Budgetary

##### Schedules, and Schedules of Capital Assets Used in the Operation of Governmental Funds):

Combining Balance Sheet – Nonmajor Governmental Funds .....	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	81
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds .....	83
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Housing and Community Development Contract Fund .....	84
Other Federal Grants Fund .....	85
Enterprise Zone Fund .....	86
Ambassador Fund .....	87

# Table of Contents (continued)

---

	Page
<b>FINANCIAL SECTION, Continued:</b>	
SUPPLEMENTARY DATA, Continued:	
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Neighborhood Prosperity Initiative Urban Renewal Fund .....	92
Downtown Waterfront Urban Renewal Fund .....	93
North Macadam Urban Renewal Fund .....	94
River District Urban Renewal Fund .....	95
South Park Blocks Urban Renewal Fund .....	96
Convention Center Urban Renewal Fund .....	97
Central Eastside Urban Renewal Fund .....	98
Lents Town Center Urban Renewal Fund .....	99
Interstate Corridor Urban Renewal Fund.....	100
Gateway Regional Center Urban Renewal Fund .....	101
Airport Way Urban Renewal Fund.....	102
Willamette Industrial Urban Renewal Fund .....	103
Statement of Net Position, Proprietary Funds.....	106
Statement of Revenues, Expenses, and Changes in Net Position, Proprietary Funds.....	107
Combining Statement of Cash Flows, Proprietary Funds .....	108
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Enterprise Loans Fund .....	109
Combining Schedule of Net Position – for Components of the Enterprise Loans Fund .....	110
Combining Schedule of Revenues, Expenses, and Changes in Net Position – for Components of the Enterprise Loans Fund.....	111
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Business Management Fund .....	112
Risk Management Fund.....	113
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source .....	116
Schedule of Changes by Function and Activity .....	117
Schedule by Function and Activity .....	118
Schedule of Activity of Real Property and Capital Assets Held by the Commission .....	119
<b>STATISTICAL SECTION</b>	
Net Position by Component Last Ten Fiscal Years .....	124
Changes in Net Position Last Ten Fiscal Years.....	125
Fund Balances of Governmental Funds Last Ten Fiscal Years.....	126

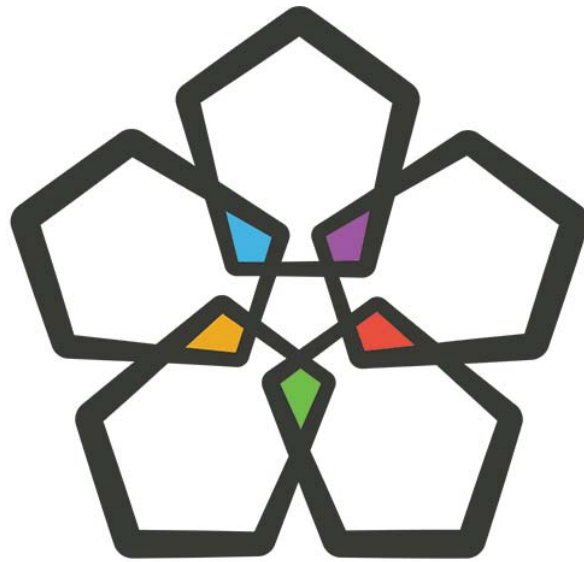
# Table of Contents (continued)

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	Page
<b>STATISTICAL SECTION, Continued:</b>	
Changes in Fund Balances of Governmental Funds for the Last Ten Fiscal Years .....	127
General Government Revenues for the Last Ten Fiscal Years .....	128
General Government Expenditures for the Last Ten Fiscal Years .....	129
Urban Renewal Area Consolidated Tax Rates for the Last Ten Fiscal Years .....	130
Urban Renewal and Redevelopment Bonds – Future Bond Principal Requirements .....	132
Urban Renewal and Redevelopment Bonds – Future Bond Interest Requirements .....	134
Urban Renewal Indebtedness Summary .....	136
Urban Renewal Property Values, Tax Increment, for the Last Ten Fiscal Years or Since Inception:	
Neighborhood Prosperity Initiative Urban Renewal Fund .....	137
Downtown Waterfront Urban Renewal Fund .....	138
North Macadam Urban Renewal Fund .....	139
River District Urban Renewal Fund .....	140
South Park Blocks Urban Renewal Fund .....	141
Convention Center Urban Renewal Fund .....	142
Central Eastside Urban Renewal Fund .....	143
Lents Town Center Urban Renewal Fund .....	144
Interstate Corridor Urban Renewal Fund .....	145
Gateway Regional Center Urban Renewal Fund .....	146
Airport Way Urban Renewal Fund .....	147
Financial Assistance Activity for the Last Ten Fiscal Years .....	148
Total Personal Income, Per Capita Income, Population Trends, and Unemployment Rates .....	149
Organizational Chart with Detail .....	150
Miscellaneous Statistics - June 30, 2019 .....	151
 <b>AUDIT COMMENTS &amp; DISCLOSURES</b>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	155
Independent Auditors Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon Minimum Audit Standards .....	157



# Introductory Section\_\_\_\_\_



**PROSPER**  
PORTLAND

**Building an Equitable Economy**



November 13, 2019

Gustavo J. Cruz, Jr.  
Chair

Francesca Gambetti  
Commissioner

Dr. Alisha Moreland-  
Capuia  
Commissioner

William Myers  
Commissioner

Peter Platt  
Commissioner

Ted Wheeler  
Mayor

Kimberly Branam  
Executive Director

To the Commissioners of Prosper Portland,  
Mayor and Members of the City Council, and the  
Citizens of the City of Portland, Oregon:

The Finance & Business Operations Department and I are pleased to submit Prosper Portland's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. State law requires that all local governments publish a complete set of financial statements within six months of the close of each fiscal year. This report is published to provide the Prosper Portland Commissioners, the Mayor and City Council, the citizens of the City of Portland (City), city staff, and other readers with detailed information concerning Prosper Portland's financial position and activities.

Management assumes full responsibility for the completeness and reliability of all information presented in this report, including all disclosures, based upon a comprehensive internal control framework that it has established for this purpose. Prosper Portland management is responsible for establishing and maintaining an effective internal control structure to safeguard its assets, assure the reliability of its accounting records, and promote operational efficiency. Because the cost of such controls should not outweigh their benefits, Prosper Portland's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free of any material misstatements.

Prosper Portland's charter requires Prosper Portland to undergo an annual independent audit by a licensed municipal auditor. The accounting firm of Moss Adams LLP conducted the audit of Prosper Portland's FY 2018-19 financial statements. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Prosper Portland's financial statements for the fiscal year ended June 30, 2019, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is presented at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

[prosperportland.us](http://prosperportland.us)

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### **Prosper Portland Profile**

Prosper Portland creates economic growth and opportunity for Portland. Its vision is to make Portland one of the most globally competitive, healthy, and equitable cities in the world by investing in job creation, encouraging broad economic prosperity, and fostering great places throughout the city. It aspires to be a workplace of choice with passionate staff excelling in an open and empowering environment and sharing a commitment to collective success.

Prosper Portland is committed to growing quality jobs, advancing opportunities for prosperity, creating vibrant neighborhoods and communities, and collaborating with partners to create an equitable city, with prosperity shared by Portlanders of all colors, incomes and neighborhoods.

Prosper Portland was created as a city agency in 1958 under Article I, Section 15 of the Charter of the City of Portland, Oregon to serve as Portland's urban renewal and economic development agency. The governing body is a five-member Commission, appointed by the Mayor and approved by the City Council. Prosper Portland is a component unit of the City of Portland and is reported in its CAFR as a discretely presented component unit. Prosper Portland currently manages sixteen active urban renewal districts throughout the City of Portland, several revolving loan funds, and annual funding from the City General Fund, and is a subrecipient of federal Community Development Block Grant (CDBG) funds.

Prosper Portland has one blended component unit, 9101 Foster LLC, created for construction and management of the 9101 SE Foster Road Project, now known as Lents Commons, in the Lents Town Center urban renewal area (URA). Construction was completed in FY 2017-18.

Prosper Portland's five-year strategic plan is to achieve widely shared prosperity among residents by harnessing the agency's tools for job creation, place-making, and economic opportunity. The Strategic Plan requires a deliberate and equal focus on building healthy communities, maintaining economic competitiveness, and creating equitable opportunities. It also lays out Prosper Portland's commitment to addressing issues of racial equity both within the organization and in its work.

Prosper Portland's business is conducted at monthly public meetings, and all activities are guided by the strategic plan and the annual budget. Developed in conjunction with public and private community partners, the budget is appropriated by fund and business line (service). Each fund and business line include specific allocations of resources by funding source, business line, and project and programs. In accordance with Oregon Local Budget Law, the proposed annual budget is presented to the Portland City Council, acting as the Prosper Portland Budget Committee, for review and approval. Following budget committee approval, Prosper Portland submits the approved budget to the Tax Supervising and Conservation Commission for review and to the Prosper Portland Board of Commissioners for review, adoption, and subsequent amendment as necessary.

### **Relevant Financial Policies**

Prosper Portland's charter prescribes that it maintains budgeting and accounting systems and prepares an annual budget in accordance with Oregon Local Budget Law. Funds are used to segregate activities in accordance with special restrictions on the use of revenue. Expenditures are recorded by fund and purpose on the modified accrual basis of accounting, and are further classified by service, project, and organizational unit for internal management information. Cash and other assets, related liabilities, and residual equity are segregated into independent self-balancing funds. All capital asset and long-term liabilities are reflected in the government-wide financial statements. Prosper Portland's charter requires its cash to be deposited in the City of Portland's investment pool and invested by the City Treasurer in accordance with Oregon Revised Statutes 294.035 and 294.046. In addition, special accounts may be maintained if required, for example, by debt covenants. Interest is paid by the City of Portland to Prosper Portland and is allocated based on each fund's periodic cash balance.

### **Local Economic Conditions**

Portland is the financial, trade, transportation, manufacturing, and business service center for Oregon, southwest Washington, and the Columbia River Basin. The area's five largest private sector employers are Intel Corporation, Providence Health Systems, Nike, Fred Meyer (Kroger), and the Kaiser Foundation Health Plan of the Northwest. Health care and social assistance, manufacturing, and retail trade compose the largest industry segment of the regional economy and account for approximately 38 percent of local jobs.

In 2017, median household income in Portland was \$61,532 as compared to \$56,119 and \$57,652 for the state of Oregon and the United States, respectively. This marks a 26 percent increase from the 2010 figure for the city.

Oregon statute limits the amount of property that can be included in a municipality's urban renewal areas to a maximum of 15 percent of assessed value and 15 percent of acreage. The aggregate amount of certified assessed value in the 16 authorized urban renewal areas is approximately 8.6 percent of the city of Portland's total overall assessed value and 12.3 percent of overall acreage for the city. Each of the existing tax increment financing (TIF) Districts are currently projected to have adequate funding capability to pursue established plans with exception of the River District. Prosper Portland is currently working with city partners to resolve a gap between projected funding requirements and available resources in the River District Five-Year Forecast. Changes to current resource and requirement assumptions addressing the gap will be addressed in the FY 2020-21 Budget and Forecast in 2020.

### **Long-term Financial Planning**

The Prosper Portland Board adopted The Ten-Year Financial Sustainability Plan in July 2018 that created a comprehensive framework for funding agency programs, projects, and initiatives over the next ten years.

Tax-increment resources currently provide most of funding as detailed in the five-year forecast and early years of the Ten-Year Financial Sustainability Plan. At present there are no known legal or legislative challenges to the funding of urban renewal activities using tax-increment financing. Annually, Prosper Portland forecasts projected revenues and expenditures for each of the urban renewal districts. This effort results in a five-year forecast of project and program budget requirements for the funds associated with them. To a large extent, non-urban renewal area revenues and expenditure requirements are dependent on the annual allocation of resources from external funding providers.

The Financial Sustainability Plan emphasizes the need for new and different funding to enable Prosper Portland to continue to foster widespread economic prosperity, grow family wage jobs, create complete neighborhoods, and build partnerships with community organizations and the private sector.

### **Major Initiatives**

Major initiatives cited in this section are highlights based on budgeted project dollars in the adopted budget for the fiscal year ending in June 2020.

Overall, Prosper Portland has budgeted approximately \$51 million across TIF Districts and city-wide for financial assistance through loans or grants (e.g., Economic Opportunity Funds, business or commercial lending programs, Prosperity Initiative Program grants, Community Livability Program grants, and Property Fit program loans) to stimulate investment and job growth, leveraging Prosper Portland dollars with private and public funds. Prosper Portland has an important role to play in the current economy and continues to seek new ways to provide more funds to the community.

The Commission budgeted \$13.5 million for new and in-progress city infrastructure improvements including parks, transportation and public facilities across most urban renewal areas. The Commission has also budgeted \$48.8 million for housing programs as part of the Affordable Housing Set Aside Policy, implemented through an intergovernmental agreement with the Portland Housing Bureau and incorporating amendments adopted by City Council that dedicates 45 percent of all new TIF Debt Proceeds to affordable housing. The Intergovernmental Agreement with the Portland

Housing Bureau consists of all homeownership, home repair, and affordable rental housing projects and programs including the preservation of existing housing.

The largest project costs are proposed to occur in the Interstate Corridor TIF District with \$36 million in planned spending. Housing is the largest planned expenditure at \$27 million due to 70 percent of new TIF proceeds allocated to the Affordable Housing Set Aside Policy. Prosper Portland's \$8 million in direct investments are guided by the North/Northeast Community Development Initiative which includes resources allocated to the Prosperity Investment Program grants and commercial and business lending focused on long-term property owners in the area.

The Downtown Waterfront TIF District includes the second largest amount of project costs at \$31 million. Projects include affordable housing and planned investment in the Old Town/Chinatown Action Plan. Combined with the River District TIF District, total investment in Old Town/Chinatown is planned at more than \$50 million in the Five-Year Forecast. Major predevelopment activities continue as part of the Broadway Corridor Framework plan, which encompasses the United States Postal Service site that Prosper Portland acquired in 2017.

Other major projects in FY 2019-20 include 106<sup>th</sup> and Halsey Commercial Condominium in the Gateway TIF District as well as the 92<sup>nd</sup> and Harold project in the Lents Town Center TIF District.

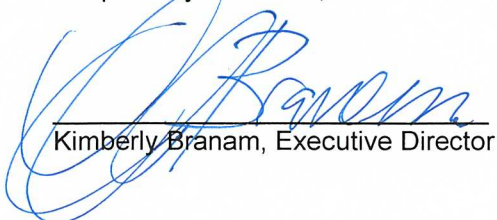
#### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Prosper Portland for its CAFR for the fiscal year ended June 30, 2018. Prosper Portland has received a Certificate of Achievement for the last 31 consecutive fiscal years. GFOA's Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government comprehensive annual financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Prosper Portland's management believes that its current report continues to meet the Certificate of Achievement Program requirements and Prosper Portland will be submitting it to GFOA to determine its eligibility for another certificate.

The preparation of Prosper Portland's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019 would not have been possible without the efficient and dedicated service of the entire staff of the Commission and the Finance & Business Operations Department. A special thanks to Michele Whaley, Gina Bixby, Sam Brugato, Chan SaeLee, and Tony Barnes for their efforts in producing this CAFR. We also wish to express our gratitude and appreciation to the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Prosper Portland's finances.

Respectfully submitted,



Kimberly Branam, Executive Director



Adam Lane, Chief Financial Officer



# Prosper Portland

A Component Unit of the City of Portland, Oregon



(from left to right, Alisha Moreland-Capuia, M.D.; Peter Platt; Gustavo J. Cruz, Jr., Chairman; Kimberly Branam, Executive Director; William Myers; Francesca Gambetti)

## Governing Board

(As of July 18, 2018)

## Term Expires

Gustavo J. Cruz Jr., Chair

*Senior Counsel*

Faleigh Wada Witt

121 SW Morrison St., #600

Portland, OR 97204

[gcruz@fwlaw.com](mailto:gcruz@fwlaw.com)

June 30, 2021

William Myers, Vice Chair

*Executive Secretary Treasurer*

Columbia Pacific Building Trades Council

3535 SE 86<sup>th</sup> Avenue

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[Willy@cpbctc.com](mailto:Willy@cpbctc.com)

June 30, 2021

Alisha Moreland-Capuia, M.D.

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July 9, 2019

Peter Platt

*Owner*

Andina

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August 1, 2020

Francesca Gambetti

*Partner/Project Manager*

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August 1, 2020

## Registered Agent

None

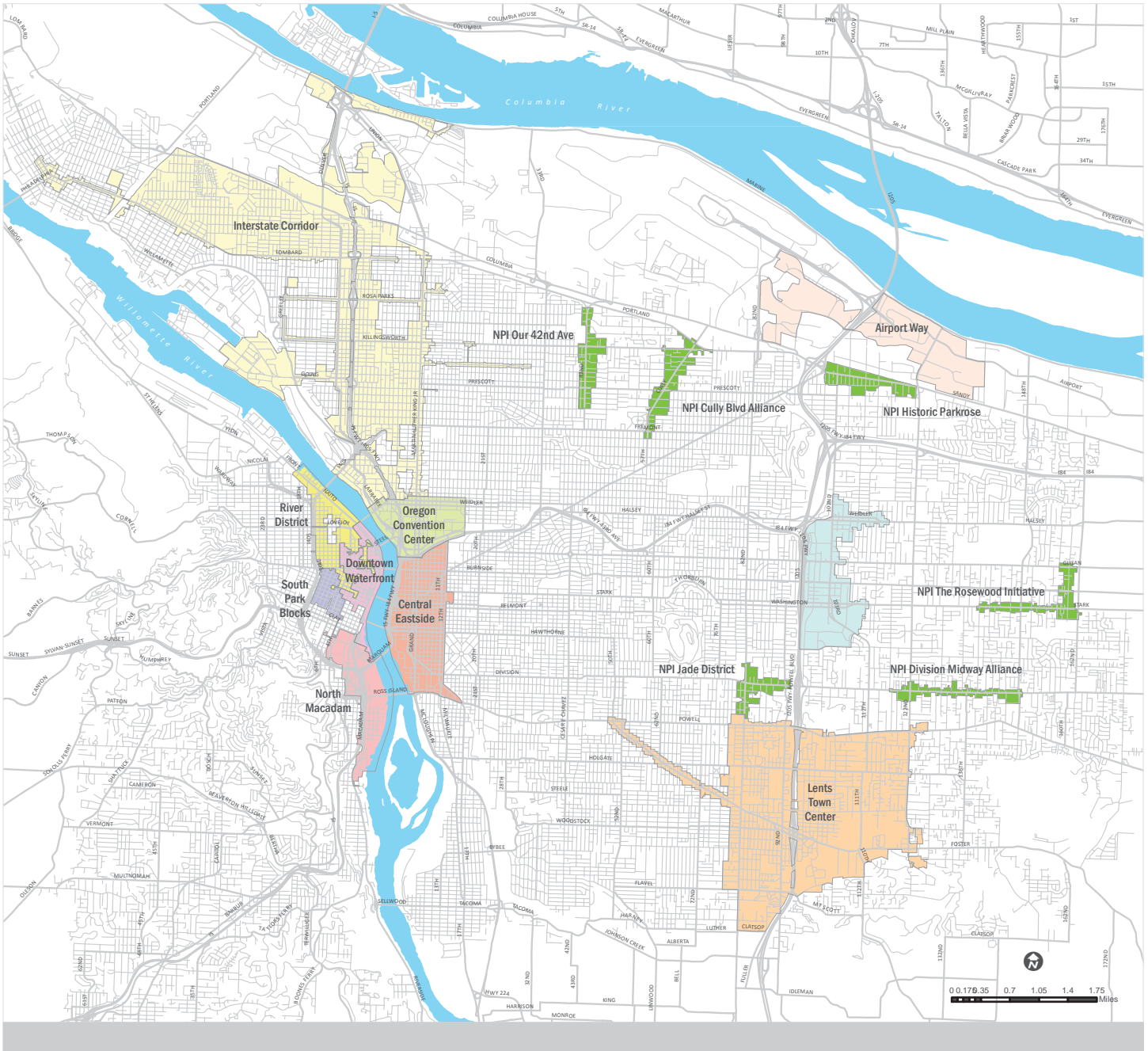
# Prosper Portland

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## Organizational Chart







Total Acres in Urban Renewal Plan Areas: 11,404

URAs as a Percentage of City Acreage: 12.3%

**Legend**

	Airport Way URA		Interstate Corridor URA		Oregon Convention Center URA
	Central Eastside URA		Lents Town Center URA		River District URA
	Downtown Waterfront URA		Neighborhood Prosperity Initiative (NPI)		South Park Blocks URA
	Gateway Regional Center URA		North Macadam URA		



Government Finance Officers Association

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

Presented to

**Prosper Portland  
Oregon**

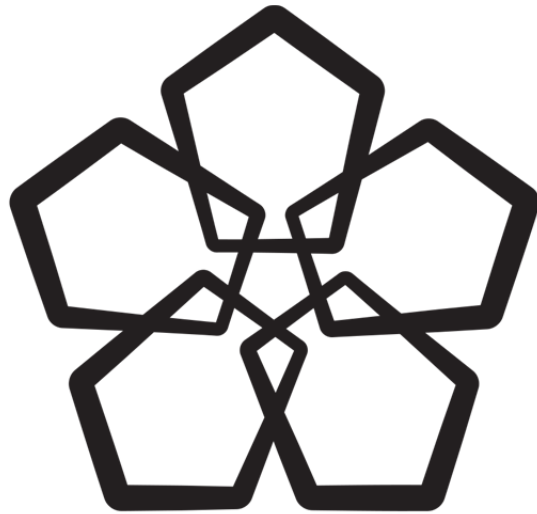
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

Financial  
Section\_\_\_\_\_



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

## **Report of Independent Auditors**

The Board of Commissioners  
Portland Development Commission, Portland, Oregon, dba Prosper Portland  
(A Component Unit of the City of Portland)

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the budgetary comparison statement for the General Fund, the aggregate remaining fund information and the budgetary comparisons for the general fund of Portland Development Commission, dba Prosper Portland (a Component Unit of the City of Portland) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Prosper Portland'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 from 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 entity'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.

## ***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, each major fund, the budgetary comparison statement for the General Fund, and the aggregate remaining fund information of Prosper Portland as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows 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 the management discussion and analysis, the post-employment benefit information, and the pension contribution information on pages 5 through 16 and 72 through 75 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 required supplementary information 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 the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Prosper Portland's basic financial statements. The Supplementary Data as listed in the table of contents which includes the combining and individual fund statements, budgetary, capital asset and real property schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data 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. Such 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 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 supplementary is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical information has 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 November 13, 2019 on our consideration of Prosper Portland'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 solely 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 effectiveness of Prosper Portland's 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 Prosper Portland's internal control over financial reporting and compliance.

**Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 13, 2019, on our consideration of the Prosper Portland'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  
Portland, Oregon  
November 13, 2019



**PROSPER**  
PORTLAND

**Building an Equitable Economy**



## Management's Discussion and Analysis

As management of Prosper Portland, we offer readers of Prosper Portland's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. 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 on pages i-v of this report.

### Financial Highlights

- The assets of Prosper Portland exceeded the liabilities for the current year ended June 30, 2019 by \$455,770,477 (net position).
- Prosper Portland's total net position increased by \$12,051,818 (2.7%) when compared to the financial statements at June 30, 2018. The increase in net position is attributable to an increase in current and other assets resulting from resources exceeding expenditures.
- As of June 30, 2019, Prosper Portland's governmental activities reported a combined ending fund balance of \$440,091,874 an increase of \$12,194,509 from the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$1,518,639, or 22.3% of total general fund expenditures.
- Gross loans receivable increased from \$77,520,969 to \$81,649,090 agency-wide, or 5.3%. The loan loss allowance increased from \$25,634,100 to \$32,149,966, an increase of 25.4% from the prior year's allowance. The large change in the loan loss allowance was primarily due to the funding of cash flow loans which have a larger standard loan loss percentage than other loans offered. This type of loan also became a larger percentage of our loan portfolio over the last year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Prosper Portland's basic financial statements, and consists of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes supplementary information intended to support the basic financial statements.

**Government-wide Financial Statements.** The *government-wide financial statements* provide readers with an overview of Prosper Portland's finances.

The *Statement of Net Position* presents financial information on all Prosper Portland's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Prosper Portland is improving or deteriorating.

The *Statement of Activities* details how Prosper Portland's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., pension and earned-but-unused vacation leave).

Both government-wide financial statements distinguish functions of Prosper Portland that are principally supported by tax-increment debt proceeds (in lieu of tax-increment revenue) and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Prosper Portland include general government, economic development and business growth, and development. The business-type activities of Prosper Portland include programs that support jobs, housing, commercial financial assistance and historic preservation. These activities are typically provided as some form of financial assistance.

The government-wide financial statements can be found on pages 17-18 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Prosper Portland, like other state and

local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Prosper Portland Funds can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** *Governmental funds* 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 our near-term financing requirements and resources.

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 agency's near-term financing 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*.

Prosper Portland maintains 19 individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for each of the major funds. The major governmental funds are: General Fund (adopted as the Urban Redevelopment Fund), 9101 Foster LLC (a blended component unit), North Macadam Urban Renewal Fund, River District Urban Renewal Fund, Convention Center Urban Renewal Fund, Lents Town Center Urban Renewal Fund, and Interstate Corridor Urban Renewal Fund. Data from the other ten 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 the combining and individual fund statements and schedules section of this report.

Prosper Portland adopts an annual appropriated budget for all funds except for 9101 Foster LLC. For those funds with an adopted budget a budgetary comparison statement has been provided to demonstrate compliance with budgetary requirements.

The basic governmental fund financial statements can be found on pages 20-27 of this report.

**Proprietary Funds.** Prosper Portland maintains two different types of proprietary funds. *Enterprise funds* report the same functions presented as *business-type activities* in the government-wide financial statements. Prosper Portland uses two enterprise funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Prosper Portland's various functions. Prosper Portland uses an internal service fund to account for risk management. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The enterprise loans fund data are combined into a single, aggregated presentation, and include such programs as: The Business Development Loan Fund and the Small Business Loan Fund. Additionally, the internal service fund is presented in the proprietary fund financial statements. Individual fund data for the internal service fund is provided elsewhere in this report.

**Enterprise Loans Fund.** The Enterprise Loans Fund is used to account for revolving loan programs. Prosper Portland intends to prevent expenses from exceeding annual income to preserve the original principal of each program.

**Business Management Fund.** The Business Management Fund is used to account for the activity related to business and real estate that is not funded by tax increment or other public funding sources.

**Internal Service Fund.** A Risk Management Fund is used to set aside resources to meet insurance policy deductible amounts and other amounts not fully reimbursed from insurance proceeds, as necessary. In certain risk areas, the required contributions are held in this fund to meet contractual obligations. Additional contributions may be made in future years if needed.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

**Notes to the Financial Statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31-70 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Prosper Portland's progress in funding its obligation to provide post-employment benefits to its employees. Required supplementary information can be found on pages xx-xx of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, proprietary funds and the internal service fund are presented immediately following the required supplementary information on post-employment benefits. Combining statements and individual fund budgetary comparison schedules can be found on pages 80-113 of this report.

### Government-wide Overall Financial Analysis

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of Prosper Portland, total assets exceeded liabilities by \$455,770,776 for all governmental and business-type funds at the close of the most recent fiscal year.

### Prosper Portland's Net Position At June 30,

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 435,315,657	\$ 454,722,759	\$ 15,678,603	\$ 15,821,294	\$ 450,994,260	\$ 470,544,053
Capital assets	79,623,433	57,606,056	-	-	79,623,433	57,606,056
Total assets	514,939,090	512,328,815	15,678,603	15,821,294	530,617,693	528,150,109
Deferred outflow of resources	3,936,462	3,713,940	-	-	3,936,462	3,713,940
Liabilities						
Current and other liabilities	28,246,950	33,252,043	-	-	28,246,950	33,252,043
Long-term liabilities	49,779,474	54,534,671	-	-	49,779,474	54,534,671
Total liabilities	78,026,424	87,786,714	-	-	78,026,424	87,786,714
Deferred inflow of resources	757,254	358,676	-	-	757,254	358,676
Net position						
Invested in capital assets	79,623,433	57,606,056	-	-	79,623,433	57,606,056
Restricted	382,668,262	391,726,468	3,000,000	3,000,000	385,668,262	394,726,468
Unrestricted	(22,199,821)	(21,435,159)	12,678,603	12,821,294	(9,521,218)	(8,613,865)
Total net position	\$ 440,091,874	\$ 427,897,365	\$ 15,678,603	\$ 15,821,294	\$ 455,770,477	\$ 443,718,659

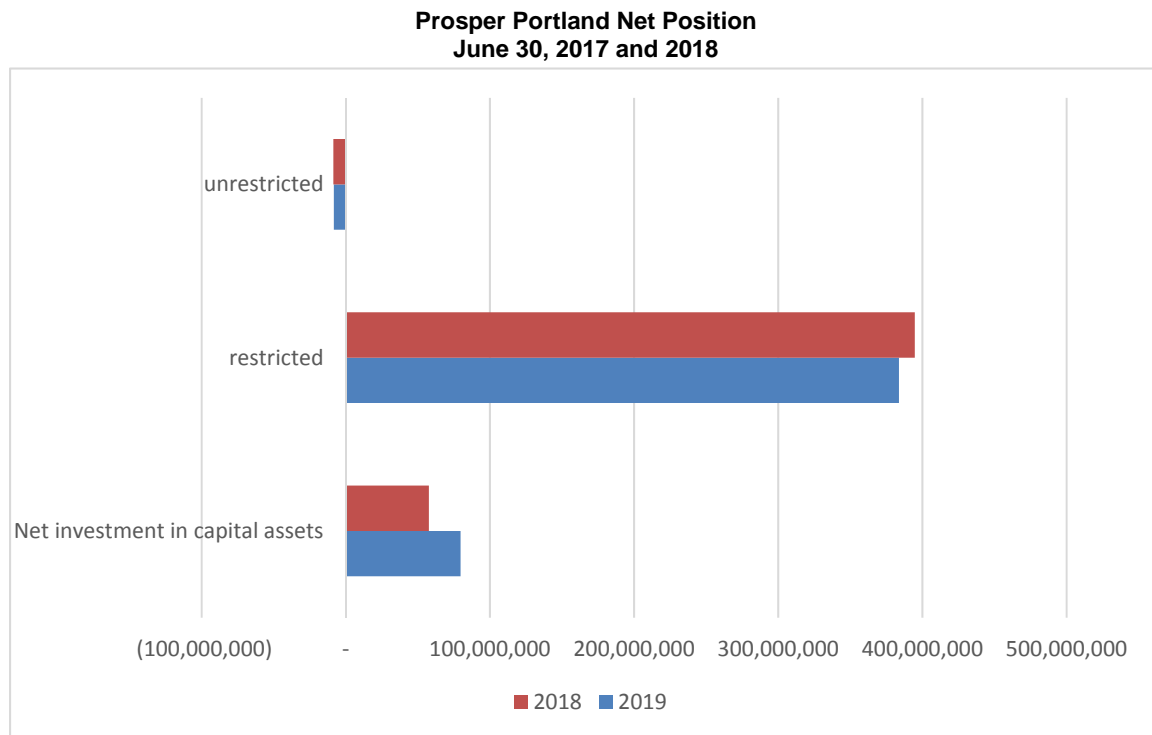
The largest portion of Prosper Portland's combined governmental and business-type total net position is \$385,668,262 of restricted net position. This accounts for 84.6% of the total and represents resources that are subject to external restrictions on how they may be used. Restricted net position is mainly composed of tax increment district funds that are limited to use in the specific districts where the funds originated. Restricted net position decreased 2.3% from fiscal year ended June 30, 2018.

The next largest portion of Prosper Portland's combined governmental and business-type total net position (\$79,623,433 or 18.1%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and software). These capital assets are used to provide services to citizens; consequently, these assets are *not* available for future spending. The investment in capital assets increased 38.2% over the previous year due largely to completion of the major revenue generating capital asset Lents Commons.

Net position components are restricted as to use, invested in capital assets (property, buildings, equipment, and software), or unrestricted. Prosper's unrestricted net position is (\$9,521,218). The unrestricted net position is negative due to liabilities deferred inflow of resources, and restricted net position exceeding assets and deferred

inflow of resources. Government-wide liabilities including but not limited to pollution remediation and pension liabilities contribute to the deficit.

At the end of the current fiscal year, Prosper Portland reported positive balances in all restricted categories of net position, with governmental activities showing a deficit in unrestricted net position and business-type activities showing a positive balance for both restricted and unrestricted net position.



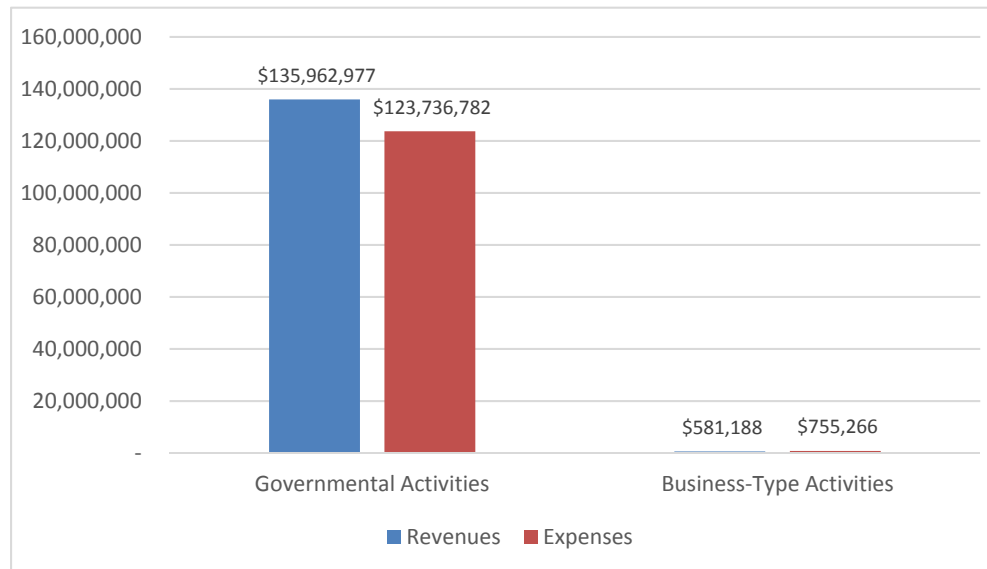
Prosper Portland's overall net position increased \$12,051,818 from the prior fiscal year. The changes are discussed in the following sections for governmental activities and business-type activities.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$12,194,509 from the prior fiscal year for an ending balance of \$440,091,874. The change in governmental activities is due primarily proceeds received from a City of Portland draw on an operating line of credit for the River District Urban Renewal Area of \$9,499,409. Apart from the line of credit proceeds the increase is \$2,695,399 million dollars, which can be primarily attributed to investment income. Investment income increased 82.3% over the prior year due to higher rates and larger cash balances. Program revenues experienced a slight increase of 2.8%. Charges for Services was up just over \$748,000 due to an increase in Ezone changes and Rental Income in River District. The Operating Grants and contributions decreased due to a federal grant for Union Station predevelopment activities nearing completion. General revenues decreased \$39,900,764 or 14.1% from the prior year. Tax increment debt proceeds comprise the lion's share of this decrease at \$22,438,110 and miscellaneous revenue decreased by \$19,448,878, which is largely represented by a decrease in property sales, loan loss adjustments, and reimbursements.

**Prosper Portland's Changes in Net Position  
For the Fiscal Years Ended June 30**

	Governmental Activities		Business Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 8,717,863	\$ 7,969,592	\$ 64,702	\$ 50,602	\$ 8,782,565	\$ 8,020,194
Operating grants and contributions	9,611,334	9,854,692	-	-	9,611,334	9,854,692
General revenues						
Tax-increment debt proceeds (in lieu of tax-increment revenue)	93,748,968	116,187,078	-	-	93,748,968	116,187,078
City of Portland debt proceeds for operations	9,499,409	-	-	-	9,499,409	-
Unrestricted investment income	6,108,557	3,350,550	266,853	138,711	6,375,410	3,489,261
Miscellaneous	8,276,846	27,725,723	249,633	4,324,901	8,526,479	32,050,624
<b>Total revenues</b>	<b>135,962,977</b>	<b>165,087,635</b>	<b>581,188</b>	<b>4,514,214</b>	<b>136,544,165</b>	<b>169,601,849</b>
<b>Expenses</b>						
Community development	123,737,081	121,245,646	-	-	123,737,081	121,245,646
Enterprise loans	-	-	154,113	329,863	154,113	329,863
Enterprise management	-	-	601,153	589,648	601,153	589,648
<b>Total expenses</b>	<b>123,737,081</b>	<b>121,245,646</b>	<b>755,266</b>	<b>919,511</b>	<b>124,492,347</b>	<b>122,165,157</b>
<b>Increase (Decrease) in net position before transfers</b>	<b>12,225,896</b>	<b>43,841,989</b>	<b>(174,078)</b>	<b>3,594,703</b>	<b>12,051,818</b>	<b>47,436,692</b>
Transfers	(31,387)	-	31,387	-	-	-
<b>Increase (Decrease) in net position</b>	<b>12,194,509</b>	<b>43,841,989</b>	<b>(142,691)</b>	<b>3,594,703</b>	<b>12,051,818</b>	<b>47,436,692</b>
<b>Beginning net position</b>	<b>427,897,365</b>	<b>384,031,718</b>	<b>15,821,294</b>	<b>12,226,591</b>	<b>443,718,659</b>	<b>396,258,309</b>
restatement		23,659			-	23,659
<b>Restated beginning net position</b>	<b>427,897,365</b>	<b>384,055,377</b>	<b>15,821,294</b>	<b>12,226,591</b>	<b>443,718,659</b>	<b>396,281,968</b>
<b>Ending net position</b>	<b>\$ 440,091,874</b>	<b>\$ 427,897,366</b>	<b>\$ 15,678,603</b>	<b>\$ 15,821,294</b>	<b>\$ 455,770,477</b>	<b>\$ 443,718,660</b>

**Community Development Program Expenses  
and General Revenues**



**Business-type Activities.** For Prosper Portland's business-type activities, overall net position decreased \$142,691 (.90%) for an ending balance of \$15,678,603. The modest decrease in net position for business-type was driven by the expenditures exceeding new revenue in the Business Management Fund. The majority of the Business Management Fund's expenditures are for payment of interest on an interfund loan to the River District fund. The prior year miscellaneous revenue was unusually high due a recognized property transfer from the City

of Portland. As a result, miscellaneous income decreased 94.2% compared to the prior year. The major class components of the expenses for the business-type activities are as follows:

**Prosper Portland's  
Changes in Business-type Activities Expenses  
For the Fiscal Years Ended June 30**

<b>Expenses</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
Personal services	\$ 60,284	\$ 55,462	\$ (4,822)
Professional services	596,809	588,443	(8,366)
Financial assistance	98,173	275,606	177,433
<b>Totals</b>	<b>\$ 755,266</b>	<b>\$ 919,511</b>	<b>\$ 164,245</b>

One major component of Prosper Portland's net position, in both governmental and business-type funds, is loans receivable from its customers. During the current fiscal year, Prosper Portland's gross portfolio experienced an increase of \$4,128,121 or 5.3%. The loan loss allowance increased by 25.4% or \$6,515,865. The percentage change in the allowance is due to loan disbursements during the fiscal year for the WGP Apartment construction. This project will bring affordable housing to the Lents Town Center Urban Renewal Area. The current portion of the net portfolio decreased 28.8% while the non-current portion dropped 4.7% or \$1,564,019.

**Prosper Portland's  
Loans Receivable  
At June 30**

	<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>% Change</b>
Gross loans receivable	\$ 81,649,090	\$ 77,520,969	\$ 4,128,121	5.3%
Allowance	(32,149,967)	(25,634,102)	(6,515,865)	25.4%
Total, net	<u>\$ 49,499,123</u>	<u>\$ 51,886,867</u>	<u>\$ (2,387,744)</u>	-4.6%
Current portion	\$ 2,332,984	\$ 3,274,502	\$ (941,518)	-28.8%
Non-current portion	31,771,845	33,335,864	(1,564,019)	-4.7%
Total, net	<u>\$ 34,104,829</u>	<u>\$ 36,610,366</u>	<u>\$ (2,505,537)</u>	-6.8%

*Net loans receivable reflects the elimination of interfund activity between Prosper Portland and its component unit, 9101 Foster, LLC for a loan in the amount of \$14,268,0955 in fiscal year 2019 and a balance of \$14,124,501 in fiscal year 2018.*

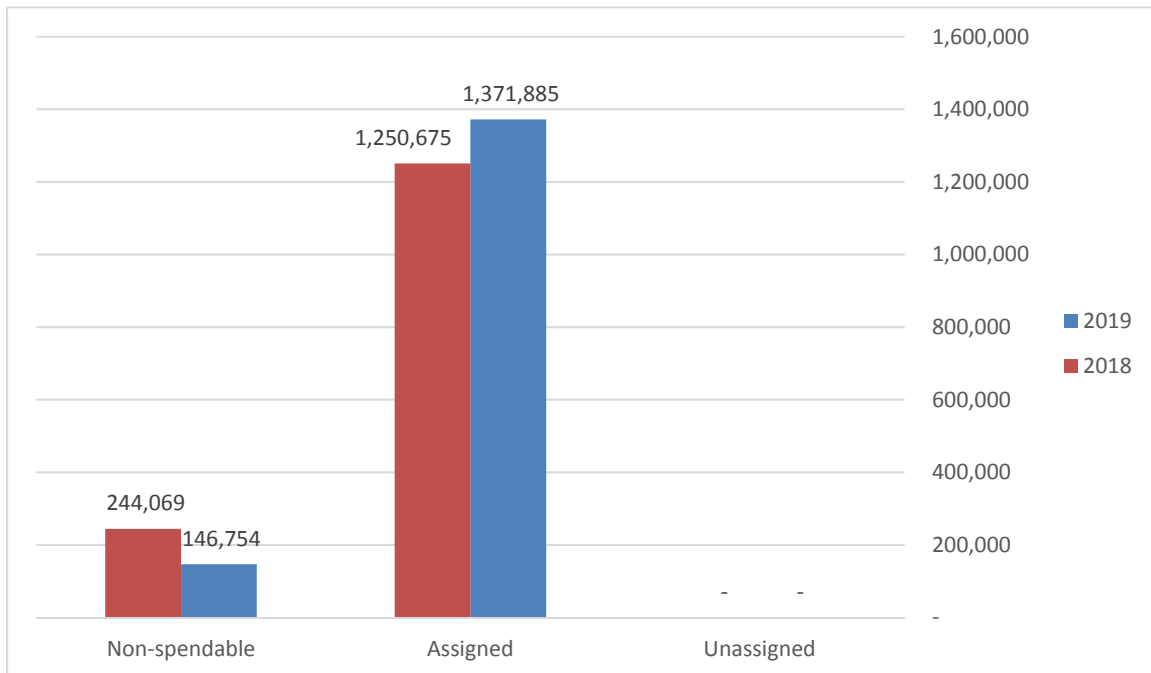
### **Financial Analysis of Governmental Funds**

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

**Governmental Funds.** The focus of Prosper Portland's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Prosper Portland's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the fund balance that has not yet been limited to use for a particular purpose by either an external party, Prosper Portland itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Prosper Portland's Board of Commissioners.

At June 30, 2019, Prosper Portland's governmental funds reported combined fund balances of \$418,424,992, a decrease of \$3,774,785 in comparison with the prior year. Prosper Portland had unassigned fund balance of (\$15,035,998) the result of 9101 Foster LLC having a negative ending fund balance. The remainder of the fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is 1) not in spendable form-\$146,754, 2) restricted for particular purposes-\$431,942,351, or assigned for particular purposes-\$1,371,885.

**General Fund  
Components of Fund Balance  
June 30, 2017 and 2018**



The general fund is the chief operating fund of Prosper Portland. At the end of the current fiscal year, Prosper Portland's general fund had no unassigned fund balance, and the total fund balance increased to \$1,518,639. As a measure of the general fund's liquidity, the total fund balance represents approximately 22.3% of total 2018 fiscal year general fund expenditures.

The fund balance of Prosper Portland's general fund increased by \$23,895 during the current fiscal year ended June 30, 2019, Key factors include:

- Revenues increased by \$680,698 overall, primarily in intergovernmental revenues, \$429,780 of which came from additional program funding from the City's General Fund.
- Community development expenditures, up by \$551,336 accounts for most of the increase of \$618,544 for work funded by City's general fund contract. Financial assistance had a modest increase of \$3,369 while capital outlay decreased \$70,577.

Tax-increment funding (TIF) proceeds are typically Prosper Portland's largest annual income source, and that was certainly the case for this fiscal year. The following schedule illustrates the TIF proceeds received by Prosper Portland from the City of Portland over the last five years. Note that the annual allotment of TIF proceeds received in fiscal year 2019 decreased from the prior fiscal year but is above the five-year average for the third time in recent years. The five-year average increased by \$6,806,172 from \$80,719,232 in fiscal year 2018. The decrease in fiscal year tax-increment fund is due primarily to lower long-term debt (line of credit draws) in the Lents Town Center TIF area, which is driven by timing of projects and programs in the district.

**Summary History of TIF Proceeds  
Received by Prosper Portland  
For the Fiscal Years Ended June 30**

<u>Year</u>	<u>Amount</u>	<u>Change</u>	<u>%</u>	
2015	\$ 54,233,796			5-Year Average
2016	82,062,888	27,829,092	51.3%	\$ 87,525,404
2017	91,394,288	9,331,400	11.4%	
2018	116,187,078	24,792,790	27.1%	
2019	93,748,968	(22,438,110)	-19.3%	
	<u>\$ 437,627,018</u>			

The City of Portland receives property taxes in each of the designated urban renewal areas and forwards a portion to be allocated as TIF to Prosper Portland for projects. The amount of TIF allocated to Prosper Portland varies annually depending on each of the TIF districts' projected tax revenues, debt capacity, and existing levels of outstanding debt held by the City. Each TIF district has a planned expiration date after which it cannot issue additional tax-increment debt. A typical life-cycle is between ten and twenty years. However, the expiration date may be extended by the Prosper Portland Board of Commissioners. A TIF district that has reached its maximum indebtedness or expiration date will no longer issue new tax-increment debt but may continue spending until its resources are exhausted and will receive tax-increment revenues until all outstanding debt is retired. The Downtown Waterfront Urban Renewal Area, South Park Blocks Urban Renewal Area, and Airport Way Urban Renewal Area have all reached their plan expiration dates, and the Oregon Convention Center Urban Renewal Area has issued its last tax-increment debt. Further information on urban renewal indebtedness and the current life cycle status can be found on page 136 of the Statistical Section.

The six other major governmental funds include the 9101 Foster LLC Fund, North Macadam Urban Renewal Fund, River District Urban Renewal Fund, Convention Center Urban Renewal Fund, Lents Town Center Urban Renewal Fund, and the Interstate Corridor Urban Renewal Fund. The following table shows the change in their fund balances.

**Prosper Portland's  
Schedule of Other Major Governmental Fund Balances  
At June 30**

<u>Fund</u>	<u>2019</u>	<u>2018</u>	<u>Change</u>
9101 Foster LLC	\$ (15,035,998)	\$ (15,279,155)	\$ 243,157
North Macadan Urban Renewal Fund	21,966,946	22,433,326	(466,380)
River District Ruban Renewal Fund	160,153,209	146,288,370	13,864,839
Convention Center Urban Renewal Fund	30,580,588	51,793,121	(21,212,533)
Lents town Center Urban Renewal Fund	22,182,351	28,029,774	(5,847,423)
Interstate Corridor Urban Renewal Fund	57,015,594	54,486,709	2,528,885
	<u>\$ 276,862,690</u>	<u>\$ 287,752,145</u>	<u>\$ (10,889,455)</u>

The 9101 Foster LLC Fund was created for the sole purpose of completing and managing the planned development of a mixed use, mixed income apartment project, Lents Commons. Lents Commons has begun renting units and is nearing completion. In fiscal year 2020 tenant improvements are scheduled to commence on the first-floor commercial spaces. The \$14,954,259 capital asset for 9101 Foster LLC is not a current resource and therefore contributes to the large negative balance.

Fund balance in the North Macadam Urban Renewal Area decreased by \$466,380 or 2.1%. This relatively slight decrease in fund balance comprised of a significant decrease in tax increment revenue, miscellaneous revenue (property sale income) and expenditures in financial assistance all related to a property transaction that occurred in the prior year.

In the River District Urban Renewal Fund, there was a \$13,864,839 or an 9.5% net increase in fund balance in fiscal year 2019 driven by ongoing tax increment and property revenues with lower than budgeted expenditures



occurring. Revenues were slightly below prior year amounts with an exception to a draw on the district's interim line of credit for \$9,499,409 that was offset by an equal expenditure for construction of the Multnomah County Health Department Building. Intergovernmental revenue was down just over \$1 million dollars due to the nearing completion of a federal grant for capital improvements to Union Station. This decrease was substantially offset by an increase in interest on investments revenue due to a strong investment market and a higher cash balance. Expenditures were up a modest 6.4% or \$1,159,909.

The Convention Center Urban Renewal Fund experienced a decrease of over 40.9% in fund balance, or \$21,212,533 due primarily to ongoing construction of the Convention Center Hotel Garage. All revenues except miscellaneous revenue experienced a modest increase of 9.1%, or \$270,951. Miscellaneous revenue increased 63.4% or \$2,463,704, due the incremental sale of a condominium portion of the Convention Center Hotel Garage being built alongside the new convention center hotel slated to open in fiscal year 2020.

In the Lents Town Center Urban Renewal Fund, the fund balance decreased by \$5,847,423 or 20.9%, due primarily to financial assistance (loan) disbursements related to two large projects (WGP Apartments and Lents Commons). Tax increment debt proceeds decreased \$15,703,432 (56.7%) due to one-time draws that occurred in the prior year and expenditures declined \$8,443,447 or 31.5% due to the substantial completion of construction of Lents Commons.

The Interstate Corridor Urban Renewal Fund ended the year with an increase in fund balance of \$2,528,885 or 4.6%. Revenues experienced an increase overall of \$1,603,797 or 6.0%. Most of this increase was due to the increase in tax increment debt proceeds of \$1,100,078. Expenditures increased by \$10,892,617 or 72.8% in overall. Community development increased nearly \$8.0 million or 56.7% due to a \$7.6 million increase in affordable housing development expenses in the area and the Alberta Commons leasehold improvement slated for completion in fiscal year 2020.

**Proprietary funds.** Prosper Portland's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The Business Management Fund was established to account for activity related to business and real estate that is not funded by tax increment or other public funding sources. Net position in the Business Management Fund decreased by \$276,572 or 2.6%. This modest decrease is due to decrease activity in acquisitions or development during the fiscal year.

### General Fund Budgetary Highlights

Differences between the original budget and final amended budget amounted to a \$317,694 decrease in appropriations. The major differences are summarized as follows:

	Change in Original Budget to Final Budget	
Revenue increase	\$ 609,672	Largest components of increase are: \$379,000 in intergovernmental revenue \$110,720 in charges for services added for contract with partner bureau.
Expenditure increase	\$621,010	Components of increase are: \$496,184 increase in economic development \$427,404 increase in administration \$228,174 decrease in property redevelopment

- The increase in expenditures for economic development was due in part to an increase in the intergovernmental agreement with the City of Portland for prior year carryover and new funding in support of those activities. The decrease in property redevelopment expenditures was the result of a decrease in estimated Property Fit expenditures based on program timeline.

Differences between the final amended budget and actual revenues and expenditures amounted to a \$1,846,359 decrease over projected amounts. The major differences are summarized as follows:

	Final Budget to Actual	
Revenue variance	\$99,864	Largest component of variance: \$118,840 IGA with City of Portland where budgeted revenues were higher than the final, year-end amount invoiced to the city.
Expenditure variance	\$637,167	Largest component of variance: \$470,833 as a result of operational savings, primarily in administration and personnel services.

- Budgeted contingency funds of \$1,309,056 represent resources expected to be carried over to the following fiscal year's beginning balance.

### Capital Assets, Property Held for Sale, and Long-Term Debt

Prosper Portland records all its capital outlay expenditures as either capital assets to be used in the course of business or project-related property held for sale.

**Capital assets.** As of June 30, 2019, capital assets amount to \$79,623,433 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, and software. The total increase in Prosper Portland's investment in capital assets for the fiscal year ended June 30, 2019 was \$22,017,377 or 38.2%. The majority of this increase is due to work in progress for the Alberta Commons project, which will be a leasehold asset once completed.

#### Prosper Portland's Capital Assets (net of accumulated depreciation) At June 30

Asset type	Governmental activities		
	2019	2018	Change
Land	\$ 16,016,870	\$ 16,016,870	\$ -
Work in progress	28,461,953	5,704,940	22,757,013
Buildings	33,650,318	34,440,976	(790,658)
Equipment	189,585	234,039	(44,454)
Intangible software	1,304,707	1,209,231	95,476
Total asset	<u>\$ 79,623,433</u>	<u>\$ 57,606,056</u>	<u>\$ 22,017,377</u>

Additional information on Prosper Portland's capital assets can be found in note F. on page 49 of this report, and in the Supplementary Data on pages 116-120.

**Property Held for Sale.** Expenditures for acquisition and improvements of real properties intended for sale to developers, as well as intangible assets such as lease rights, are referred to as property held for sale. This

recording approach is also used for real property slated to be transferred to the City of Portland. Following are the changes in property held for sale for the fiscal year ended June 30, 2019.

**Prosper Portland's  
Real Property Held for Sale  
For the Fiscal Year Ended June 30, 2019**

Funding Source	Balance July 1, 2018	Additions	Disposals/ Adjustments	Balance June 30, 2019
General Fund	\$ 146,754	\$ -	\$ -	\$ 146,754
North Macadam Urban Renewal Fund	1,892,706	28,246	-	1,920,952
River District Urban Renewal Fund	8,718,649	-	-	8,718,649
Convention Center Urban Renewal Fund	5,580,314	-	-	5,580,314
Lents Town Center	2,739,395	-	-	2,739,395
Interstate Corridor Urban Renewal Fund	1,034,095	-	(1,034,095)	-
Other Governmental Funds	15,982,118	- *	(165,862)	15,816,256
Subtotal Governmental Funds	<b>36,094,031</b>	<b>28,246</b>	<b>(1,199,957)</b>	<b>34,922,320</b>
Business Management Fund	71,145,817	21,363	-	71,167,180
Total Property Held for Sale	<b>\$ 107,239,848</b>	<b>\$ 49,609</b>	<b>\$ (1,199,957)</b>	<b>\$ 106,089,500</b>

*\*Amortization is recorded as a reduction in the value of the asset. This reflects the current year amortization of intangible assets.*

In the North Macadam District Urban Renewal Fund, there was a modest investment in a property the agency is currently committed to acquisition. The Pascuzzi site, as it is known, is booked as work in progress.

In the Interstate Corridor Urban Renewal Fund, the Argyle property was sold bringing the total property held for sale in that urban renewal area to zero.

In the Business Management Fund, Block 25 was enhanced by a modest \$21,363 investment.

Additional information on Prosper Portland's real property held for sale can be found in note E. on pages 48-49 of this report, and in the Supplementary Data on pages 119-120.

**Long-term debt.** Prosper Portland does not issue bonds but receives proceeds from bonds issued and carried by the City of Portland. Additionally, the City of Portland maintains lines of credit to provide short-term funding for Prosper Portland projects. The City's lines of credit are ultimately repaid with the long-term financing provided by bond sales. See the statistical section on bonds in this report and the City of Portland's financial statements for further information.

### **Economic Factors and Next Year's Budgets and Rates**

- The Portland metropolitan area unemployment rate for July 2019 was 3.8% compared to 3.7% in 2018 and 4.0% in 2017. The unemployment rate for the United States as a whole for July 2019 is 3.7%. Meanwhile, job growth was 2.3% year over year with the Portland metro area adding 27,300 jobs over the past 12 months, with professional and business services and construction as the fastest growing industries.
- The Portland area office vacancy was 7.2% during the second quarter with net absorption of 541,000 square feet (sf). Currently there is total 2,500,000 sf of office space under construction in the Portland area.
- In the industrial market the average vacancy rate was 4.5% at the end of the 2nd quarter of 2019 with around 49,600 sf absorbed. Projects totaling 4,100,000 sf are currently under construction.
- Inflation is slightly higher at 2.6% at the end of the fiscal year and 1.8% over this time last year on a national level.

All of the above economic indicators are occurring in the context of similar economic improvements for the State of Oregon. All these factors were considered in preparing Prosper Portland's budget for the next fiscal year ending June 30, 2020.

**Requests for Information**

This financial report is designed to provide a general financial overview for those with an interest in Prosper Portland's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Prosper Portland, 222 NW Fifth Avenue, Portland, Oregon, 97209.

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**STATEMENT OF NET POSITION**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 383,352	\$ -	\$ 383,352
Cash with City of Portland			
investment pool	280,451,969	11,228,614	291,680,583
Receivables:			
Due from City of Portland	5,331,030	-	5,331,030
Accounts	7,203,961	31,112	7,235,073
Internal balances	70,168,421	(70,168,421)	-
Loans, net	2,308,063	24,921	2,332,984
Interest	1,707,155	66,189	1,773,344
loan interest	47,676	228	47,904
Prepays and other	170,227	-	170,227
Property held for sale	34,922,320	71,167,180	106,089,500
Total current assets	402,694,174	12,349,823	415,043,997
Non-current assets:			
Loans receivable, net	32,569,265	328,780	32,898,045
Other post-employment benefits	52,218	-	52,218
Escrow deposit	-	3,000,000	3,000,000
Capital assets not being depreciated:			
Land	16,016,870	-	16,016,870
Work in progress	28,461,953	-	28,461,953
Capital assets net of accumulated depreciation:			
Buildings and improvements	33,650,318	-	33,650,318
Equipment	189,585	-	189,585
Intangible software	1,304,707	-	1,304,707
Total non-current assets	112,244,916	3,328,780	115,573,696
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflow related to other post-employment benefits	58,410	-	58,410
Deferred outflow related to pensions	3,878,052	-	3,878,052
Total deferred outflow of resources	3,936,462	-	3,936,462
Total assets and deferred outflow of resources	\$ 518,875,552	\$ 15,678,603	\$ 534,554,155
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 7,888,415	\$ -	\$ 7,888,415
Accrued liabilities	610,420	-	610,420
Due to City of Portland	6,287,626	-	6,287,626
Due to other entities	739,393	-	739,393
Unearned revenue	50,000	-	50,000
Long-term liabilities due within one year:			
Pollution remediation	12,485,890	-	12,485,890
Note payable	31,025	-	31,025
Vacation accrual	154,181	-	154,181
Total long-term liabilities due within one year	12,671,096	-	12,671,096
Total current liabilities	28,246,950	-	28,246,950
Non-current liabilities:			
Long-term liabilities:			
Note payable	1,095,474	-	1,095,474
Other post-employment benefits obligation	280,843	-	280,843
Pension obligation	10,867,461	-	10,867,461
Pollution remediation	37,135,717	-	37,135,717
Vacation accrual	399,979	-	399,979
Total non-current liabilities	49,779,474	-	49,779,474
Total liabilities	78,026,424	-	78,026,424
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflow related to other post-employment benefits	74,042	-	74,042
Deferred inflow related to pensions	683,212	-	683,212
Total deferred inflow of resources	757,254	-	757,254
<b>NET POSITION</b>			
Net investment in capital assets	79,623,433	-	79,623,433
Restricted for:			
Urban renewal	375,683,304	-	375,683,304
Property clean up	-	3,000,000	3,000,000
Other	6,984,958	-	6,984,958
Unrestricted	(22,199,821)	12,678,603	(9,521,218)
Total net position	440,091,874	15,678,603	455,770,477
Total liabilities and net position	\$ 518,875,552	\$ 15,678,603	\$ 534,554,155

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

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2019**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities:			
Community development	\$ 123,737,081	\$ 8,717,863	\$ 9,611,334
Business-type activities:			
Enterprise loans	601,153	1,674	-
Enterprise management	154,113	63,028	-
Total	<u>\$ 124,492,347</u>	<u>\$ 8,782,565</u>	<u>\$ 9,611,334</u>

General Revenues:

Tax-increment debt proceeds (in lieu  
of tax-increment revenue) -  
intergovernmental revenues, unrestricted  
City of Portland debt proceeds for operations  
Unrestricted investment income  
Miscellaneous revenues

Transfers

Total general revenues and transfers

Change in net position

Net position - July 1, 2018

Net position - June 30, 2019

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

<b>Net Expense and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (105,407,884)	\$ -	\$ (105,407,884)
-	(599,479)	(599,479)
-	(91,085)	(91,085)
(105,407,884)	(690,564)	(106,098,448)
93,748,968	-	93,748,968
9,499,409	-	9,499,409
6,108,557	266,853	6,375,410
8,276,846	249,633	8,526,479
(31,387)	31,387	-
117,602,393	547,873	118,150,266
12,194,509	(142,691)	12,051,818
427,897,365	15,821,294	443,718,659
\$ 440,091,874	\$ 15,678,603	\$ 455,770,477

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2019

	<b>Special Revenue Funds</b>		<b>Capital Projects Funds</b>	
	<b>General Fund</b>	<b>Component Unit 9101 Foster LLC</b>	<b>North Macadam Urban Renewal Fund</b>	<b>River District Urban Renewal Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 28,668	\$ 354,684	\$ -	\$ -
Cash with City of Portland investment pool	878,857	-	19,486,773	67,335,914
Receivables:				
Due from City of Portland	2,065,239	-	-	1,716,298
Accounts	19,098	74,876	514,956	220,639
Internal balances	-	-	-	69,951,421
Internal payable	-	-	-	-
Loans, net	-	-	-	13,288,547
Interest	2,092	-	115,187	403,362
Loan interest	-	-	-	12,048
Property held for sale	146,754	-	1,920,952	8,718,649
Other	14,100	22,300	-	-
<b>Total Assets</b>	<b>3,154,808</b>	<b>451,860</b>	<b>22,037,868</b>	<b>161,646,878</b>
<b>Total Assets</b>	<b>\$ 3,154,808</b>	<b>\$ 451,860</b>	<b>\$ 22,037,868</b>	<b>\$ 161,646,878</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 640,149	\$ 93,264	\$ 47,790	\$ 467,550
Accrued liabilities	610,220	-	-	-
Notes Payable other	-	15,394,594	-	-
Due to City of Portland	384,479	-	23,132	1,025,119
Due to other entities	1,321	-	-	1,000
Internal balances	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>1,636,169</b>	<b>15,487,858</b>	<b>70,922</b>	<b>1,493,669</b>
<b>FUND BALANCES</b>				
Non-spendable				
Property held for sale	146,754	-	-	-
Restricted				
Loans receivable	-	-	-	13,288,547
Urban renewal	-	-	21,966,946	146,864,662
Contractual obligations	-	-	-	-
Assigned				
Subsequent year's expenditures	1,371,885	-	-	-
Unassigned				
Ending fund balance	-	(15,035,998)	-	-
<b>Total Fund Balances</b>	<b>1,518,639</b>	<b>(15,035,998)</b>	<b>21,966,946</b>	<b>160,153,209</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,154,808</b>	<b>\$ 451,860</b>	<b>\$ 22,037,868</b>	<b>\$ 161,646,878</b>

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



**Capital Projects Funds (continued)**

<b>Convention Center Urban Renewal Fund</b>	<b>Lents Town Center Urban Renewal Fund</b>	<b>Interstate Corridor Urban Renewal Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	-	\$ 383,352
13,087,723	7,729,015	51,647,436	120,150,953	280,316,671
-	-	-	1,549,493	5,331,030
5,053,635	122,706	46,167	1,151,884	7,203,961
-	-	-	-	69,951,421
-	-	-	937,000	937,000
10,196,205	12,150,821	8,949,730	4,560,120	49,145,423
89,961	54,178	331,831	709,748	1,706,359
21,427	2,068	4,025	8,108	47,676
5,580,314	2,739,395	-	15,816,256	34,922,320
128,827	-	5,000	-	170,227
<u>34,158,092</u>	<u>22,798,183</u>	<u>60,984,189</u>	<u>144,883,562</u>	<u>450,115,440</u>
<u>\$ 34,158,092</u>	<u>\$ 22,798,183</u>	<u>\$ 60,984,189</u>	<u>144,883,562</u>	<u>\$ 450,115,440</u>
\$ 2,803,198	\$ 19,308	\$ 190,200	3,626,956	\$ 7,888,415
-	-	-	200	610,420
-	-	-	-	15,394,594
1,859	594,274	3,766,020	492,743	6,287,626
722,447	2,250	12,375	-	739,393
-	-	-	720,000	720,000
50,000	-	-	-	50,000
<u>3,577,504</u>	<u>615,832</u>	<u>3,968,595</u>	<u>4,839,899</u>	<u>31,690,448</u>
-	-	-	-	146,754
10,196,205	12,150,821	8,949,730	3,524,288	48,109,591
20,384,383	10,031,530	48,065,864	129,881,935	377,195,320
-	-	-	6,637,440	6,637,440
-	-	-	-	1,371,885
-	-	-	-	(15,035,998)
<u>30,580,588</u>	<u>22,182,351</u>	<u>57,015,594</u>	<u>140,043,663</u>	<u>418,424,992</u>
<u>\$ 34,158,092</u>	<u>22,798,183</u>	<u>\$ 60,984,189</u>	<u>144,883,562</u>	<u>\$ 450,115,440</u>



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

**PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2019**

Fund balances - total governmental funds		\$ 418,424,992
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		79,623,433
The following liabilities are not due and payable in the current period and, therefore are not reported in the funds:		
Other post-employment benefits		
Post-employment benefit PERS Retirement Health Insurance Account asset	\$ 52,218	
Deferred outflow of resources	58,410	
Post-employment benefit obligation health insurance continuation liability	(280,843)	
Deferred inflow of resources	(74,042)	
Total other post-employment benefits		(244,257)
Net vacation accrual obligation reported on the Balance Sheet		(554,160)
Pollution remediation liability		(49,621,607)
Pension		
Deferred outflow of resources	3,878,052	
Net pension liability	(10,867,461)	
Deferred inflow of resources	(683,212)	
Total pension		(7,672,621)
The internal service fund is used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position		136,094
Net position of governmental activities		\$ <u><u>440,091,874</u></u>

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

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Special Revenue Fund</b>		<b>Capital Projects Fund</b>	
	<b>General Fund</b>	<b>Component Unit 9101 Foster LLC</b>	<b>North Macadam Urban Renewal Fund</b>	<b>River District Urban Renewal District</b>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 6,501,485	\$ -	\$ -	\$ 155,487
Charges for services	230,381	697,480	369,653	2,417,756
Loan collections	1,112	-	-	385,083
Interest on investments	6,827	-	364,713	1,754,724
City of Portland line of credit advance	-	-	-	9,499,409
Miscellaneous	127,720	27,648	-	387,477
Tax-increment debt proceeds (in lieu of tax-increment revenue)	-	-	14,492,517	27,985,549
<b>Total revenues</b>	<b>6,867,525</b>	<b>725,128</b>	<b>15,226,883</b>	<b>42,585,485</b>
<b>EXPENDITURES</b>				
Current:				
Community development	2,719,701	428,834	11,794,603	14,834,725
Capital expenditures for urban renewal	-	-	58,660	4,247,461
Financial assistance	3,918,672	-	3,840,000	9,638,460
Debt service	-	14,257	-	-
Capital Outlay	173,870	38,880	-	-
<b>Total expenditures</b>	<b>6,812,243</b>	<b>481,971</b>	<b>15,693,263</b>	<b>28,720,646</b>
Excess (deficiency) of revenues over (under) expenditures	55,282	243,157	(466,380)	13,864,839
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(31,387)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(31,387)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	23,895	243,157	(466,380)	13,864,839
<b>FUND BALANCES - July 1, 2018</b>	<b>1,494,744</b>	<b>(15,279,155)</b>	<b>22,433,326</b>	<b>146,288,370</b>
<b>FUND BALANCES (deficit) - June 30, 2019</b>	<b>\$ 1,518,639</b>	<b>\$ (15,035,998)</b>	<b>\$ 21,966,946</b>	<b>\$ 160,153,209</b>

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

**Capital Projects Fund (continued)**

<b>Convention Center Urban Renewal Fund</b>	<b>Lents Town Center Urban Renewal Fund</b>	<b>Interstate Corridor Urban Renewal Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ 2,954,362	\$ 9,611,334
2,470,506	170,491	282,604	2,078,992	8,717,863
356,910	51,141	49,214	161,815	1,005,275
417,985	166,576	967,307	2,427,523	6,105,655
-	-	-	-	9,499,409
6,347,236	161,261	103,339	181,444	7,336,125
-	11,993,807	26,986,065	12,291,030	93,748,968
9,592,637	12,543,276	28,388,529	20,095,166	136,024,629
8,980,165	9,530,184	22,035,425	5,441,008	75,764,645
434,686	1,451,550	746,145	2,867,201	9,805,703
34,071	7,408,965	1,542,287	4,696,182	31,078,637
-	-	-	-	14,257
21,356,248	-	1,535,787	-	23,104,785
30,805,170	18,390,699	25,859,644	13,004,391	139,768,027
(21,212,533)	(5,847,423)	2,528,885	7,090,775	(3,743,398)
-	-	-	-	(31,387)
-	-	-	-	(31,387)
(21,212,533)	(5,847,423)	2,528,885	7,090,775	(3,774,785)
51,793,121	28,029,774	54,486,709	132,952,888	422,199,777
\$ 30,580,588	\$ 22,182,351	\$ 57,015,594	\$ 140,043,663	\$ 418,424,992

**PROSPER PORTLAND  
A COMPONENT UNIT OF THE 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 Fiscal Year Ended June 30, 2019**

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

Net change in fund balances - total governmental funds	\$	(3,774,785)
--------------------------------------------------------	----	-------------

Governmental funds report capital asset acquisitions as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital assets acquisitions.

Expenditures for capital assets	\$	23,094,709	
Less current year depreciation		<u>(1,077,332)</u>	
			22,017,377

Pension related expenses that are reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds		(1,105,577)
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Current year adjustment for change in net other post-employment benefits obligation payable in the Statement of Net Position		30,172
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Current year adjustment for change in vacation accrual		44,238
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Current year adjustment for change in pollution remediation		(5,019,818)
-------------------------------------------------------------	--	-------------

The internal service fund is used by management to charge insurance costs to individual funds. The change in net position is reported with governmental activities.		
Interest on investment		2,902

Change in net position of governmental activities	\$	<u><u>12,194,509</u></u>
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The accompanying notes are an integral part of the basic financial statements.

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**GENERAL FUND (adopted as Urban Redevelopment Fund)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenues-				
State and local	\$ 59,117	\$ 20,000	\$ -	\$ (20,000)
City of Portland, General Fund	6,241,325	6,620,325	6,501,485	(118,840)
Charges for services-				
Application fees and charges	-	-	71	71
Contractual service charges	100,000	210,720	175,720	(35,000)
Loan Collections-				
Principal	-	66,000	65,928	(72)
Interest	-	1,200	1,112	(88)
Interest on investments	-	-	6,827	6,827
Miscellaneous:				
Reimbursements	-	-	46,200	46,200
Sale of personal property	-	-	393	393
Private grants and donations	-	-	20,000	20,000
Other	-	91,869	92,514	645
Total revenues	<u>6,400,442</u>	<u>7,010,114</u>	<u>6,910,250</u>	<u>(99,864)</u>
<b>EXPENDITURES</b>				
Current:				
Community development:				
Property redevelopment	909,465	681,291	540,780	140,511
Economic development	5,914,728	6,410,912	6,385,089	25,823
Administration	12,361,125	12,788,529	12,317,696	470,833
Total community development	<u>19,185,318</u>	<u>19,880,732</u>	<u>19,243,565</u>	<u>637,167</u>
Contingency	<u>1,383,460</u>	<u>1,309,056</u>	<u>-</u>	<u>1,309,056</u>
Total expenditures	<u>20,568,778</u>	<u>21,189,788</u>	<u>19,243,565</u>	<u>1,946,223</u>
Excess (deficiency) of revenues over expenditures	<u>(14,168,336)</u>	<u>(14,179,674)</u>	<u>(12,333,315)</u>	<u>1,846,359</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Internal service reimbursements in	13,208,177	13,688,631	12,909,810	(778,821)
Internal service reimbursements out	(433,425)	(449,218)	(423,700)	25,518
Transfers out:				
General Fund	-	(240,215)	(31,387.00)	208,828
Enterprise Loans Fund	-	(70,000)	-	70,000
Total transfers out	<u>-</u>	<u>(310,215)</u>	<u>(31,387)</u>	<u>278,828</u>
Net change in fund balance	(1,393,584)	(1,250,476)	121,408	1,371,884
<b>FUND BALANCE - July 1, 2018</b>	<u>1,393,584</u>	<u>1,250,476</u>	<u>1,250,477</u>	<u>1</u>
<b>FUND BALANCE - June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,371,885</u>	<u>\$ 1,371,885</u>
<b>Adjustments to generally accepted accounting principles basis-</b>				
Property held for sale			<u>146,754</u>	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			<u>\$ 1,518,639</u>	

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

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2019**

	<b>Major Business- type Activities- Enterprise Funds</b>				<b>Governmental Activities - Internal Service Fund</b>
	<b>Business Management Fund</b>		<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>ASSETS</b>					
Current assets:					
Cash with City of Portland investment pool	\$ 7,022,641	\$	4,205,973	\$ 11,228,614	\$ 135,298
Receivables:					
Accounts	31,112		-	31,112	-
Internal balances	-		720,000	720,000	-
Loans, net	-		24,921	24,921	-
Interest	41,511		24,678	66,189	796
Property held for sale	71,167,180		-	71,167,180	-
Other	-		228	228	-
Total current assets	<u>78,262,444</u>		<u>4,975,800</u>	<u>83,238,244</u>	<u>136,094</u>
Noncurrent assets:					
Escrow deposit	3,000,000		-	3,000,000	-
Loans receivable, net	-		328,780	328,780	-
Total noncurrent assets	<u>3,000,000</u>		<u>328,780</u>	<u>3,328,780</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 81,262,444</u>	<u>\$</u>	<u>5,304,580</u>	<u>\$ 86,567,024</u>	<u>\$ 136,094</u>
<b>LIABILITIES AND NET POSITION</b>					
Liabilities:					
Current liabilities:					
Advance from other funds	69,951,421		-	69,951,421	-
Total current liabilities	<u>69,951,421</u>		<u>-</u>	<u>69,951,421</u>	<u>-</u>
Non-current Liabilities:					
Accounts payable	937,000		-	937,000	-
Total non-current liabilities	<u>937,000</u>		<u>-</u>	<u>937,000</u>	<u>-</u>
<b>Total liabilities</b>	<u>70,888,421</u>		<u>-</u>	<u>70,888,421</u>	<u>-</u>
<b>NET POSITION</b>					
Restricted for rent abatement	-		-	-	100,000
Restricted for pollution remediation	3,000,000		-	3,000,000	-
Unrestricted	7,374,023		5,304,580	12,678,603	36,094
Total net position	<u>10,374,023</u>		<u>5,304,580</u>	<u>15,678,603</u>	<u>136,094</u>
<b>Total liabilities and net position</b>	<u>\$ 81,262,444</u>	<u>\$</u>	<u>5,304,580</u>	<u>\$ 86,567,024</u>	<u>\$ 136,094</u>

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



PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2019

	Major Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
	Business Management Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 63,028	\$ 1,674	\$ 64,702	\$ -
Interest on loans	-	17,832	17,832	-
Miscellaneous revenues	106,921	142,712	249,633	-
Total operating revenues	169,949	162,218	332,167	-
<b>OPERATING EXPENSES:</b>				
Personal services	4,586	55,698	60,284	-
Professional servicers	-	242	242	-
Financial assistance	-	98,173	98,173	-
Miscellaneous expenses	596,567	-	596,567	-
Total operating expenses	601,153	154,113	755,266	-
Operating income (loss)	(431,204)	8,105	(423,099)	-
<b>NON-OPERATING REVENUES (EXPENSE):</b>				
Interest on investments	154,632	94,389	249,021	2,902
Total non-operating revenues (expense)	154,632	94,389	249,021	2,902
Income before transfers	(276,572)	102,494	(174,078)	2,902
Transfers in	-	31,387	31,387	-
Change in net position	(276,572)	133,881	(142,691)	2,902
<b>Net position - July 1, 2018</b>	<b>10,650,595</b>	<b>5,170,699</b>	<b>15,821,294</b>	<b>133,192</b>
<b>Net position - June 30, 2019</b>	<b>\$ 10,374,023</b>	<b>\$ 5,304,580</b>	<b>\$ 15,678,603</b>	<b>\$ 136,094</b>

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

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Major Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities - Internal Service Fund</b>
	<b>Business Management Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total Enterprise Funds</b>	
<b>Cash flows from operating activities:</b>				
Loan collections from borrowers	\$ -	\$ 67,974	\$ 67,974	\$ -
Interest on loans from borrowers	-	18,841	18,841	-
Loan fees from customers	-	1,674	1,674	-
Rent income	13,028	-	13,028	-
Collection of receivables from other entities	(14,290)	-	(14,290)	-
Payments to employees	(4,586)	(55,700)	(60,286)	-
Payments to vendors	(596,567)	(240)	(596,807)	-
Loans to borrowers	-	(10,162)	(10,162)	-
Miscellaneous reimbursements (payments)	135,558	37,469	173,027	-
<b>Net cash provided/(used) by operating activities</b>	<b>(466,857)</b>	<b>59,856</b>	<b>(407,001)</b>	<b>-</b>
<b>Cash flows from noncapital financing activities:</b>				
Repayment of interfund borrowing	-	1,170,387	1,170,387	-
Interfund borrowing	-	(630,000)	(630,000)	-
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>540,387</b>	<b>540,387</b>	<b>-</b>
<b>Cash flows from investing activities:</b>				
Interest received from investing	141,887	86,868	228,755	2,667
Net cash increase (decrease) in cash and cash equivalents	(324,970)	687,111	362,141	2,667
<b>Cash and cash equivalents-July 1, 2018</b>	<b>7,347,611</b>	<b>3,518,862</b>	<b>10,866,473</b>	<b>132,631</b>
<b>Cash and cash equivalents-June 30, 2019</b>	<b>\$ 7,022,641</b>	<b>\$ 4,205,973</b>	<b>\$ 11,228,614</b>	<b>\$ 135,298</b>
<b>Cash with City of Portland investment pool</b>	<b>\$ 7,022,641</b>	<b>\$ 4,205,973</b>	<b>\$ 11,228,614</b>	<b>\$ 135,298</b>
<b>Total</b>	<b>\$ 7,022,641</b>	<b>\$ 4,205,973</b>	<b>\$ 11,228,614</b>	<b>\$ 135,298</b>
<b>Reconciliation of operating income to net cash provided/(used) by operating activities:</b>				
Net operating income(loss)	\$ (431,204)	\$ 8,105	\$ (423,099)	\$ -
Adjustments to reconcile net operating income to net cash provided/(used) by operating activities:				
increase in property held for sale	(21,363)		(21,363)	
Increase in loans receivable	(14,290)	50,741	36,451	-
Increase in due from other entities	-	1,010	1,010	-
Total adjustments	(35,653)	51,751	16,098	-
Net cash provided by operating activities	<b>(466,857)</b>	<b>59,856</b>	<b>(407,001)</b>	<b>-</b>

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

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

***I. Summary of Significant Accounting Policies***

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on activities of the primary government and its component units. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

**B. Reporting Entity**

Prosper Portland is the City of Portland's (the City) urban renewal and economic development agency and adopted the new name on May 11, 2017. Prosper Portland was created in 1958 under Article I, Section 15 of the Charter of the City of Portland, Oregon to deliver projects and programs to achieve the City's business recruitment and retention, job creation, financial assistance for rehabilitation and restoration of property and business development, and for the acquisition of real property for the purpose of removing or preventing blight. Prosper Portland is governed by a five-member Commission, appointed by the Mayor and approved by the City Council to serve three-year terms.

Prosper Portland is a component unit of the City and its financial activities are discretely presented in a separate column in the City's basic financial statements. Prosper Portland's Commission established a limited liability corporation for construction and management of the 9101 Foster project. The 9101 Foster LLC is included in this report as a blended component unit of Prosper Portland. 9101 Foster LLC is not required to adopt an annual budget so no budgetary statement is presented for this fund.

**C. Basis of Presentation—Government-Wide Statements**

The government-wide financial statements report information on all the activities of Prosper Portland. Governmental activities, which normally are supported by tax-increment debt proceeds (in lieu of tax increment revenue) hereafter referred to as tax-increment revenue and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who use or directly benefit from services or privileges provided by the given function, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function. Tax-increment debt proceeds (in lieu of tax-increment revenue) and other items not properly included among program revenues are reported as general revenues.

**D. Basis of Presentation—Fund Financial Statements**

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the proprietary funds are reported as separate columns in the fund financial statements. Non-major governmental funds are consolidated into a single column in the basic financial statements. Combining schedules of the components of the non-major proprietary funds and the non-major governmental funds are presented in the supplementary data section of the report.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

Prosper Portland reports the following major governmental funds:

*General Fund (adopted as Urban Redevelopment Fund)* – this is Prosper Portland’s primary operating fund. It accounts for the financial operations not accounted for in any other fund and for indirect administrative costs. Principal resources are reimbursement for services to other funds, contract fees for services provided to other agencies, miscellaneous grants, donations and interest earnings. Primary expenditures are for personal services, operational supplies, and capital outlay.

The following capital project major funds are primarily funded by tax-increment debt proceeds (in lieu of tax-increment revenue):

*North Macadam Urban Renewal Fund* – accounts for resources used in the redevelopment of the district into a major mixed-use Central City neighborhood, with a spectacular greenway and parks system, improved transportation infrastructure and accessibility, and enhanced public amenities.

*River District Urban Renewal Fund* – accounts for resources used in the development and construction of a wide range of housing units, new commercial opportunities and open space, all oriented to the Willamette River.

*Convention Center Urban Renewal Fund* – accounts for resources used to implement a plan for the area surrounding the Oregon Convention Center that will support Convention Center business, enhance area recreational and entertainment facilities, strengthen ties to downtown Portland, ensure the area’s compatibility with nearby neighborhoods, and develop the Eastbank Riverfront park.

*Lents Town Center Urban Renewal Fund* – accounts for resources used in the revitalization of commercial and residential areas in and near the existing Lents neighborhood.

*Interstate Corridor Urban Renewal Fund* – accounts for resources used in the construction and preservation of a wide array of housing options, create new family-wage jobs, and fund the infrastructure investment to support these efforts.

*Component Unit 9101 Foster LLC* – accounts for activities associated with 9101 LLC established to operate the newly-constructed Lents Commons.

Prosper Portland reports the following major proprietary funds:

*Business Management Fund* – provides for the activity related to business and real estate that are not funded by tax increment or other public funding sources.

Prosper Portland reports the following non-major proprietary funds:

*Enterprise Loans Fund* - this enterprise fund accounts for the activities of Prosper Portland’s loan programs.

*Risk Management Fund* – this Internal Service Fund sets aside resources to meet insurance policy deductibles, if necessary.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are overhead charges allocated by the General Fund to the Enterprise Loans Fund in the amount of \$54,590. Elimination of these charges would distort the direct costs reported for the various programs concerned.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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. 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 are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Prosper Portland considers receivables collected within 60 days after year-end to be available and recognizes them as revenues of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Significant revenues that were measurable and available under the modified accrual basis are composed of certain intergovernmental revenues consisting primarily of grant proceeds and tax-increment revenue.

Amounts reported as program revenues include: 1) charges to customers or applicants for services or privileges provided and 2) operating grants and contributions. All other revenues are considered general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with ongoing operations. The principal operating revenues of the Enterprise Loans Fund are interest on loans and charges for loan fees. All revenues and expenses not meeting this definition are reported as non-operating revenues.

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

**F. Budgetary Basis of Accounting**

The appropriated budget is prepared by fund and service. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the service level. A service describes program objectives such as economic development, property development and housing.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (e.g., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to State of Oregon regulations.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

**G. Assets, Liabilities, and Net Position**

**1. Cash and Investments**

Prosper Portland's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City Charter requires Prosper Portland to participate in the City's cash and investment pool. Each fund's portion of this pool is displayed on the Balance Sheet and the Statement of Net Position as "Cash with City of Portland Investment Pool".

Investment pool cash balances are part of the City's cash management activity and are considered cash and cash equivalents. Activities undertaken by the investment pool on behalf of the proprietary funds are not considered part of the investing and financing activities of the funds, and details of these investments are not reported in the Statement of Cash Flows. In general, interest earned from pooled investments is allocated to each City fund, including Prosper Portland, which appears as a single cash account, based on average earnings rate and daily cash balance of each fund. Prosper Portland allocates and credits interest received from the City to each individual fund based on the monthly ending cash balance.

The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council-adopted investment policy. Authorized investments include general obligations of the United States government and its agencies, obligations of the States of Oregon, California, Idaho and Washington that have a rating of AA or better, A-1 rated commercial paper and bankers' acceptances, Aa rated corporate bonds, time deposits, repurchase agreements and the State of Oregon Local Government Investment Pool (LGIP).

Prosper Portland recorded its investment in the City of Portland Investment Pool at fair value.

**2. Receivables and Payables**

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as internal balances. Reimbursements due from other governmental entities for the Community Development Block Grant Economic Opportunity Initiative (CDBG-EOI) programs are reported as accounts receivable.

Loans receivable are recorded when the borrower has signed a promissory note and disbursements are made in accordance with the loan agreement. Prosper Portland maintains an interest accrual balance for outstanding interest earned but not paid at the end of the year.

Prosper Portland maintains a valuation allowance for loans receivable as an allowance for risk. The allowance for risk is determined based on the historical performance of each loan type and upon continuing consideration of changes in the character of the portfolio.

**3. Capital Assets**

Capital assets include property, buildings, equipment, and software. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for equipment, real property acquisitions, and improvements are stated as capital outlay expenditures in the governmental funds. Capital assets that are

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

acquired and held for internal use are stated at historical cost and include the costs of appraisals and demolition. Donated capital assets are recorded at their acquisition value as of the date of donation.

Expenditures incurred for the acquisition and improvement of properties, as an agent for the owner, are not capitalized. Maintenance and repairs of a routine nature are charged to expenditures/expenses as incurred and are not capitalized.

Depreciation and amortization on capital assets is recorded in the Statement of Activities and is calculated using a modified half-year convention method on a straight-line basis over the following estimated useful lives.

<b>Asset</b>	<b>Years</b>
Buildings and improvements	50
Leasehold improvements	6
Equipment	5-15
Computer software	10
Computer equipment	5

Generally, when construction projects are completed on behalf of the City of Portland, the project's capital assets are transferred to the City at cost. All other proceeds from the sale of capital assets are recognized as revenue.

**4. Property Held for Sale**

Land, related buildings and improvements, as well as intangible assets acquired for the purpose of redevelopment and sale are recognized as assets and stated at the lower of cost (including costs of appraisal, demolition, improvements, and relocation) or net realizable value and are offset by 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. Compensated Absences**

It is Prosper Portland's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Prosper Portland does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The current portion for the year ending June 30, 2019 was \$154,181.

**6. Long-term Obligations**

**Other post-employment benefits (OPEB)**

Prosper Portland's net OPEB obligation is recognized as a long-term liability in the government-wide financial statements, the amount of which is actuarially determined.

**Net Pension Liability**

Prosper Portland reports its proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (OPERS). For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

***Other***

Prosper Portland also reports a long-term obligation for pollution remediation and vacation obligation due employees. Long-term bonded debt issued to finance urban development activities is not reported in the financial statements but is reported in the City of Portland's financial statements since the debt is the obligation of the City.

**7. *Deferred Inflows and Outflows of Resources***

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

*Pensions* – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Other post-employment benefits (OPEB)*– For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA) and additions to/deductions from OPERS RHIA's fiduciary net position have been determined on the same basis as they are reported by OPERS RHIA. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**8. *Fund Equity and Net Position***

Prosper Portland's equity is classified as follows in the government-wide and proprietary fund financial statements:

*Net Investment in capital assets.* This represents Prosper Portland's total investment in capital assets.

*Restricted.* This represents net position that is limited in use by external third parties, laws or regulations of other governments, or imposed by legislation.

*Unrestricted.* This represents net position not included in other categories.

Prosper Portland's fund balance is classified as follows in the governmental fund financial statements:



**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

*Non-spendable.* This includes the portion of fund balance that is not in a spendable form such as long-term loans receivable, properties held for sale, and prepaid expenses.

*Restricted.* The restriction is imposed by a third party such as creditors or regulators or enabling legislation.

*Committed.* This represents resources committed by Prosper Portland's board. Resolutions passed by the Prosper Portland Board of Commissioners are required to commit or release funds at this level.

*Assigned.* This represents resources intended for a specific purpose but not meeting the criteria to be classified as committed. The Board of Commissioners established fund balance policy in adopting the implementation of GASB 54 in Resolution No. 6894 and designated the Chief Financial Officer the authority to assign resources and ending fund balances as necessary. This delegation pertains to the assigned/unassigned categories of the General Fund to demonstrate intended use of unassigned funds.

*Unassigned.* Residual amounts that are not restricted, committed, or assigned in the General Fund and any negative amounts in other funds created by expenditures exceeding restricted, committed, or assigned resources.

Prosper Portland will spend resources in the following order as appropriate for the specific expenditures when more than one category of fund balance exists: Restricted, Committed, Assigned, and Unassigned. Any exceptions to this spending order must be approved by the Board of Commissioners.

**9. Management Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of June 30, 2019, and the reported amounts of revenues, expenditures, and expenses for the year then ended. Actual results could differ from those estimates.

**10. New Accounting Pronouncements**

GASB Statement No. 84, *Fiduciary Activities* was issued in January of 2017 and will be effective for fiscal years beginning after December 15, 2018. This pronouncement enhances consistency and uniformity in reporting by establishing criteria for identification of activities that should be reported as fiduciary types and clarifying how that applies to business-type activities. Prosper Portland will implement this in fiscal year 2020 if applicable.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* was issued in May of 2017 and was effective for fiscal years beginning after June 15, 2017. This pronouncement establishes uniformity for derecognizing debt that is defeased in substance, regardless of how the means of extinguishing that debt acquired. This also applies to the financial reporting of prepaid insurance related to debt.

GASB Statement No. 87, *Leases* was issued in June of 2017 and is effective for fiscal years beginning after December 15, 2019. This pronouncement establishes a single model for lease accounting, under which the lessee recognizes a lease liability and intangible asset, and a lessor recognizes a lease receivable and deferred inflow asset. This will capture liabilities that currently are not reported and move leases under a single model for improved comparative financial statements. Prosper Portland will implement this in fiscal year 2021 if applicable.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was issued in April of 2018 and is effective for fiscal years beginning after June 15, 2018. This pronouncement requires that additional essential information related to debt be disclosed in notes to financial statements, and that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. Prosper Portland has implemented this in fiscal year 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was issued in June of 2018 and is effective for fiscal years beginning after December 15, 2019. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. Interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Prosper Portland will implement this in fiscal year 2021 if applicable.

GASB Statement No. 91, *Conduit Debt Obligations* was issued in May 2019 and is effective for fiscal years beginning after December 15, 2020. This Statement clarifies the definition of conduit debt and establishes standards for reporting and accounting. Prosper Portland will implement this in fiscal year 2022.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Prosper Portland is required by Oregon Local Budget Law to budget all funds, except for the 9101 Foster LLC fund, which is not required to have a budget. Funds requiring a budget are budgeted on the modified accrual basis of accounting. The resolution authorizing appropriations sets the maximum level of expenditures for each fund. The original budget is adopted by the Commission by resolution prior to the beginning of the fiscal year (July 1 through June 30). The amount reported as “fund balance” on the General Fund budgetary basis of accounting derives from the basis of accounting used in preparing Prosper Portland’s budget.

In the General Fund this amount differs from the fund balance reported in the statement of revenues, expenditures, and changes in fund balances due to required entries to adjust from a budgetary basis of reporting to a generally accepted accounting principal (GAAP) basis of accounting. These largest of these adjustments relate to loans receivable payments and disbursements reported as revenues and expenses

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

on a budgetary basis but not on a GAAP basis. Those adjustments and others for the General Fund are detailed below:

Revenues—budgetary basis	\$ 6,910,250
Transfer of loan program to Enterprise Loans fund	(31,387)
Loans receivable revenues	(65,928)
Internal services revenues from business-type funds	54,590
	<u>\$ 6,867,525</u>
Expenditures—budgetary basis	\$ 19,243,565
Transfer of accrued interest with loan program to Enterprise Loans fund	198
Internal service reimbursements between governmental funds	(12,431,520)
	<u>\$ 6,812,243</u>

Appropriations are made by organizational unit or programs, appropriating the expenditure budget by business line. Expenditure detail is also provided by the following categories: Personal Services, Materials and Services, Capital Outlay, Financial Assistance, Debt Service, and other levels of control established by the resolution. Unexpected additional resources may be added to the budget using a supplemental budget. A supplemental budget may require hearings before the public and publication in newspapers, but always requires approval by the Commission. Original and supplemental budgets may be modified using appropriation transfers between the levels of control. Such transfers require approval by the Commission. The Commission approved two supplemental budgets during the fiscal year. Appropriations lapse at each fiscal year-end.

**III. Detailed Notes on All Funds**

**A. Cash and Cash Equivalents and Cash with City of Portland Investment Pool**

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

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

Oregon Revised Statute (ORS) 294 authorizes the City and component units to invest primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper, high-grade corporate bonds and the State Treasurer's Local Government Investment Pool (LGIP).

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.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

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 city's Chief Financial Officer or designee in consultation with the City Treasurer and the IAC.

***Fair Value Inputs and Methodologies***

The following methods (or "techniques") and inputs are used to establish the fair value of each asset.

Bond investments are valued on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of an investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures.

***Fair Value Hierarchy***

Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each fund has the ability to access.

Level 2 – other observable inputs [including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market– corroborated inputs].

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has recorded its investments at fair value, and primarily uses the Market Approach to attributing a value to each security. The City applies fair market value updates to the securities on a daily basis. Security pricing is provided by the City's trust custodian and is reported daily to the City by its custodian bank. Assets are categorized by asset type, which is a key component of

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

determining hierarchy levels. Asset types allowable per the City's investment policy generally fall within hierarchy levels 1 and 2.

Prosper Portland's cash balance as of June 30, 2019 is composed of the following:

Cash on hand	\$ 400
Deposits with financial institutions	382,952
Cash with City of Portland investment pool	291,680,583
	<u>\$ 292,063,935</u>

The balance is reflected in the Statement of Net Position is as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 383,352	\$ -	\$ 383,352
Cash with City of Portland investment pool	280,451,969	11,228,614	291,680,583
	<u>\$ 280,835,321</u>	<u>\$ 11,228,614</u>	<u>\$ 292,063,935</u>

***Custodial Credit Risk—Deposits***

In the case of deposits, 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 OST's custodian, Federal Home Loan Bank of Des Moines, 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 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 FDIC's standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category.

In the case of security purchases, there is a 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 (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. As of June 30, 2019, 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.

Prosper Portland bank deposits of \$382,952 are insured by the FDIC up to \$250,000 with the additional assets being secured by collateralized eligible securities at the FHLB of Des Moines, in agreement with the OST Public Funds Collateralization Program.

***Interest Rate Risk***

Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will fluctuate in response to changes in interest rates rather than the market price of shorter-term securities. Additionally, securities issued or guaranteed

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

by the U.S. Government, its agencies, instrumentalities and sponsored enterprises have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary prior to maturity.

As of June 30, 2019, the weighted average maturity of the City's investment portfolio was 484 days. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted average maturity of twenty-four months. In addition, no more than 50% 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 types of investments permitted by the Investment Policy seek 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, other municipalities, issuers of commercial paper, corporate debt, and by monitoring their credit quality on an ongoing basis. An investment policy stressing a relatively short maturity and highly rated investment grade debt serves to additionally minimize credit risk. Maximum combined corporate indebtedness (Commercial Paper and Corporate Bonds) is limited to 35 percent of the total portfolio and a five percent limit of the total portfolio per issuer.

The City's investments in United States Treasury and Agency Obligations have short-term credit ratings of P-1 / A-1 / F-1, by Moody's Investor Services, Standard & Poor's, and Fitch Ratings respectively. The City's investments in United States Treasury and Agency Obligations have long-term credit ratings of Aaa / AA+ / AAA, by Moody's Investor Services, Standard & Poor's, and Fitch Ratings respectively. The City's investments in Corporate Debt Obligations have short-term or long-term credit ratings of Aa3 / AA / AA- or better, by Moody's Investor Services, Standard & Poor's, and Fitch Ratings respectively. The City's investments in Municipal Debt Obligations have long-term credit ratings of Aa2 / AA+ or better, by Moody's Investor Services and Standard & Poor's Ratings respectively.

As of June 30, 2019, the LGIP was not rated. Investments in the LGIP are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool as laid out in the Investment Company Act of 1940. Rule 2a-7 contains the U.S. Security and Exchange Commission's (SEC) regulations that apply to money market funds. The LGIP is not registered with the SEC as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. 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 seeks to exchange 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 value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. The City intends to measure these investments at book value as the LGIP fair value approximates it on an amortized cost basis.

***Concentration of Credit Risk***

Of the City's total investments as of June 30, 2019, 88 percent were United States Treasury and Agency Debt Obligations or short-term investments. All other investments not explicitly guaranteed by the United States government were less than five percent (per issuer basis) of the City's total investments. The City's investment policy addresses credit risk concentration by limiting both the types and amounts of securities

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

that may be held in the portfolio. These portfolio restrictions vary based upon the investment type and issuer. These restrictions as well as other information contained in the City's investment policy are located at: <https://www.portlandoregon.gov/brfs/article/712952>.

***Income Risk***

Income risk is the risk that the portfolio's yield will vary as short-term securities in the portfolio mature and the proceeds are reinvested in securities with different interest rates.

***Market Risk and Selection Risk***

Market risk is the risk that one or more markets in which the portfolio invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by portfolio management will underperform the markets, the relevant indices, or the other securities available for selection with similar investment objectives and investment strategies.

***Municipal Securities Risks***

Municipal securities risks include the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes that could affect the market for and value of municipal securities.

***U.S. Treasury Direct Obligations Risk***

Direct obligations of the U.S. Treasury have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the holding period. Periodic Federal government negotiations about whether and when to raise the Federal debt ceiling may also cause the market value of U.S. Treasury direct obligations to vary during the holding period.

***U.S. Government Obligations Risk***

Certain securities in which the portfolio may invest, including securities issued by certain government agencies and government sponsored enterprises, are not guaranteed by the U.S. Government or supported by the full faith and credit of the United States.

***Repurchase Agreement Risk***

In a repurchase agreement, the City purchases securities from a counterparty who agrees to repurchase the same security at a mutually agreed upon date and price. On a daily basis, the counterparty is required to maintain eligible collateral subject to the agreement and in value no less than 102 percent of the agreed repurchase amount. The City only accepts United States Treasuries or Agencies as collateral. The agreements are conditioned upon the collateral being deposited under the Federal Reserve book entry system or held in a segregated account by a custodian under tri-party repurchase agreements. In the event the counterparty defaults and the fair value of the collateral declines, the City could experience losses, delays and costs in liquidating the collateral, should it be required to liquidate the securities prior to stated maturities.

***When-Issued, Delayed Delivery Securities and Forward Commitments Risk***

When-issued, delayed delivery securities and forward commitments involve the risk that a security the portfolio buys will lose value prior to its delivery. There also is the risk that a security will not be issued or

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

that the other party to the transaction will not meet its delivery obligation. If this occurs, the portfolio may lose both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

**B. Internal Balances and Transfers**

The composition of internal balances is as follows:

	Receivable Fund			Total
	Major Governmental Funds	Non Major Governmental Funds	Non-major Business-type funds	
Payable Fund	River District URA	Downtown Waterfront URA		
Governmental Funds				
Non-major Governmental Funds				
CDBG EOI	\$ -	\$ -	\$ (547,000)	\$ (547,000)
Neighborhood Prosperity Initiative URA	-	-	(173,000)	(173,000)
Total Governmental Funds liabilities	-	-	(720,000)	(720,000)
Business-type Funds				
Major Business-type Funds				
Business Management Fund	69,951,421	937,000	-	70,888,421
Total Business-type Funds liabilities	69,951,421	937,000	-	70,888,421
<b>Total interfund payables</b>	<b>\$ 69,951,421</b>	<b>\$ 937,000</b>	<b>\$ (720,000)</b>	<b>\$ 70,168,421</b>

Total Interfund Liability sits at \$720,000 in the non-major business-type funds for FY19. A portion of this is for the CDBG EOI, and Neighborhood Prosperity Initiative URA, which owe \$630,000 for short-term interfund loans for grant expenditures not yet reimbursed. The \$90,000 balance is in the Neighborhood Prosperity Initiative URA, which received a long-term loan of \$120,000 in FY18, and made a \$30,000 payment on that loan in FY19. The River District Urban Renewal Fund made a long-term capital loan to the Business Management Fund of \$69,951,421 towards the acquisition of the United States Post Office property. The Business Management Fund is paying 0.84% interest on this loan until it is repaid. The Business Management Fund owes the Downtown Waterfront Urban Renewal fund \$937,000 payable when Block 25 is sold or developed.

Interfund Transfers were for the transfer of loan repayment proceeds and are outlined below.

	Transfer in Fund		
	Non-major governmental fund	Non-major Business-type Funds	Total Transfers Out
<b>Transfer out fund</b>			
Governmental funds			
General fund	\$ -	\$ 31,387	\$ 31,387
Business-type fund			
Non-major enterprise fund	(31,387)	-	(31,387)
Total governmental funds	(31,387)	31,387	-
<b>Total Transfers In</b>	<b>\$ (31,387)</b>	<b>\$ 31,387</b>	<b>\$ -</b>



**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

**C. Loans Receivable**

Loans receivable are composed of loans to qualified borrowers for rehabilitation and redevelopment of commercial properties and commercial loans to small businesses to promote economic development, which are collateralized by personal property. Net loans receivable are as follows:

<b>Fund and Program</b>	<b>Maximum Term</b>	<b>Interest Rate</b>	<b>Gross Loans Receivable</b>	<b>Allowance And Discount</b>
<b><u>Major Funds:</u></b>				
River District Urban Renewal Fund:				
Urban Development:				
Amortized loans	20 yrs	1% to 7%	7,589,260	379,463
Deferred payment loans	17 yrs	0%	8,105,000	2,026,250
Total Gross River District Urban Renewal Fund			15,694,260	2,405,713
Total Net River District Urban Renewal Fund				13,288,547
Convention Center Urban Renewal Fund:				
Urban Development:				
Amortized loans	20 yrs	1% to 6%	10,750,045	701,873
Cash flow loans	40 yrs	0.5% to 9%	2,960,655	2,812,622
Total Gross Convention Center Urban Renewal Fund			13,710,700	3,514,495
Total Net Convention Center Urban Renewal Fund				10,196,205
Lents Town Center Urban Renewal Fund:				
Urban Development:				
Amortized loans	20 yrs	3% to 6%	1,382,032	98,195
Cash flow loans	39 yrs	0% to 3%	35,216,682	24,357,190
Deferred payment loans	10 yrs	0% to 2%	9,989	2,497
Total Gross Lents Town Center Urban Renewal Fund			36,608,703	24,457,882
Total Net Lents Town Center Urban Renewal Fund				12,150,821
Interstate Corridor Urban Renewal Fund:				
Urban Development:				
Amortized loans	17 yrs	2% to 6.3%	9,419,500	604,283
Deferred payment loans	10 yrs	2%	179,237	44,724
Total Gross Interstate Corridor Urban Renewal Fund			9,598,737	649,007
Total Net Interstate Corridor Urban Renewal Fund				8,949,730
Total Gross Major Funds			75,612,400	31,027,097
Total Net Major Funds				44,585,303
<b><u>Other Governmental Funds:</u></b>				
Other Federal Grants Fund (EDA):				
Urban Development:				
Amortized Loans	10 yrs	0% to 8%	1,138,302	102,470
Total Gross Other Federal Grants Fund			1,138,302	102,470
Total Net Other Federal Grants Fund				1,035,832
Neighborhood Prosperity Initiative Urban Renewal Fund				
Urban Development:				
Amortized loans	3 yrs	6.5%	56,407	56,407
Total Gross Neighborhood Prosperity Initiative Urban Renewal Fund			56,407	56,407
Total Net Neighborhood Prosperity Initiative Urban Renewal Fund				-

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

<b>Fund and Program</b>	<b>Maximum Term</b>	<b>Interest Rate</b>	<b>Gross Loans Receivable</b>	<b>Allowance And Discount</b>
<b><u>Other Governmental Funds (continued):</u></b>				
Downtown Waterfront Urban Renewal Fund:				
Urban Development:				
Amortized loans	20 yrs	1% to 6.3%	299,393	14,970
Total Gross Downtown Waterfront Urban Renewal Fund			299,393	14,970
Total Net Downtown Waterfront Urban Renewal Fund				284,423
South Park Blocks Urban Renewal Fund:				
Urban Development:				
Amortized loans	18 yrs	1% to 3.3%	510,376	25,519
Total Gross South Park Blocks Urban Renewal Fund			510,376	25,519
Total Net South Park Blocks Urban Renewal Fund				484,857
Central Eastside Urban Renewal Fund:				
Urban Development:				
Amortized loans	10 yrs	0%	1,277,583	268,474
Deferred payment loans	20 yrs	3%	22,262	5,565
Total Gross Central Eastside Urban Renewal Fund			1,299,845	274,039
Total Net Central Eastside Urban Renewal Fund				1,025,806
Airport Way Urban Renewal Fund:				
Urban Development:				
Amortized loans	20 yrs	2% to 8.5%	1,053,245	68,043
Deferred payment loans	22 yrs	2%	992,000	248,000
Total Gross Airport Way Urban Renewal Fund			2,045,245	316,043
Total Net Airport Way Urban Renewal Fund				1,729,202
Total Gross Other Governmental Funds			5,349,568	789,448
Total Net Other Governmental Funds				4,560,120
<b>Total Gross Governmental Funds</b>			<b>80,961,968</b>	<b>31,816,545</b>
<b>Total Net Governmental Funds</b>				<b>49,145,423</b>
<b><u>Business-type Funds:</u></b>				
Enterprise Loans Fund:				
Urban Development:				
Amortized loans	14 yrs	3% to 6.8%	652,826	299,125
Deferred payment loans	10 yrs	4%	34,296	34,296
Total Gross Enterprise Loans Fund			687,122	333,421
Total Net Enterprise Loans Fund				353,701
Total Gross All Funds			\$ 81,649,090	32,149,966
Total Net All Funds				\$ 49,499,124

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

The combined loan portfolio is composed of the following:

<b>Organizational Unit and Program</b>	<b>Current Year Gross Loan Percentages</b>	<b>Gross Loans Receivable</b>	<b>Allowance And Discount</b>
Urban Development:			
Amortized loans	41.80%	\$ 34,128,969	\$ 2,618,822
Cash flow loans	46.76%	38,177,337	27,169,812
Deferred payment loans	11.44%	9,342,784	2,361,332
Urban development totals	100.00%	<u>81,649,090</u>	<u>32,149,966</u>
<b>Total Gross Loans</b>	100%	<b>\$ <u>81,649,090</u></b>	<b><u>32,149,966</u></b>
<b>Total Net Loans</b>			<b>\$ <u>49,499,124</u></b>
<b>Summary Loans Receivable Aging:</b>			
Current loans receivable, net		\$ 2,332,984	
Noncurrent loans receivable, net		31,771,845	
<b>Total Net Loans</b>		<b>\$ <u>34,104,829</u></b>	

The Summary Loans Receivable as shown above and on the government-wide Statement of Net Position, which reflects the elimination of interfund activity between the agency and its component unit for the \$15,394,295 loan between Prosper Portland and 9101 Foster LLC.

**D. Restricted Net Position**

Constraints placed on the use either by external parties such as creditors, grantors, and contributors, or laws and regulations of other governments, or legally restricted through provisions or enabling legislation are reported as restricted net position. As summarized below, the government-wide Statement of Net Position reports restricted net position as follows:

Enabling legislation:	
Urban renewal	\$ 375,683,304
Contributors:	
Property Clean up	3,000,000
Public-private partnership agreement	6,984,958
	<u>\$ 385,668,262</u>

**E. Property Held for Sale**

Property held for sale consists of land, related buildings and improvements, as well as intangible assets acquired for redevelopment that Prosper Portland intends to sell to appropriate developers. The carrying

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

amount of the property is stated at the lower of cost or net realizable value. The carrying value of the remaining property is as follows:

<b>Governmental activities:</b>	
General Fund	\$ 146,754
North Macadam Urban Renewal Fund	1,920,952
River District Urban Renewal Fund	8,718,649
Convention Center Urban Renewal Fund	5,580,314
Lents Town Center Urban Renewal Fund	2,739,395
Other governmental funds	15,816,256
Total governmental activities	<u>34,922,320</u>
<b>Business-type Activities:</b>	
Business Management Fund	71,167,180
<b>Total property held for sale</b>	<u><u>\$ 106,089,500</u></u>

**F. Capital Assets**

Prosper Portland's capital assets are all used in community development. The capital assets are composed of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 16,016,870	\$ -	\$ -	\$ -	\$ 16,016,870
Work in progress-software	135,022	-	-	(135,022)	-
Work in progress-Alberta Commons	-	1,535,787	-	-	1,535,787
Work in progress-Block 49 parking garage	5,569,918	21,356,248	-	-	26,926,166
Total Capital assets, not being depreciated:	<u>21,721,810</u>	<u>22,892,035</u>	<u>-</u>	<u>(135,022)</u>	<u>44,478,823</u>
Capital assets, being depreciated or amortized:					
Buildings and improvements	37,171,785	36,874	-	-	37,208,659
Leasehold improvements	3,849,501	-	-	-	3,849,501
Equipment	551,901	27,508	114,682	-	464,727
Intangible software	1,778,402	138,293	-	135,022	2,051,717
Total capital assets, being depreciated or amortized	<u>43,351,589</u>	<u>202,675</u>	<u>114,682</u>	<u>135,022</u>	<u>43,574,604</u>
Total capital assets before depreciation	<u>65,073,399</u>	<u>23,094,710</u>	<u>114,682</u>	<u>-</u>	<u>88,053,427</u>
Less accumulated depreciation or amortization for:					
Buildings and improvements	(2,730,809)	(827,532)	-	-	(3,558,341)
Leasehold improvements	(3,849,501)	-	-	-	(3,849,501)
Equipment	(317,862)	(71,962)	(114,682)	-	(275,142)
Intangible software	(569,171)	(177,839)	-	-	(747,010)
Total accumulated depreciation or amortization	<u>(7,467,343)</u>	<u>(1,077,333)</u>	<u>(114,682)</u>	<u>-</u>	<u>(8,429,994)</u>
Total capital assets, being depreciated or amortized, net	<u>35,884,246</u>	<u>(874,658)</u>	<u>-</u>	<u>135,022</u>	<u>35,144,610</u>
Governmental activities capital assets, net	<u><u>\$ 57,606,056</u></u>	<u><u>\$ 22,017,377</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 79,623,433</u></u>

**G. Operating Leases**

**As Lessee**

Prosper Portland leases office space and land under operating leases. Rental expenditures and payments for landlord-paid expenses include a share of the custodial services contract costs. Allowable insurance, elevator and other repair expenses allowed under the lease amounted to approximately \$292,479. Future minimum lease payments under Prosper Portland's operating leases are projected at \$893,851 for FY 2020.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

**As Lessor**

Prosper Portland functions as a lessor for office space, parking lot space, and land leases on certain property that it has acquired as part of its urban renewal activities.

As of June 30, 2019, Prosper Portland's investment in operating leases is as follows:

	<b>Basis Value</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
Land and improvements	\$ 92,041,336	\$ -	\$ 92,041,336
Buildings	29,053,279	(2,966,147)	26,087,132
	<u>\$ 121,094,615</u>	<u>\$ (2,966,147)</u>	<u>\$ 118,128,468</u>

Rental revenue amounted to approximately \$4,315,000 for the fiscal year. The minimum future operating non-cancelable lease revenues are as follows:

<b>Fiscal Year Ending</b>	<b>Minimum Revenue Total</b>
2020	\$ 5,792,851
2021	4,063,451
2022	1,686,451
2023	1,686,451
2024	1,558,531
2025-2029	7,202,655
2030-2034	7,202,125
2035-2039	7,202,125
2040-2044	7,202,125
2045-2049	7,202,125
	<u>\$ 50,798,890</u>

**H. Changes in Long-Term Liabilities and Debt**

For governmental activities, including vacation accruals, pension liability and post-employment benefits will generally be liquidated by the general fund and pollution remediation will be liquidated by the capital project fund in which the property is located. Prosper Portland obtained a loan from the City of Portland Housing Bureau to support the construction of Lents Commons. There is also a cash flow loan Prosper Portland to the 9101 Foster LLC which funded the balance of the construction project. The cash flow loan has no scheduled debt service but is dependent on future cash flow. Because this loan is from Prosper Portland to the blended component unit it is eliminated and does not appear on the statement of net assets.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Payments/ Reductions</b>	<b>Ending Balances</b>	<b>Long-term Portion</b>	<b>Due within One year</b>
Governmental activities						
Direct borrowing	\$ 1,152,000	\$ -	\$ 25,500	\$ 1,126,500	\$ 1,095,474	\$ 31,025
Net other post-employment benefits	336,842	-	55,999	280,843	280,843	-
Net pension obligation	9,878,065	989,396	-	10,867,461	10,867,461	-
Pollution remediation	44,601,789	5,019,818	-	49,621,607	37,135,717	12,485,890
Vacation accrual	598,398	1,232	45,470	554,160	399,979	154,181
	<u>\$ 56,567,094</u>	<u>\$ 6,010,446</u>	<u>\$ 126,969</u>	<u>\$ 62,450,571</u>	<u>\$ 49,779,474</u>	<u>\$ 12,671,096</u>

If Prosper Portland were to sell or transfer the a portion of or Lents Commons, the balance of the direct borrowing note at that time will become due and payable.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

Debt service requirement on direct borrowing at June 30, 2019, are as follows:

<u>Year Ending, June 30,</u>	<u>Governmental Activities</u>	
	<u>Direct borrowing</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 31,025	\$ 16,216
2021	31,493	15,741
2022	31,969	15,258
2023	32,452	14,768
2024	32,942	14,270
2025-2029	172,324	66,223
2030-2034	185,737	52,810
2035-2039	200,193	38,353
2040-2044	215,775	22,772
2045-2049	192,590	6,201
	<u>\$ 1,126,500</u>	<u>\$ 262,612</u>

**I. Amounts Due To and From the City of Portland**

Amounts due to the City of Portland consist principally of accounts payable for various interagency work provided. Balances due to the City of Portland by fund as of June 30, 2019 are as follows:

	<u>Accounts Payable</u>
General Fund	\$ 399,354
North Macadam Urban Renewal Fund	23,132
River District Urban Renewal Fund	1,025,119
Convention Center Urban Renewal Fund	1,859
Lents Town Center Urban Renewal Fund	594,274
Interstate Corridor Urban Renewal Fund	3,766,020
Other governmental funds	492,743
	<u>\$ 6,302,501</u>

Grant revenues under various grant programs and other inter-governmental agreements due from the City of Portland totaled \$5,331,030 at June 30, 2019.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

**J. Revenue**

Prosper Portland reports several large items in miscellaneous revenue. These revenues are predominantly due to the loan loss adjustment for the year, land sales, and reimbursements as detailed below for the governmental and business funds at the fund level:

	Loan Loss Adjustment	Private grants and donations	Land /Personal Property Sales	Reimbursement	Other	Total
<b>Governmental funds</b>						
General Fund	\$ -	\$ 20,000	\$ 393	\$ 46,200	\$ 61,127	\$ 127,720
Component Unit 9101 Foster LLC	-	-	-	27,241	407	27,648
River District Urban Renewal Fund	277,809	-	2,980	106,189	499	387,477
Convention Center Urban Renewal Fund	-	-	6,258,971	85,765	2,500	6,347,236
Lents Town Center Urban Renewal Fund	-	-	-	161,261	-	161,261
Interstate Corridor Urban Renewal Fund	-	-	-	103,239	100	103,339
Other Non-Major Governmental Funds	130,384	-	9,450	41,597	13	181,444
<b>Total governmental funds</b>	<b>408,193</b>	<b>20,000</b>	<b>6,271,794</b>	<b>571,492</b>	<b>64,646</b>	<b>7,336,125</b>
<b>Business-type funds</b>						
Business Management Fund	-	-	-	9,368	97,553	106,921
Non-major business-type funds	36,243	-	-	-	106,469	142,712
<b>Total business-type funds</b>	<b>36,243</b>	<b>-</b>	<b>-</b>	<b>9,368</b>	<b>204,022</b>	<b>249,633</b>
	<b>\$ 444,436</b>	<b>\$ 20,000</b>	<b>\$ 6,271,794</b>	<b>\$ 580,860</b>	<b>\$ 268,668</b>	<b>\$ 7,585,758</b>

**IV. Other Information**

**A. Pension Plans**

**1. General Information about the Pension Plans**

The State of Oregon Public Employees Retirement System (OPERS) provides cost-sharing multiple-employer defined benefit plans.

*Plan description.* Prosper Portland employees hired after December 31, 2006 are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 23A, and Internal Revenue Service Code Section 401(a).

OPERS prepares their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. OPERS issues a publicly available financial report that can be obtained at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx)

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. 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

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

***Benefits provided under ORS 238 - Tier One / Tier Two:***

*Pension Benefits.* The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General Service employees may retire after reaching age 55, Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*Death Benefits.* Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by an OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in an OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

*Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes after Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0%.



**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

***Benefits provided under Chapter 238A - OPSRP Pension Program (OPSRP DB):***

*Pension Benefits.* The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

*General Service:* 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

*Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

*Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled, or a member who becomes disabled due to job-related injury, shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes after Retirement.* Under ORS 238.360 monthly benefits are adjusted annually through a cost-of-living adjustment (COLA). The COLA is capped at 2.0%.

*Funding Policy.* OPERS' funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

*Contributions.* OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the OPERS' third-party actuary.

Prosper Portland's employer contributions for the year ended June 30, 2019 were \$941,781, excluding amounts to fund employer specific liabilities. The contribution rates on subject salary in effect for the fiscal year ended June 30, 2019 for each pension program were: Tier1/Tier 2 – 12.65%, OPSRP – 8.39%.

***Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:***

At June 30, 2019, Prosper Portland reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 and rolled forward to June 30, 2018. Prosper Portland's proportion of the net was based on Prosper Portland's projected long-term contribution effort as compared to the total projected net pension, a long-term

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

contribution effort of all employers. Prosper Portland is not referenced in the report but is included in references to the City of Portland, as the reporting entity, including the City's fiduciary fund. At June 30, 2019, the City's proportionate share of OPERS net pension liability was 3.69317033% and Prosper Portland portion of the City's OPERS net pension liability was 1.6788%.

For the year ended June 30, 2019, Prosper Portland recognized pension expense of \$1,105,577. At June 30, 2019, Prosper Portland reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Net Deferred Outflow/(Inflow) of Resources</u>
Differences between expected and actual experience	\$ 387,246	\$ -	\$ 387,246
Net difference between projected and actual earnings on investments	-	(417,068)	(417,068)
Change in assumptions	2,518,550	-	2,518,550
Differences between employer contributions and employer proportionate share	7,009	(174,712)	(167,703)
Changes in proportionate share	<u>23,466</u>	<u>(91,432)</u>	<u>(67,966)</u>
	2,936,271	(683,212)	2,253,059
Contributions made subsequent to the measurement dates	941,781	-	941,781
	<u>\$ 3,878,052</u>	<u>\$ (683,212)</u>	<u>\$ 3,194,840</u>

Prosper Portland deferred \$941,781 for contributions made subsequent to the measurement date of June 30, 2018, which is recognized as a reduction of the net pension liability for the year ending June 30, 2019 and will be recognized in the following fiscal period rather than the current fiscal period.

<b>Deferred Outflow of Resources</b>						
<b>Fiscal Year Ending June 30,</b>	<b>Differences Between Expected and Actual Experience</b>	<b>Changes of Assumptions</b>	<b>Difference Between Projected and Actual Earnings on Investments</b>	<b>Changes in Proportionate Share</b>	<b>Changes in Employer Portion</b>	<b>Total</b>
2020	\$ 156,641	\$ 844,489	\$ 468,090	\$ 1,669	\$ 14,955	\$ 1,485,844
2021	124,547	844,489	146,175	1,669	7,668	1,124,548
2022	72,691	465,640	(507,102)	1,669	843	33,741
2023	29,928	303,276	(107,163)	1,669	-	227,710
2024	3,439	60,655	-	334	-	64,428
	<u>\$ 387,246</u>	<u>\$ 2,518,549</u>	<u>\$ -</u>	<u>\$ 7,010</u>	<u>\$ 23,466</u>	<u>\$ 2,936,271</u>

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

**Deferred Inflow of Resources**

<b>Fiscal Year Ending June 30,</b>	<b>Differences Between Employer Contributions and Proportionate Share of Contributions</b>	<b>Changes in Employer Portion</b>	<b>Difference between Projected and Actual Earnings on Investments</b>	<b>Total</b>
2020	\$ 99,699	\$ 25,871	\$ 104,268	\$ 229,838
2021	48,886	25,871	104,268	179,025
2022	20,623	25,871	104,268	150,762
2023	5,505	12,473	104,268	122,246
2024	-	1,346	-	1,346
	<u>\$ 174,713</u>	<u>\$ 91,432</u>	<u>\$ 417,072</u>	<u>\$ 683,217</u>

**Net Deferred Outflow/Inflow of Resources**

<b>Fiscal Year Ending June 30,</b>	<b>Total Deferred Outflows</b>	<b>Total Deferred Inflows</b>	<b>Total</b>
2020	\$ 1,485,844	\$ 229,838	\$ 1,256,006
2021	1,124,548	179,025	945,523
2022	33,741	150,762	(117,021)
2023	227,710	122,246	105,464
2024	64,428	1,346	63,082
	<u>\$ 2,936,271</u>	<u>\$ 683,217</u>	<u>\$ 2,253,054</u>

**Actuarial Methods and Assumptions:**

*Actuarial Valuations.* The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date:	December 31, 2016
Measurement date:	June 30, 2018
Experience study:	2016, published July 2017
Actuarial cost method:	Entry age normal
Actuarial assumptions:	
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Projected salary increases	3.50%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; lend based on service.
Mortality	<p><u>Healthy Annuitant Mortality</u>: RP-2014 Healthy Annuitant, Sex distinct, Generational Projection with Unisex Social Security Data Scale</p> <p><u>Non-Annuitant Mortality</u>: RE-2014 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</p> <p><u>Disabled Retiree Mortality</u>: RP-2014 Disabled Retiree, Sex Distinct Generational Projection with Unisex Social Security Data Scale</p>

The actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study, which reviewed experience for the four-year period ending on December 31, 2016.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.20% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members, and those of the contributing employers, are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

*Depletion Date Projection.* GASB Statement No. 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

*Assumed Asset Allocation.*

<b><u>Asset Class/Strategy</u></b>	<b><u>Low Range</u></b>	<b><u>High Range</u></b>	<b><u>OIC Target</u></b>
Cash	0.0%	3.0%	0.0%
Fixed Income	15.0	25.0	20.0
Public equities	32.5	42.5	37.5
Private equity	14.0	21.0	17.5
Real estate	9.5	15.5	12.5
Alternative equity	0.0	12.5	12.5
Opportunity portfolio	0.0	3.0	0.0
Total			100.0%

*Long-Term Expected Rate of Return.* To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b><u>Asset Class</u></b>	<b><u>Target</u></b>	<b><u>Compound Annual Return (Geometric)</u></b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Bonds	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50

*Sensitivity of Prosper Portland's proportionate share of the net pension liability to changes in the discount rate:* The following presents the reporting entity's proportionate share of the net pension liability calculated using the discount rate of (7.20%), as well as what the proportionate share of the net pension liability

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

would be if it were calculated using a discount rate that is one percentage point lower (6.20%) or one percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Proportionate share of the net pension (asset/liability)	\$ 15,696,191	\$ 10,867,461	\$ 4,188,826

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on Prosper Portland's net position has been determined on the same basis used by OPERS.

*Changes in Assumptions:* A summary of key changes implemented since the December 31, 2015 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study for the System, which was published on July 26, 2017 and can be found at: <https://www.oregon.gov/PERS/Documents/2016-Exp-Study.pdf>

*Allocation of Liability for Service Segments:* For purposes of allocating Tier One/Tier Two members actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by PERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier One/Tier Two population.

*Changes in Economic Assumptions:*

- The investment return assumption was decreased from 7.50% to 7.20% per year, based on an analysis of PERS's current target asset allocation using different sets of capital market outlook assumptions.
- Updated the explicit assumptions regarding administrative expenses for Tier 1/Tier 2 and OPSRP.

*Changes in Demographic Assumptions:*

- Mortality assumptions were adjusted to use RP-2014 base tables and mortality improvement scales based on 60-year unisex average Social Security experience.
- Retirement rates were adjusted for certain member categories and service bands to more closely align with recent and expected future experience. The percentage of members assumed to elect a partial lump sum at retirement was reduced and the percentage of members assumed to purchase credited service at retirement was increased.
- Decreased the merit component of the salary increase assumption for two member categories based on observations of the last eight years of experience.
- Updated pre-retirement termination of employment assumptions for three member categories.
- Lower assumed rates of ordinary (non-duty) disability to more closely match recent experience.
- Increased the Tier 1 unused vacation cash out assumption for most categories.
- Adjusted the Tier 1/Tier 2 unused sick leave assumption for three member categories to more closely reflect recently observed experience.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

*Changes in Actuarial Methods:*

- No changes recommended for most actuarial methods including actuarial cost, amortization and rate collar methods.

*Changes in Allocation Procedures:*

- When allocating accrued liability for Tier 1/Tier 2 active members who have earned service with multiple PERS employers, 85% of the allocation is based on service with each employer (100% for police & fire members) and the remainder is based on the member account balance associated with each employer. The assumption for general service has increased 10% since the prior experience study.

***Defined Contribution Plan – Individual Account Program (IAP):***

*Pension Benefits.* Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits.* Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*Contributions.* Prosper Portland has chosen to pay the employees' contributions to the plan. Six percent of covered payroll is paid for general service employees. For fiscal year 2019 Prosper Portland paid \$941,781.

*Recordkeeping.* OPERS contracts with VOYA Financial to maintain IAP participant records.

**B. Other Post-Employment Benefits (OPEB)**

**1. Health Insurance Continuation (HIC)**

Plan description and benefits provided: Prosper Portland has a health insurance continuation option available for retirees. It is a substantive post-employment benefits plan offered under Oregon Revised Statute (ORS) 243. ORS 243.303 requires that Prosper Portland provide retirees and their dependents with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, with a rate 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

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

implicit rate subsidy for OPEB. This single-employer "Plan" is not a stand-alone plan and therefore does not issue its own financial statements.

***Total OPEB liability***

Prosper Portland's total HIC liability of \$280,843 was measured as of July 1, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Valuation date	July 1, 2018	July 1, 2018
Measurement date	June 30, 2018	June 30, 2019
Inflation	2.50%	2.50%
Salary increases	3.50%	3.50%
Actuarial cost method	Entry Age Normal	Entry Age Normal
Discount rate	3.87%	3.50%
Healthy Mortality		

- RP-2014 healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

The results of the July 1, 2018 valuation are used to prepare GASB 45 accounting results for the fiscal year ending June 30, 2019.

***Changes in Total OPEB Liability***

Balance as of June 30, 2018	\$ 336,842
Changes for the year:	
Service cost	21,045
Interest on total OPEB liability	12,182
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	(13,729)
Effect of assumptions changes or inputs	(39,972)
Benefit payments	<u>(35,525)</u>
Balance as of June 30, 2019	\$ <u>280,843</u>

***Changes since prior valuation***

Expected Claims and Premiums	Updated to reflect changes in available benefits and premium levels. If applicable, expected retiree and dependent costs were updated to reflect current health cost guidelines.
Health Care Cost Trend	Updated to reflect changes in current premium levels, as well as projected economic and regulatory conditions.
Mortality, Withdrawal, and Retirement Rates	Updated to reflect assumptions used in the Oregon PERS December 31, 2017 actuarial valuation.



**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

***Sensitivity Analysis***

The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.50%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	\$303,208	\$280,843	\$260,095

A similar sensitivity analysis for changes in the healthcare cost trend assumption is as follows:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$252,629	\$280,843	\$313,917

***OPEB Expense and deferred Outflows of Resources and deferred Inflows of Resources related to OPEB***

For the year ended June 30, 2019, Prosper Portland recognized an OPEB expense of \$22,889. At June 30, 2019, they reported deferred inflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (11,768)
Changes of assumptions or inputs	-	(47,476)
Benefit payments	26,961	-
	<u>\$ 26,961</u>	<u>\$ (59,244)</u>

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Annual Recognition
2021	\$ (10,338)
2022	(10,338)
2023	(10,338)
2024	(10,338)
2025	(10,217)
Thereafter	(7,675)
	<u>\$ (59,244)</u>

**C. OPERS Retirement Health Insurance Account (RHIA)**

***Plan description:*** Prosper Portland contributes to the PERS RHIA for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit OPEB plan administered by PERS. ORS 238.420 established this trust fund and authorizes the Oregon Legislature to establish and amend the benefit provisions. PERS issues a publicly available financial report that includes financial statements and required supplementary information that can 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://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

**Benefits provided:** RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible employees. 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 Prosper Portland, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. The plan is closed to new entrants after January 1, 2004.

**Contributions:** Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of plan members and participating employers were established and may be amended only by the Oregon Legislature. Participating cities are contractually required to contribute to RHIA at a rate assessed each year by PERS. Prosper Portland's contractually required contribution rate for the year ended June 30, 2019, was 0.43 percent of the covered payroll, actuarially determined as an amount expected to finance the costs of benefits earned by employees during the year. Contributions to the OPEB plan were \$31,449 for the year ended June 30, 2019. Employees are not required to contribute to the OPEB plan.

***OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:***

At June 30, 2019, Prosper Portland reported an asset of \$52,218 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation date as of December 31, 2015. Prosper Portland's proportionate share of the City of Portland's RHIA net OPEB asset has been determined based on full-time equivalent employees at Prosper Portland compared to the City's full-time equivalent employees to obtain a proportionate share for contributions to the RHIA program (as reported by PERS) during the Measurement Period ending on the corresponding measurement date. Prosper Portland's proportionate share used at June 30, 2017 and June 30, 2016 was 1.2602%.

For the year ended June 30, 2019, Prosper Portland recognized an OPEB expense of -\$20,878. At June 30, 2019, Prosper Portland reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
Net difference between projected and actual earnings on investments	\$ -	\$ (11,349)	\$ (11,349)
Change of Assumptions	-	(167)	(167)
Difference between expected and actual experience	-	(2,984)	(2,984)
Changes in proportionate share	-	(498)	(498)
Total (prior to post-measurement date contributions)	-	(14,998)	(14,998)
Contributions made subsequent to measurement date	31,449	-	-
Net deferred outflow/(inflows) of resources	<u>\$ 31,449</u>	<u>\$ (14,998)</u>	<u>\$ 16,451</u>

Deferred outflows of resources resulting from contributions subsequent to the measurement date of \$31,449 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

Deferred Inflows of Resources					
Fiscal Year Ending June 30,	Net Difference between Projected and Actual Earnings on Investments	Changes of assumptions	Difference between expected and actual experience	Changes in Proportionate Share	Net Deferred Outflows/ (Inflows) of resources
2020	\$ (3,394)	\$ (71)	\$ (1,297)	\$ (229)	\$ (4,991)
2021	(3,394)	(71)	(1,297)	(216)	(4,978)
2022	(3,394)	(25)	(390)	(53)	(3,862)
2023	(1,167)	-	-	-	(1,167)
2024	-	-	-	-	-
	<u>\$ (11,349)</u>	<u>\$ (167)</u>	<u>\$ (2,984)</u>	<u>\$ (498)</u>	<u>\$ (14,998)</u>

**Actuarial Methods & Assumptions:**

The total OPEB liability in the December 31, 2015 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation date	December 31, 2016
Measurement date	June 30, 2018
Experience study	2016, published July 26, 2017
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.  Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as escribed in the valuation  Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

**Discount rate:** The discount rate used to measure the total OPEB liability at June 30, 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Depletion Date Projection:** GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

*Assumed Asset Allocation*

<b>Asset Class/Strategy</b>	<b>Low Range (%)</b>	<b>High Range (%)</b>	<b>OIC Target (%)</b>
Cash	-	3.00	-
Fixed Income	15.0	25.0	20.0
Public Equities	32.5	42.5	37.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	-	12.5	12.5
Opportunity Portfolio	-	3.0	-
Total			100

**Long-Term Expected Rate of Return:** To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

<b>Asset Class</b>	<b>Target</b>	<b>Compound Annual Return (Geometric)</b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Bonds	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50

Sensitivity of Prosper Portland's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents Prosper Portland's proportionate share of the net OPEB liability/(asset) if it were calculated using a discount rate one percentage point lower (6.50%) or one percentage point higher (8.50%)

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Decrease (8.20%)</u>
Proportionate share to the net OPEB liability (asset)	\$ (30,654)	\$ (52,648)	\$ (71,369)

The RHIA plan is unaffected by health care cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums. Consequently, disclosure of a healthcare cost trend analysis is not applicable.

*OPEB plan fiduciary net position:*

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS financial report.

*Aggregate Net OPEB Liability/Asset, Pension Expense, & Net Deferred Outflow/Inflow of Resources Related to OPEB:*

The tables below present the aggregate balance (in millions) of Prosper Portland's net OPEB liability/(asset), OPEB expense, and net deferred inflows and outflows as of June 30, 2019:

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

	Deferred Outflow/(Inflow) of Resources - OPEB	Net OPEB Liability/(Asset)	OPEB Expense
RHIA	\$ (14,998)	\$ (52,218)	\$ (20,878)
HIC	(59,244)	280,843	22,889
	<u>\$ (74,242)</u>	<u>\$ 228,625</u>	<u>\$ 2,011</u>

**D. Commitments**

Contractual and other commitments for subsequent years' expenditures amounting to \$162,189,383 are included in the budgetary fund balances indicating tentative plans for utilization in future periods. Commitments for subsequent years' expenditures are as follows:

	Committed for Urban Renewal	Committed for contractual obligation	Total
Governmental activities			
General fund	\$ -	\$ 4,795,940	\$ 4,795,940
North Macadam Urban Renewal Fund	1,553,180	-	1,553,180
River District Urban Renewal Fund	12,057,118	-	12,057,118
Convention Center Urban Renewal Fur	15,578,503	-	15,578,503
Lents Town Center Urban Renewal Fur	33,921,395	-	33,921,395
Interstate Corridor Urban Renewal Fun	85,633,218	-	85,633,218
Other governmental funds	7,819,671	830,358	8,650,029
Total governmental activities	<u>\$ 156,563,085</u>	<u>\$ 5,626,298</u>	<u>\$ 162,189,383</u>

**E. Prosper Portland's Use of the City of Portland's Conduit Debt**

The City has issued Economic Development Revenue Bonds (bonds). The proceeds of these bond sales are used by private developers to finance capital expansion in urban renewal areas.

The City's and Prosper Portland's participation in the financing of these projects enables the developer to utilize applicable provisions of the United States Internal Revenue Code (IRC Section 103) of 1954, as amended. IRC Section 103 encourages the construction of certain facilities and the public financing thereof through revenue bonds by providing that the interest on such bonds, as contrasted with any bonds issued by the developer itself, will be exempt from federal income tax. This tax exemption enables the purchasers of the bonds to accept a lower rate of interest and, since the developer in effect pays the interest on the bonds, reduces the interest cost of the project financing to the developer.

The bond indentures provide that the bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City or Prosper Portland. Nor are the bonds payable in any manner from revenue raised by taxation. Rather, the bonds will be special obligations of the City payable solely from the revenues, receipts, and resources pledged under the indentures and not from other revenues, funds, or assets of the City.

The bonds are collateralized solely by the specific project and payments are made by the developers. The bonds shall not be payable from or a charge against any other funds or assets, nor shall the City or Prosper Portland be subject to any liability thereon. No holder or holders of the bonds shall ever have the right to compel any exercise of the taxing power of the City to pay the bonds or the interest thereon, nor to enforce payment thereof against any property of the City or Prosper Portland except the specific project. Upon

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

completion of the repayment of the debt by the developer, the assets constructed become the property of the developer. At June 30, 2019, the total of the City's conduit debt outstanding as related to Prosper Portland development projects is \$15,000,000. In addition, Prosper Portland has participated in a contingent loan agreement with Home Forward which has a remaining amount due at June 30, 2019 of \$3,660,000. These amounts may differ from actual amounts reported in the City CAFR because not all conduit debt issued by the City is related to Prosper Portland projects.

**F. Contingencies**

In the normal course of business Prosper Portland is subject to litigation. The opinion of Prosper Portland's General Counsel is that the outcome of any litigation will not have a significant effect on the financial statements.

**G. Risk Management**

Prosper Portland is not part of the City of Portland's self-insurance program and purchases a variety of commercial insurance policies to protect itself against loss. Like most other large public agencies, Prosper Portland is exposed to various risks in the conduct of its business, such as losses related to torts, errors and omissions, general liability, property damage, employer's liability, worker's compensation, and unemployment claims.

Prosper Portland is insured by the State Accident Insurance Fund (SAIF) against losses from employee workers' compensation claims up to a limit of \$500,000 for each incident and each employee.

Prosper Portland is insured by Glatfelter and its underwriter, American Alternative Insurance, for commercial general liability in the amount of \$1 million per occurrence, \$3 million general aggregate; public officials and management liability in the same amounts with a deductible of \$5,000 per claim. Prosper Portland also ensures for excess liability, which provides an additional \$8 million liability per occurrence and in the general aggregate.

Prosper Portland's real property, which is predominantly held for sale, with an estimated total insured value (TIV) of \$105 million, is insured by Lloyd's of London for the TIV with a sublimit of \$50 million for earth movement and \$35 million for flood events. A separate policy provides coverage for faithful performance (employee dishonesty) through Hartford Insurance in the amount of \$300,000 for employee theft, and \$100,000 for computer and funds transfer fraud. Employment practices liability coverage is provided through AIG in the amount of \$4 million per claim with a \$75,000 deductible.

Prosper Portland has an aggressive risk management practice of transferring liability to contractors, lessees, event sponsors, and other entities through specific indemnification and insurance requirements in contracts and agreements. Prosper Portland has been successful in resolving claims and has not suffered any significant losses over the past year. In addition, there have been minimal reductions in insurance coverage and no insurance settlements have exceeded insurance coverage limits in any of the past ten fiscal years.

The Internal Service Fund has equity of \$136,094 to meet insurance policy deductible amounts and other amounts not fully reimbursed from insurance proceeds, as necessary. Of this amount, \$100,000 is an insurance deductible reserve as required by the Rivers East LLC Rent Abatement Agreement.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

***Environmental Risk***

GASB Statement 49 provides guidance for state and local governments in estimating and reporting the potential costs of pollution remediation. While GASB Statement 49 does not require Prosper Portland to search for pollution, it does require Prosper Portland to reasonably estimate and report a remediation liability when any of the following obligating events has occurred:

- Pollution poses an imminent danger to the public and Prosper Portland is compelled to take action;
- Prosper Portland is in violation of a pollution related permit or license;
- Prosper Portland is named or has evidence that it will be named as responsible party by a regulator;
- Prosper Portland is named or has evidence that it will be named in a lawsuit to enforce a cleanup; or
- Prosper Portland commences or legally obligates itself to conduct remediation activities.

Site investigation, planning and design, cleanup and site monitoring are typical remediation activities underway across the many Prosper Portland properties. Prosper Portland has programs, rules, and regulations that routinely deal with remediation-related issues. Much of Prosper Portland's mission is to deal with blighted properties which sometimes include pollution conditions. Prosper Portland has the knowledge and expertise to estimate the remediation but also employs consultants when expedient. The obligations presented herein are based on estimates by both Prosper Portland staff and consultants and are based upon prior experience in identifying and funding similar remediation activities. The standards require Prosper Portland to calculate pollution remediation liabilities using the expected cash flow technique. Where Prosper Portland cannot reasonably estimate a pollution remediation obligation, it does not report a liability.

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

During the fiscal year, Prosper Portland recognized an increase in the liability of \$5,019,818. At June 30, 2019, Prosper Portland had a total outstanding pollution remediation liability of \$49,621,607. The estimated current portion is \$12,485,890.

***Portland Harbor Superfund***

In January 2008, the City of Portland, and subsequently Prosper Portland, was notified by the Environmental Protection Agency (EPA) of a CERCLA 104(3) records request and therefore potential liability with respect to the Portland Harbor Superfund that may include 46 current and previously-owned Prosper Portland parcels on or adjacent to the lower reach of the Willamette River within the EPA study area.

In January 2017, EPA finalized the Feasibility Study and issued a final Record of Decision for Portland Harbor (ROD). Potential remedy costs were included in the ROD for comparative purposes among the potential remedies. Those comparative estimates were based on site-wide cleanup actions and do not include estimates of cleanup of individual sub-areas nor any individual party's share of those costs. This large and complex Superfund Site is not progressing under conventional processes used for smaller sites.



**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**  
**Notes to the Financial Statements**  
**June 30, 2019**

For example, the next step at Portland Harbor is to conduct a new baseline sampling before remedy implementation. (ROD Section 10.1.1.9). As of July 2017, EPA is negotiating a baseline sampling scope of work with a group of potentially responsible parties. Once a scope of work and agreement on consent are reached, the sampling effort is expected to take approximately two additional years. It is anticipated that information from this baseline sampling will refine and may alter the scope of active remediation required. The proposed course of action within individual sub-areas will be determined during remedial design for each sub-area. It is anticipated that allocation of liability for cleanup will be determined sometime after the baseline sampling is conducted.

***Other***

While carrying out the City of Portland's development policies, Prosper Portland engaged in numerous transactions with the City, including but not limited to the provision of materials and services, real property acquisition, development, transfers, and sales. Prosper Portland also participates in the City of Portland's cash investment pool.

**H. Reviews by Grantor Agencies**

Costs of each grant project are subject to review by the grantor agency to ensure that such costs are in accordance with or further the purpose of the grant program. Any costs disallowed as the result of the review would become a liability and could require the return of such amounts to the grantor agency.



**PROSPER**  
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**Building an Equitable Economy**

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**PROSPER PORTLAND**  
A Component Unit of the City of Portland, Oregon

**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
Last Ten Fiscal Years or Since Inception<sup>2</sup>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Prosper Portland's proportion of the net pension liability <sup>1</sup>	0.0717%	0.0733%	0.0736%	0.0721%	0.0892%	0.0892%
Prosper Portland's proportionate share of the net pension liability (asset)	\$ 10,867,461	\$ 9,878,065	\$ 11,045,372	\$ 4,139,065	\$ (2,021,851)	\$ 4,551,875
Covered payroll	7,204,530	8,050,801	8,234,621	8,595,239	8,363,449	9,896,391
Contributions as a percentage of covered payroll	150.8421%	122.6967%	134.1333%	48.1553%	-24.1748%	45.9953%
Plan fiduciary net position as a percentage of total pension liability	82.07%	83.10%	80.50%	91.90%	103.59%	92.00%

<sup>1</sup> Calculated from Prosper Portland's proportionate share reported from the City of Portland proportionate share of the OPERS (Prosper Portland is not reported individually)

<sup>2</sup> Schedule is intended to show ten years of data. Additional data will be displayed as it becomes available

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**

**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS TO OREGON PUBLIC RETIREMENT SYSTEM**  
**Last Ten Fiscal Years or Since Inception<sup>2</sup>**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 941,781	\$ 915,327	\$ 673,628	\$ 736,024	\$ 596,226	\$ 669,619
Contributions in relation to the actuarially determined contribution	<u>941,781</u>	<u>915,327</u>	<u>673,628</u>	<u>736,024</u>	<u>596,226</u>	<u>669,619</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,275,570	\$ 7,204,530	\$ 8,050,801	\$ 8,234,621	\$ 8,595,239	\$ 8,363,449
Contributions as a percentage of covered payroll	12.94%	12.70%	8.37%	8.94%	6.94%	8.01%

<sup>1</sup> Schedule is intended to show ten years of data. Additional data will be displayed as it becomes available

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**

**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT**  
**BENEFITS LIABILITY AND RELATED RATIOS**  
**Last Ten Fiscal Years or Since Inception<sup>1</sup>**

	<b>2019</b>	<b>2018</b>
<b>Health Insurance Continuation</b>		
Total OPEB liability, beginning	336,842	359,090
Service Cost	\$ 21,045	\$ 21,990
Interest on total OPEB liability	12,182	10,351
Effect of change to benefit terms	-	-
Effect of economic/demographic gains or (losses)	(13,729)	-
Effect of assumption changes or inputs	(39,972)	(18,548)
Benefit payments	(35,525)	(36,041)
Net change in total OPEB liability	(55,999)	(22,248)
Total OPEB liability, ending	280,843	336,842
Covered payroll	8,405,438	7,851,891
Total OPEB liability as a % of covered payroll*	3.3412%	4.2899%

<sup>1</sup>Schedule is intended to show ten years of data. Additional data will be displayed as it becomes available.

Notes to Required Schedule

This "plan" is not administered by a trust and does not accumulate assets.

**PROSPER PORTLAND**  
**A Component Unit of the City of Portland, Oregon**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**Last Ten Fiscal Years or Since Inception<sup>2</sup>**

	2019	2018	2017
<b>OPERS Retirement Health Insurance Account</b>			
Proportion of the OPEB Liability	0.0472%	0.0435%	0.0443%
Proportionate share of the net OPEB liability (asset)	\$ (52,218)	\$ (18,170)	\$ 12,021
Covered payroll	\$ 7,275,570	\$ 7,204,530	\$ 8,050,801
Proportionate share of OPEB liability (asset) as a percentage of covered employee payroll	-0.7177%	-0.2522%	0.1493%
Plan net position as a percentage of the total OPEB liability	124.00%	108.90%	94.20%

<sup>1</sup>Schedule is intended to show ten years of data. Additional data will be displayed as it becomes available.

**SCHEDULE OF CONTRIBUTIONS TO OPERS RETIREMENT HEALTH INSURANCE ACCOUNT**  
**Last Ten Fiscal Years or Since Inception<sup>2</sup>**

	2019	2018	2017
Actuarially determined contribution	\$ 31,449	\$ 33,160	\$ 34,512
Contributions in relation to the actuarially determined contribution	31,449	33,160	34,512
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 7,275,570	\$ 7,204,530	\$ 8,050,801
Contributions as a percentage of covered-employee payroll	0.43%	0.46%	0.43%

<sup>1</sup> Schedule is intended to show ten years of data. Additional data will be displayed as it becomes available



**PROSPER**  
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**Building an Equitable Economy**



# Supplementary Data

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Combining Statements and Schedules, Budgetary Schedules, and Schedules of  
Capital Assets Used in the Operation of Governmental Funds



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**Building an Equitable Economy**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

*Housing and Community Development Contract Fund* – accounts for the contract with the City of Portland Housing bureau to administer a portion of the City's Community development Block Grant revenues for the Economic Opportunity Initiative programs.

*Other Federal Grants Fund* - accounts for revenues and expenditures for an EDA Grant.

*Ambassador Program Fund* - accounts for monies donated by private businesses for outreach activities.

*Enterprise Zone Fund* - accounts for monies received from participating Enterprise Zone companies to provide the North/Northeast Portland community with workforce and business development opportunities.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

*Neighborhood Prosperity Initiative Urban Renewal Fund* - accounts for resources used in the six small URAs dedicated to neighborhood improvements.

*South Park Blocks Urban Renewal Fund* - accounts for resources used in the development and improvement of the south park blocks.

*Central Eastside Urban Renewal Fund* - accounts for resources used in the development and improvement of the central eastside while maintaining a good environment for existing businesses by making improvements and developing the Eastbank Riverfront park.

*Gateway Regional Center Urban Renewal Fund* - accounts for resources used to transform the area into a Regional Center with enhanced housing, employment, recreational and cultural opportunities.

*Airport Way Urban Renewal Fund* - accounts for resources used for: acquisitions and construction related to the Riverside Parkway projects; projects to increase job density by attracting and retaining businesses; supporting transit and other infrastructure investments; increasing Portland's inventory of developable land for industry and creation of quality jobs; and protecting the natural resources of the greater Portland area.

*Willamette Industrial Urban Renewal Fund* - accounts for resources used to attract new industrial, high-technology, manufacturing, and distributing businesses to the currently vacant or unused parcels of land.

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2019**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash with City of Portland investment pool	\$ 5,519,847	\$ 114,631,106	\$ 120,150,953
Receivables:			
Due from City of Portland	600,850	948,643	1,549,493
Accounts	741,425	410,459	1,151,884
Internal Payable	-	937,000	937,000
Loans, net	1,035,832	3,524,288	4,560,120
Interest	33,120	676,628	709,748
Loan interest	3,883	4,225	8,108
Property held for sale	-	15,816,256	15,816,256
<b>Total assets</b>	<u>\$ 7,934,957</u>	<u>\$ 136,948,605</u>	<u>\$ 144,883,562</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 750,517	\$ 2,876,439	\$ 3,626,956
Accrued liabilities	-	200	200
Due to City of Portland	-	492,743	492,743
Due to other funds	547,000	173,000	720,000
<b>Total liabilities</b>	<u>1,297,517</u>	<u>3,542,382</u>	<u>4,839,899</u>
<b>FUND BALANCES</b>			
Restricted			
Loans receivable	-	3,524,288	3,524,288
Urban renewal	-	129,881,935	129,881,935
Contractual obligations	6,637,440	-	6,637,440
<b>Total fund balances</b>	<u>6,637,440</u>	<u>133,406,223</u>	<u>140,043,663</u>
<b>Total liabilities and fund balances</b>	<u>\$ 7,934,957</u>	<u>\$ 136,948,605</u>	<u>\$ 144,883,562</u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 2,258,651	\$ 695,711	\$ 2,954,362
Charges for services	1,529,360	549,632	2,078,992
Loan interest collections	79,248	82,567	161,815
Interest on investments	113,672	2,313,851	2,427,523
Miscellaneous	83,607	97,837	181,444
Tax-increment debt proceeds (in lieu of tax-increment revenue)	<u>-</u>	<u>12,291,030</u>	<u>12,291,030</u>
Total revenues	<u>4,064,538</u>	<u>16,030,628</u>	<u>20,095,166</u>
<b>EXPENDITURES</b>			
Current:			
Community development	723,890	4,717,118	5,441,008
Capital expenditures for urban renewal	-	2,867,201	2,867,201
Financial assistance	3,322,499	1,373,683	4,696,182
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,046,389</u>	<u>8,958,002</u>	<u>13,004,391</u>
Excess (deficiency) of revenues over expenditures	<u>18,149</u>	<u>7,072,626</u>	<u>7,090,775</u>
Net change in fund balances	<u>18,149</u>	<u>7,072,626</u>	<u>7,090,775</u>
<b>FUND BALANCES - July 1, 2018</b>	<u>6,619,291</u>	<u>126,333,597</u>	<u>132,952,888</u>
<b>FUND BALANCES - June 30, 2019</b>	<u>\$ 6,637,440</u>	<u>\$ 133,406,223</u>	<u>\$ 140,043,663</u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
June 30, 2019

	<b>Housing and Community Development Contract Fund</b>	<b>Other Federal Grants Fund</b>	<b>Enterprise Zone Fund</b>	<b>Ambassador Program Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash with City of Portland investment pool	\$ 44	\$ 1,440,611	\$ 4,064,484	\$ 14,708	\$ 5,519,847
Receivables:					
Due from City of Portland	600,850	-	-	-	600,850
Accounts	262,231	-	479,194	-	741,425
Loans, net	-	1,035,832	-	-	1,035,832
Interest	-	8,505	24,528	87	33,120
Loan interest	-	3,883	-	-	3,883
<b>Total Assets</b>	<b>\$ 863,125</b>	<b>\$ 2,488,831</b>	<b>\$ 4,568,206</b>	<b>\$ 14,795</b>	<b>\$ 7,934,957</b>
<b>LIABILITIES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 316,125	\$ -	\$ 434,392	\$ -	\$ 750,517
Internal balances	547,000	-	-	-	547,000
<b>Total liabilities</b>	<b>863,125</b>	<b>-</b>	<b>434,392</b>	<b>-</b>	<b>1,297,517</b>
<b>FUND BALANCES</b>					
Non-spendable					
Restricted					
Contractual obligations	-	2,488,831	4,133,814	14,795	6,637,440
Total fund balances	-	2,488,831	4,133,814	14,795	6,637,440
<b>Total liabilities and fund balances</b>	<b>\$ 863,125</b>	<b>\$ 2,488,831</b>	<b>\$ 4,568,206</b>	<b>\$ 14,795</b>	<b>\$ 7,934,957</b>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Housing and Community Development Contract Fund</b>	<b>Other Federal Grants Fund</b>	<b>Enterprise Zone Fund</b>	<b>Ambassador Program Fund</b>	<b>Total</b>
<b>REVENUES</b>					
Intergovernmental revenues	\$ 2,258,651	\$ -	\$ -	\$ -	\$ 2,258,651
Charges for services	-	5,208	1,524,152	-	1,529,360
Loan collections	-	79,248	-	-	79,248
Interest on investments	-	29,395	83,958	319	113,672
Miscellaneous	-	83,607	-	-	83,607
Total revenues	<u>2,258,651</u>	<u>197,458</u>	<u>1,608,110</u>	<u>319</u>	<u>4,064,538</u>
<b>EXPENDITURES</b>					
Current:					
Community development	-	14,753	708,962	175	723,890
Financial assistance	<u>2,258,651</u>	<u>-</u>	<u>1,063,848</u>	<u>-</u>	<u>3,322,499</u>
Total expenditures	<u>2,258,651</u>	<u>14,753</u>	<u>1,772,810</u>	<u>175</u>	<u>4,046,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>182,705</u>	<u>(164,700)</u>	<u>144</u>	<u>18,149</u>
Net change in fund balances	<u>-</u>	<u>182,705</u>	<u>(164,700)</u>	<u>144</u>	<u>18,149</u>
<b>FUND BALANCES - July 1, 2018</b>	<u>-</u>	<u>2,306,126</u>	<u>4,298,514</u>	<u>14,651</u>	<u>6,619,291</u>
<b>FUND BALANCES - June 30, 2019</b>	<u>\$ -</u>	<u>\$ 2,488,831</u>	<u>\$ 4,133,814</u>	<u>\$ 14,795</u>	<u>\$ 6,637,440</u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**HOUSING AND COMMUNITY DEVELOPMENT CONTRACT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenues-				
Housing and Community				
Development contract	\$ 2,302,436	\$ 2,302,436	\$ 2,258,651	\$ (43,785)
Total revenues	2,302,436	2,302,436	2,258,651	(43,785)
<b>EXPENDITURES</b>				
Current:				
Community development:				
Economic development	2,302,436	2,302,436	2,258,651	43,785
Total community development	2,302,436	2,302,436	2,258,651	43,785
Contingency	17,946	-	-	-
Total expenditures	2,320,382	2,302,436	2,258,651	43,785
Excess (deficiency) of revenues				
over expenditures	(17,946)	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Enterprise Loans Fund	-	-	547,000	547,000
Total transfers in	-	-	547,000	547,000
Transfers out:				
Enterprise Loans Fund	-	(818,000)	(818,000)	-
Total transfers out	-	(818,000)	(818,000)	-
Net change in fund balance	(17,946)	(818,000)	(271,000)	547,000
<b>FUND BALANCE - July 1, 2018</b>	17,946	818,000	818,000	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	547,000	\$ 547,000
<b>Adjustments to generally accepted</b>				
<b>accounting principles basis-</b>				
Interfund advances			(547,000)	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ -	



**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**OTHER FEDERAL GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 500	\$ 500	\$ 5,208	\$ 4,708
Loan Collections-				
Principal	181,467	276,467	293,349	16,882
Interest	40,461	80,461	79,363	(1,098)
Interest on investments	1,987	25,354	29,395	4,041
Total revenues	224,415	382,782	407,315	24,533
<b>EXPENDITURES</b>				
Current:				
Community development:				
Economic development	267,546	467,547	388,341	79,206
Total community development	267,546	467,547	388,341	79,206
Contingency	621,532	1,345,378	-	1,345,378
Total expenditures	889,078	1,812,925	388,341	1,424,584
Excess (deficiency) of revenues over expenditures	(664,663)	(1,430,143)	18,974	1,449,117
Net change in fund balance	(664,663)	(1,430,143)	18,974	1,449,117
<b>FUND BALANCE - July 1, 2018</b>	664,663	1,430,143	1,430,142	(1)
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	1,449,116	\$ 1,449,116
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			1,035,832	
Loan interest receivable			3,883	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 2,488,831	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**ENTERPRISE ZONE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 15,000	\$ 36,787	\$ 40,662	\$ 3,875
Contractual service charges	1,492,882	1,025,268	1,483,490	458,222
Interest on investments	7,767	73,091	83,958	10,867
Miscellaneous:				
Other	50,000	100,000	-	(100,000)
Total revenues	1,565,649	1,235,146	1,608,110	372,964
<b>EXPENDITURES</b>				
Current:				
Community development:				
Economic development	913,967	2,077,655	1,756,760	320,895
Total community development	913,967	2,077,655	1,756,760	320,895
Contingency	4,039,761	3,439,070	-	3,439,070
Total expenditures	4,953,728	5,516,725	1,756,760	3,759,965
Excess (deficiency) of revenues over expenditures	(3,388,079)	(4,281,579)	(148,650)	4,132,929
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	(16,340)	(16,935)	(16,050)	885
Net change in fund balance	(3,404,419)	(4,298,514)	(164,700)	4,133,814
<b>FUND BALANCE - July 1, 2018</b>	3,404,419	4,298,514	4,298,514	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	\$ 4,133,814	\$ 4,133,814

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**AMBASSADOR FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 319	\$ 319
Total revenues	-	-	319	319
<b>EXPENDITURES</b>				
Current:				
Community development:				
Economic development	3,232	3,232	175	3,057
Total community development	3,232	3,232	175	3,057
Contingency	-	11,419	-	11,419
Total expenditures	3,232	14,651	175	14,476
Excess (deficiency) of revenues over expenditures	(3,232)	(14,651)	144	14,795
Net change in fund balance	(3,232)	(14,651)	144	14,795
<b>FUND BALANCE - July 1, 2018</b>	3,232	14,651	14,651	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	\$ 14,795	\$ 14,795

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2019**

	<b>Neighborhood Prosperity Initiative Urban Renewal Fund</b>	<b>Downtown Waterfront Urban Renewal Fund</b>	<b>South Park Blocks Urban Renewal Fund</b>
<b>ASSETS</b>			
Cash with City of Portland			
investment pool	\$ 672,872	\$ 42,404,780	\$ 7,041,775
Receivables:			
Due from City of Portland	948,643	-	-
Accounts	-	-	-
Internal payable	-	937,000	-
Loans, net	-	284,423	484,857
Interest	4,718	249,663	41,514
Loan interest	-	922	1,170
Property held for sale	-	1,047,569	-
<b>Total Assets</b>	<b>\$ 1,626,233</b>	<b>\$ 44,924,357</b>	<b>\$ 7,569,316</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 7,214	\$ -
Accrued liabilities	-	200	-
Due to City of Portland	-	1,859	309,393
Internal balances	173,000	-	-
<b>Total liabilities</b>	<b>173,000</b>	<b>9,273</b>	<b>309,393</b>
<b>FUND BALANCES</b>			
Restricted			
Loans receivable	-	284,423	484,857
Urban renewal	1,453,233	44,630,661	6,775,066
<b>Total fund balances</b>	<b>1,453,233</b>	<b>44,915,084</b>	<b>7,259,923</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,626,233</b>	<b>\$ 44,924,357</b>	<b>\$ 7,569,316</b>

<b>Central Eastside Urban Renewal Fund</b>	<b>Gateway Regional Center Urban Renewal Fund</b>	<b>Airport Way Urban Renewal Fund</b>	<b>Willamette Industrial Urban Renewal Fund</b>	<b>Total</b>
\$ 32,237,912	\$ 22,123,771	\$ 5,896,644	\$ 4,253,352	\$ 114,631,106
-	-	-	-	948,643
410,459	-	-	-	410,459
-	-	-	-	937,000
1,025,806	-	1,729,202	-	3,524,288
190,219	130,728	34,758	25,028	676,628
2,133	-	-	-	4,225
<u>2,901,699</u>	<u>4,108,319</u>	<u>7,758,669</u>	<u>-</u>	<u>15,816,256</u>
<u>\$ 36,768,228</u>	<u>\$ 26,362,818</u>	<u>\$ 15,419,273</u>	<u>\$ 4,278,380</u>	<u>\$ 136,948,605</u>
\$ 15,887	\$ 2,848,601	\$ 4,737	\$ -	\$ 2,876,439
-	-	-	-	200
1,794	177,838	1,859	-	492,743
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,000</u>
<u>17,681</u>	<u>3,026,439</u>	<u>6,596</u>	<u>-</u>	<u>3,542,382</u>
1,025,806	-	1,729,202	-	3,524,288
<u>35,724,741</u>	<u>23,336,379</u>	<u>13,683,475</u>	<u>4,278,380</u>	<u>129,881,935</u>
<u>36,750,547</u>	<u>23,336,379</u>	<u>15,412,677</u>	<u>4,278,380</u>	<u>133,406,223</u>
<u>\$ 36,768,228</u>	<u>\$ 26,362,818</u>	<u>\$ 15,419,273</u>	<u>\$ 4,278,380</u>	<u>\$ 136,948,605</u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Neighborhood Prosperity Initiative Urban Renewal Fund</b>	<b>Downtown Waterfront Urban Renewal Fund</b>	<b>South Park Blocks Urban Renewal Fund</b>
<b>REVENUES</b>			
Intergovernmental revenues	\$ 695,711	\$ -	\$ -
Charges for services	639	33,681	575
Loan collections	-	14,132	17,396
Interest on investments	20,859	921,702	153,136
Miscellaneous	-	60,805	4,753
Tax-increment debt proceeds (in lieu of tax-increment revenue)	<u>597,068</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,314,277</u>	<u>1,030,320</u>	<u>175,860</u>
<b>EXPENDITURES</b>			
Current:			
Community development	76,467	1,666,538	579,428
Capital expenditures for urban renewal	-	36,446	-
Financial assistance	793,907	65,273	6,737
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>870,374</u>	<u>1,768,257</u>	<u>586,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>443,903</u>	<u>(737,937)</u>	<u>(410,305)</u>
Net change in fund balances	<u>443,903</u>	<u>(737,937)</u>	<u>(410,305)</u>
<b>FUND BALANCES - July 1, 2018</b>	<u>1,009,330</u>	<u>45,653,021</u>	<u>7,670,228</u>
<b>FUND BALANCES - June 30, 2019</b>	<u>\$ 1,453,233</u>	<u>\$ 44,915,084</u>	<u>\$ 7,259,923</u>

<b>Central Eastside Urban Renewal Fund</b>	<b>Gateway Regional Center Urban Renewal Fund</b>	<b>Airport Way Urban Renewal Fund</b>	<b>Willamette Industrial Urban Renewal Fund</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 695,711
509,360	4,500	877	-	549,632
28,834	-	22,205	-	82,567
592,189	406,344	128,292	91,329	2,313,851
30,636	-	1,643	-	97,837
<u>6,696,542</u>	<u>4,997,420</u>	<u>-</u>	<u>-</u>	<u>12,291,030</u>
<u>7,857,561</u>	<u>5,408,264</u>	<u>153,017</u>	<u>91,329</u>	<u>16,030,628</u>
907,795	1,096,233	384,800	5,857	4,717,118
2,174	2,828,581	-	-	2,867,201
445,569	62,197	-	-	1,373,683
-	-	-	-	-
<u>1,355,538</u>	<u>3,987,011</u>	<u>384,800</u>	<u>5,857</u>	<u>8,958,002</u>
<u>6,502,023</u>	<u>1,421,253</u>	<u>(231,783)</u>	<u>85,472</u>	<u>7,072,626</u>
<u>6,502,023</u>	<u>1,421,253</u>	<u>(231,783)</u>	<u>85,472</u>	<u>7,072,626</u>
<u>30,248,524</u>	<u>21,915,126</u>	<u>15,644,460</u>	<u>4,192,908</u>	<u>126,333,597</u>
\$ <u><u>36,750,547</u></u>	\$ <u><u>23,336,379</u></u>	\$ <u><u>15,412,677</u></u>	\$ <u><u>4,278,380</u></u>	\$ <u><u>133,406,223</u></u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**NEIGHBORHOOD PROSPERITY INITIATIVE URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Intergovernmental revenues-				
State and local	\$ 598,677	\$ 689,605	\$ 695,711	\$ 6,106
Charges for services-				
Application fees and charges	-	-	639	639
Interest on investments	-	-	20,859	20,859
Tax increment debt proceeds				
(in lieu of tax increment revenue)	556,712	596,034	597,068	1,034
Total revenues	1,155,389	1,285,639	1,314,277	28,638
<b>EXPENDITURES</b>				
Current:				
Community development:				
Economic development	919,999	1,122,000	795,515	326,485
Total community development	919,999	1,122,000	795,515	326,485
Contingency	1,040,134	1,184,788	-	1,184,788
Total expenditures	1,960,133	2,306,788	795,515	1,511,273
Excess (deficiency) of revenues				
over expenditures	(804,744)	(1,021,149)	518,762	1,539,911
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:	-	-	-	
Enterprise Loans Fund	-	-	83,000	83,000
Total transfers in	-	-	83,000	83,000
Internal service reimbursements	(76,207)	(78,182)	(74,860)	3,322
Transfers out:	-	-	-	
Enterprise Loans Fund	-	(321,000)	(321,000)	-
Total transfers out	-	(321,000)	(321,000)	-
Net change in fund balance	(880,951)	(1,420,331)	205,902	1,626,233
<b>FUND BALANCE - July 1, 2018</b>	880,951	1,420,331	1,420,331	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	1,626,233	\$ 1,626,233
<b>Adjustments to generally accepted accounting principles basis-</b>				
Interfund advances			(173,000)	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 1,453,233	



**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**DOWNTOWN WATERFRONT URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 1,110	\$ 1,110	\$ 500	\$ (610)
Rental income	48,830	48,830	33,181	(15,649)
Loan Collections-				
Principal	89,650	89,650	77,908	(11,742)
Interest	103,056	103,056	14,359	(88,697)
Interest on investments	-	511,962	921,702	409,740
Miscellaneous:				
Reimbursements	29,789	29,789	17,094	(12,695)
Sale of personal property	24,000	24,000	27,975	3,975
Other	-	-	24,504	24,504
Total revenues	<u>296,435</u>	<u>808,397</u>	<u>1,117,223</u>	<u>308,826</u>
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	1,221,910	1,787,488	1,221,910	565,578
Infrastructure	21,015	21,013	-	21,013
Property redevelopment	29,511,193	5,560,120	176,103	5,384,017
Economic development	247,295	147,897	67,321	80,576
Administration	12,121	12,621	7,948	4,673
Total community development	<u>31,013,534</u>	<u>7,529,139</u>	<u>1,473,282</u>	<u>6,055,857</u>
Contingency	<u>10,952,907</u>	<u>37,201,421</u>	<u>-</u>	<u>37,201,421</u>
Total expenditures	<u>41,966,441</u>	<u>44,730,560</u>	<u>1,473,282</u>	<u>43,257,278</u>
Excess (deficiency) of revenues over expenditures	<u>(41,670,006)</u>	<u>(43,922,163)</u>	<u>(356,059)</u>	<u>43,566,104</u>
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	<u>(273,115)</u>	<u>(283,066)</u>	<u>(267,000)</u>	<u>16,066</u>
Net change in fund balance	(41,943,121)	(44,205,229)	(623,059)	43,582,170
<b>FUND BALANCE - July 1, 2018</b>	<u>41,943,121</u>	<u>44,205,229</u>	<u>44,205,229</u>	<u>-</u>
<b>FUND BALANCE - June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>43,582,170</u>	<u>\$ 43,582,170</u>
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			284,423	
Loan interest receivable			922	
Property held for sale			<u>1,047,569</u>	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			<u>\$ 44,915,084</u>	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**NORTH MACADAM URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Rental income	\$ 307,448	\$ 361,516	\$ 369,653	\$ 8,137
Interest on investments	30,000	314,375	364,713	50,338
Miscellaneous:				
Reimbursements	-	1,260,000	-	(1,260,000)
Tax increment debt proceeds				
(in lieu of tax increment revenue)	14,985,000	14,985,000	14,492,517	(492,483)
Total revenues	15,322,448	16,920,891	15,226,883	(1,694,008)
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	3,135,253	12,258,915	11,118,903	1,140,012
Infrastructure	3,652,802	2,802	722	2,080
Property redevelopment	5,192,175	4,638,330	4,103,337	534,993
Economic development	-	5,000	4,161	839
Administration	15,337	16,337	16,268	69
Total community development	11,995,567	16,921,384	15,243,391	1,677,993
Contingency	12,317,956	20,033,191	-	20,033,191
Total expenditures	24,313,523	36,954,575	15,243,391	21,711,184
Excess (deficiency) of revenues				
over expenditures	(8,991,075)	(20,033,684)	(16,508)	20,017,176
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	(489,116)	(506,938)	(478,120)	28,818
Net change in fund balance	(9,480,191)	(20,540,622)	(494,628)	20,045,994
<b>FUND BALANCE - July 1, 2018</b>	9,480,191	20,540,622	20,540,622	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	20,045,994	\$ 20,045,994
<b>Adjustments to generally accepted accounting principles basis-</b>				
Property held for sale			1,920,952	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 21,966,946	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**RIVER DISTRICT URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Intergovernmental revenues-				
Federal grants	\$ -	\$ 181,318	\$ 155,487	\$ (25,831)
Charges for services-				
Application fees and charges	6,002	6,002	1,476	(4,526)
Rental income	2,285,190	2,175,537	2,416,280	240,743
Loan Collections-				
Principal	142,063	800,000	897,639	97,639
Interest	294,918	294,918	408,724	113,806
Interest on investments	562,174	1,523,577	1,754,724	231,147
Notes payable draws	11,700,000	9,500,000	9,499,409	(591)
Miscellaneous:				
Reimbursements	136,000	136,000	13,323	(122,677)
Sale of personal property	-	-	2,980	2,980
Other	-	-	93,365	93,365
Tax increment debt proceeds (in lieu of tax increment revenue)	27,972,000	27,972,000	27,985,549	13,549
Total revenues	43,098,347	42,589,352	43,228,956	639,604
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	7,949,097	4,905,241	3,232,500	1,672,741
Infrastructure	271,385	621,386	190,365	431,021
Property redevelopment	33,506,725	30,763,542	18,870,215	11,893,327
Economic development	152,406	152,407	66,192	86,215
Administration	1,033,098	978,806	747,613	231,193
Total community development	42,912,711	37,421,382	23,106,885	14,314,497
Contingency	43,626,945	52,888,175	-	52,888,175
Total expenditures	86,539,656	90,309,557	23,106,885	67,202,672
Excess (deficiency) of revenues over expenditures	(43,441,309)	(47,720,205)	20,122,071	67,842,276
<b>OTHER FINANCING SOURCES (USES)</b>				
Internal service reimbursements	(5,744,713)	(5,954,028)	(5,613,760)	340,268
Net change in fund balance	(49,186,022)	(53,674,233)	14,508,311	68,182,544
<b>FUND BALANCE - July 1, 2018</b>	49,186,022	53,674,233	53,674,233	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	68,182,544	\$ 68,182,544
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			13,288,547	
Loan interest receivable			12,048	
Interfund advances			69,951,421	
Property held for sale			8,718,649	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 160,153,209	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**SOUTH PARK BLOCKS URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 500	\$ 500	\$ 575	\$ 75
Loan Collections-				
Principal	30,312	30,312	95,059	64,747
Interest	13,190	13,191	17,432	4,241
Interest on investments	-	89,973	153,136	63,163
Total revenues	44,002	133,976	266,202	132,226
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	386,932	946,311	504,330	441,981
Property redevelopment	851,321	51,321	18,569	32,752
Economic development	200,000	210,000	713	209,287
Administration	7,821	22,821	10,823	11,998
Total community development	1,446,074	1,230,453	534,435	696,018
Contingency	4,611,769	5,942,593	-	5,942,593
Total expenditures	6,057,843	7,173,046	534,435	6,638,611
Excess (deficiency) of revenues over expenditures	(6,013,841)	(7,039,070)	(268,233)	6,770,837
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	(52,863)	(54,789)	(51,730)	3,059
Net change in fund balance	(6,066,704)	(7,093,859)	(319,963)	6,773,896
<b>FUND BALANCE - July 1, 2018</b>	6,066,704	7,093,859	7,093,859	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	6,773,896	\$ 6,773,896
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			484,857	
Loan interest receivable			1,170	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 7,259,923	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**CONVENTION CENTER URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 7,678	\$ 7,678	\$ 24,702	\$ 17,024
Rental income	4,023,240	2,616,656	2,445,804	(170,852)
Loan Collections-				
Principal	676,090	676,090	942,756	266,666
Interest	380,174	380,174	352,830	(27,344)
Interest on investments	4,999	414,596	417,985	3,389
Miscellaneous:				
Reimbursements	-	-	14,000	14,000
Sale of personal property	-	6,616,000	6,258,971	(357,029)
Other	-	-	74,265	74,265
Total revenues	<u>5,092,181</u>	<u>10,711,194</u>	<u>10,531,313</u>	<u>(179,881)</u>
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	2,574,524	4,538,572	4,504,407	34,165
Infrastructure	1,000,000	-	-	-
Property redevelopment	21,088,828	31,329,465	25,319,985	6,009,480
Economic development	159,066	160,066	8,062	152,004
Administration	12,121	12,621	8,123	4,498
Total community development	<u>24,834,539</u>	<u>36,040,724</u>	<u>29,840,577</u>	<u>6,200,147</u>
Contingency	<u>400,325</u>	<u>8,704,863</u>	<u>-</u>	<u>8,704,863</u>
Total expenditures	<u>25,234,864</u>	<u>44,745,587</u>	<u>29,840,577</u>	<u>14,905,010</u>
Excess (deficiency) of revenues over expenditures	<u>(20,142,683)</u>	<u>(34,034,393)</u>	<u>(19,309,264)</u>	<u>14,725,129</u>
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	<u>(975,432)</u>	<u>(1,010,973)</u>	<u>(953,460)</u>	<u>57,513</u>
Total other financing uses	<u>(975,432)</u>	<u>(1,010,973)</u>	<u>(953,460)</u>	<u>57,513</u>
Net change in fund balance	(21,118,115)	(35,045,366)	(20,262,724)	14,782,642
<b>FUND BALANCE - July 1, 2018</b>	<u>21,118,115</u>	<u>35,045,366</u>	<u>35,045,366</u>	<u>-</u>
<b>FUND BALANCE - June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	14,782,642	<u>\$ 14,782,642</u>
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			10,196,205	
Loan interest receivable			21,427	
Property held for sale			<u>5,580,314</u>	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			<u>\$ 30,580,588</u>	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**CENTRAL EASTSIDE URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 1,674	\$ 1,674	\$ 2,617	\$ 943
Rental income	340,000	476,792	506,743	29,951
Loan Collections-				
Principal	193,851	193,851	314,483	120,632
Interest	25,249	25,249	28,928	3,679
Interest on investments	5,001	446,132	592,189	146,057
Tax increment debt proceeds (in lieu of tax increment revenue)	6,693,300	6,693,300	6,696,542	3,242
Total revenues	7,259,075	7,836,998	8,141,502	304,504
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	579,833	84,833	80,279	4,554
Infrastructure	2,530,890	31,784	6,366	25,418
Property redevelopment	6,327,526	1,464,024	700,838	763,186
Economic development	334,575	344,575	60,616	283,959
Administration	6,650	9,650	7,557	2,093
Total community development	9,779,474	1,934,866	855,656	1,079,210
Contingency	17,511,976	31,407,041	-	31,407,041
Total expenditures	27,291,450	33,341,907	855,656	32,486,251
Excess (deficiency) of revenues over expenditures	(20,032,375)	(25,504,909)	7,285,846	32,790,755
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	(511,401)	(530,034)	(499,880)	30,154
Net change in fund balance	(20,543,776)	(26,034,943)	6,785,966	32,820,909
<b>FUND BALANCE - July 1, 2018</b>	<b>20,543,776</b>	<b>26,034,943</b>	<b>26,034,943</b>	<b>-</b>
<b>FUND BALANCE - June 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>	<b>32,820,909</b>	<b>\$ 32,820,909</b>
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			1,025,806	
Loan interest receivable			2,133	
Property held for sale			2,901,699	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			<b>\$ 36,750,547</b>	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**LENTS TOWN CENTER URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 1,757	\$ 1,757	\$ 1,998	\$ 241
Rental income	166,238	167,143	168,493	1,350
Loan Collections-				
Principal	395,588	395,588	273,310	(122,278)
Interest	478,995	478,994	53,254	(425,740)
Interest on investments	24,939	166,315	166,576	261
Miscellaneous:				
Reimbursements	64,905	51,869	90,654	38,785
Sale of personal property	200,000	-	-	-
Other	-	73,056	70,607	(2,449)
Tax increment debt proceeds (in lieu of tax increment revenue)	19,988,000	11,988,000	11,993,807	5,807
Total revenues	<u>21,320,422</u>	<u>13,322,722</u>	<u>12,818,699</u>	<u>(504,023)</u>
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	8,149,654	8,673,412	6,979,481	1,693,931
Infrastructure	1,371,236	1,446,464	1,437,035	9,429
Property redevelopment	10,546,893	10,940,556	8,082,049	2,858,507
Economic development	814,464	794,465	15,391	779,074
Administration	38,243	38,243	36,754	1,489
Total community development	<u>20,920,490</u>	<u>21,893,140</u>	<u>16,550,710</u>	<u>5,342,430</u>
Contingency	<u>1,010,533</u>	<u>2,337,244</u>	<u>-</u>	<u>2,337,244</u>
Total expenditures	<u>21,931,023</u>	<u>24,230,384</u>	<u>16,550,710</u>	<u>7,679,674</u>
Excess (deficiency) of revenues over expenditures	<u>(610,601)</u>	<u>(10,907,662)</u>	<u>(3,732,011)</u>	<u>7,175,651</u>
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	<u>(1,939,286)</u>	<u>(2,009,946)</u>	<u>(1,895,530)</u>	<u>114,416</u>
Net change in fund balance	(2,549,887)	(12,917,608)	(5,627,541)	7,290,067
<b>FUND BALANCE - July 1, 2018</b>	<u>2,549,887</u>	<u>12,917,608</u>	<u>12,917,608</u>	<u>-</u>
<b>FUND BALANCE - June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	<u>7,290,067</u>	<u>\$ 7,290,067</u>
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			12,150,821	
Loan interest receivable			2,068	
Property held for sale			<u>2,739,395</u>	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			<u>\$ 22,182,351</u>	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**INTERSTATE CORRIDOR URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 1,510	\$ 1,510	\$ 2,108	\$ 598
Rental income	332,605	335,074	280,496	(54,578)
Loan Collections-				
Principal	474,113	474,113	205,812	(268,301)
Interest	25,985	25,985	47,375	21,390
Interest on investments	27,454	554,179	967,307	413,128
Miscellaneous:				
Reimbursements	93,956	49,686	-	(49,686)
Sale of personal property	-	-	770,000	770,000
Other	-	82,333	103,339	21,006
Tax increment debt proceeds (in lieu of tax increment revenue)	26,973,000	26,973,000	26,986,065	13,065
Total revenues	27,928,623	28,495,880	29,362,502	866,622
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	35,316,885	38,895,629	18,602,798	20,292,831
Infrastructure	1,006,607	232,607	66,850	165,757
Property redevelopment	7,711,739	6,335,341	4,633,859	1,701,482
Economic development	366,939	415,610	299,283	116,327
Administration	32,610	33,610	29,189	4,421
Total community development	44,434,780	45,912,797	23,631,979	22,280,818
Contingency	7,796,221	24,788,189	-	24,788,189
Total expenditures	52,231,001	70,700,986	23,631,979	47,069,007
Excess (deficiency) of revenues over expenditures	(24,302,378)	(42,205,106)	5,730,523	47,935,629
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	(2,139,340)	(2,217,290)	(2,091,080)	126,210
Total other financing uses	(2,139,340)	(2,217,290)	(2,091,080)	126,210
Net change in fund balance	(26,441,718)	(44,422,396)	3,639,443	48,061,839
<b>FUND BALANCE - July 1, 2018</b>	26,441,718	44,422,396	44,422,396	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	48,061,839	\$ 48,061,839
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			8,949,730	
Loan interest receivable			4,025	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 57,015,594	



**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**GATEWAY REGIONAL CENTER URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 640	\$ 640	\$ -	\$ (640)
Rental income	-	-	4,500	4,500
Interest on investments	9,837	175,649	406,344	230,695
Tax increment debt proceeds (in lieu of tax increment revenue)	4,863,100	4,995,000	4,997,420	2,420
Total revenues	4,873,577	5,171,289	5,408,264	236,975
<b>EXPENDITURES</b>				
Current:				
Community development:				
Housing	1,667,581	628,378	448,878	179,500
Infrastructure	1,876,706	3,075,707	2,896,322	179,385
Property redevelopment	9,613,676	824,265	270,842	553,423
Economic development	353,002	353,002	4,415	348,587
Administration	5,589	6,589	5,032	1,557
Total community development	13,516,554	4,887,941	3,625,489	1,262,452
Contingency	6,068,391	17,706,873	-	17,706,873
Total expenditures	19,584,945	22,594,814	3,625,489	18,969,325
Excess (deficiency) of revenues over expenditures	(14,711,368)	(17,423,525)	1,782,775	19,206,300
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	(369,809)	(383,283)	(361,520)	21,763
Net change in fund balance	(15,081,177)	(17,806,808)	1,421,255	19,228,063
<b>FUND BALANCE - July 1, 2018</b>	15,081,177	17,806,808	17,806,805	(3)
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	19,228,060	\$ 19,228,060
<b>Adjustments to generally accepted accounting principles basis-</b>				
Property held for sale			4,108,319	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 23,336,379	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**AIRPORT WAY URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Charges for services-				
Application fees and charges	\$ 913	\$ 913	\$ 877	\$ (36)
Loan Collections-				
Principal	57,902	57,902	93,085	35,183
Interest	19,601	19,602	22,205	2,603
Interest on investments	10,000	98,087	128,292	30,205
Total revenues	88,416	176,504	244,459	67,955
<b>EXPENDITURES</b>				
Current:				
Community development:				
Property redevelopment	680,121	810,122	104,086	706,036
Economic development	262,063	247,063	25,570	221,493
Administration	7,821	7,821	7,248	573
Total community development	950,005	1,065,006	136,904	928,102
Contingency	4,680,512	4,921,037	-	4,921,037
Total expenditures	5,630,517	5,986,043	136,904	5,849,139
Excess (deficiency) of revenues over expenditures	(5,542,101)	(5,809,539)	107,555	5,917,094
<b>OTHER FINANCING USES</b>				
Internal service reimbursements	(131,452)	(136,242)	(128,530)	7,712
Net change in fund balance	(5,673,553)	(5,945,781)	(20,975)	5,924,806
<b>FUND BALANCE - July 1, 2018</b>	5,673,553	5,945,781	5,945,781	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	5,924,806	\$ 5,924,806
<b>Adjustments to generally accepted accounting principles basis-</b>				
Loans receivable, net			1,729,202	
Property held for sale			7,758,669	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			\$ 15,412,677	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**WILLAMETTE INDUSTRIAL URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest on investments	\$ 5,000	\$ 74,527	\$ 91,329	\$ 16,802
Total revenues	5,000	74,527	91,329	16,802
<b>EXPENDITURES</b>				
Current:				
Community development:				
Property redevelopment	20,000	20,000	5,245	14,755
Economic development	90,000	90,000	612	89,388
Total community development	110,000	110,000	5,857	104,143
Contingency	3,962,257	4,157,435	-	4,157,435
Total expenditures	4,072,257	4,267,435	5,857	4,261,578
Excess (deficiency) of revenues over expenditures	(4,067,257)	(4,192,908)	85,472	4,278,380
Net change in fund balance	(4,067,257)	(4,192,908)	85,472	4,278,380
<b>FUND BALANCE - July 1, 2018</b>	4,067,257	4,192,908	4,192,908	-
<b>FUND BALANCE - June 30, 2019</b>	\$ -	\$ -	\$ 4,278,380	\$ 4,278,380



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

## PROPRIETARY FUNDS

### ENTERPRISE FUNDS

Enterprise funds are used to report an activity for which a fee is charged to external users for goods or services.

PDC has three Enterprise type funds.

*Enterprise Loans Fund* - this fund accounts for the various loan programs which are not required to be accounted for in another fund.

*Small Business Loan Fund*  
*Business Development Loan Fund*  
*Working Capital Fund*  
*NPI Opportunity Fund*  
*Workforce Training/Hiring Fund*

Combining Schedules are presented by loan program. These include a Combining Schedule of Net Position and a Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position.

*Enterprise Management Fund* - provides for the activity related to the operations and management of PDC properties or City of Portland properties PDC has contracted to manage outside of Urban Renewal Areas. Currently, this fund includes the operating revenues and expenses of the Headwaters Apartments.

*Business Management Fund* - provides for the activity track and manage non-URA property assets and activities and fee generation activities.

### INTERNAL SERVICE FUND

Internal service funds are used to report any activity that provides services to other funds on a cost reimbursement basis.

*Risk Management Fund* – this fund was established to set aside resources that would be used to meet insurance policy deductibles, if necessary.

**PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2019**

	<b>Enterprise Loans Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash with City of Portland	
investment pool	\$ 4,205,973
Receivables:	
Internal balances	720,000
Loans, net	24,921
Interest	24,678
Other	228
	<hr/>
Total current assets	4,975,800
	<hr/>
Noncurrent assets:	
Loans receivable, net	328,780
	<hr/>
Total noncurrent assets	328,780
	<hr/>
<b>Total assets</b>	<b>\$ 5,304,580</b>
	<hr/> <hr/>
<b>LIABILITIES AND NET POSITION</b>	
<b>Liabilities:</b>	
Current liabilities:	
<b>NET POSITION</b>	
Net investment in capital assets	-
Unrestricted	5,304,580
	<hr/>
<b>Total net position</b>	<b>5,304,580</b>
	<hr/>
<b>Total liabilities and net position</b>	<b>\$ 5,304,580</b>
	<hr/> <hr/>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**

**For the Fiscal Year Ended June 30, 2019**

	<b>Enterprise Loans Fund</b>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 1,674
Interest on loans	17,832
Miscellaneous revenues	<u>142,712</u>
Total operating revenues	<u>162,218</u>
 <b>OPERATING EXPENSES:</b>	
Personal services	55,698
Professional services	242
Financial assistance	<u>98,173</u>
Total operating expenses	<u>154,113</u>
Operating income (loss)	<u>8,105</u>
 <b>NON-OPERATING REVENUES (EXPENSE):</b>	
Interest on investments	<u>94,389</u>
Total non-operating revenues (expense)	<u>94,389</u>
Income before transfers	<u>102,494</u>
Transfers in	<u>31,387</u>
Change in net position	<u>133,881</u>
 <b>Net position - July 1, 2018</b>	<u>5,170,699</u>
 <b>Net position - June 30, 2019</b>	<u><u>\$ 5,304,580</u></u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Non-Major Business-type Activities -</b>
	<b>Enterprise Loans Fund</b>
<b>Cash flows from operating activities:</b>	
Loan collections from borrowers	\$ 67,974
Interest on loans from borrowers	18,841
Loan fees from customers	1,674
Payments to employees	(55,700)
Payments to vendors	(240)
Loans to borrowers	(10,162)
Miscellaneous reimbursements (payments)	37,469
<b>Net cash provided by operating activities</b>	<b>59,856</b>
<b>Cash flows from noncapital financing activities:</b>	
Repayment of interfund borrowing	1,170,387
Interfund borrowing	(630,000)
<b>Net cash provided by noncapital financing activities</b>	<b>540,387</b>
<b>Cash flows from investing activities:</b>	
Interest received from investing	86,868
Net increase in cash and cash equivalents	687,111
<b>Cash and cash equivalents-July 1, 2018</b>	<b>3,518,862</b>
<b>Cash and cash equivalents-June 30, 2019</b>	<b>\$ 4,205,973</b>
<b>Cash with City of Portland investment pool</b>	<b>\$ 4,205,973</b>
<b>Total</b>	<b>\$ 4,205,973</b>
<b>Reconciliation of operating income to net cash provided/(used) by operating activities:</b>	
Net operating income(loss)	\$ 8,105
Adjustments to reconcile net operating income to net cash provided/(used) by operating activities:	
Decrease in loans receivable	50,741
Decrease in due from other entities	1,010
<b>Total adjustments</b>	<b>51,751</b>
<b>Net cash provided by operating activities</b>	<b>\$ 59,856</b>



**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**ENTERPRISE LOANS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ -	\$ 600	\$ 1,674	\$ 1,074
Loan Collections-				
Principal	25,780	72,280	67,973	(4,307)
Interest	1,352	10,552	18,841	8,289
Interest on investments	7,500	80,325	94,389	14,064
Miscellaneous:				
Other	-	-	37,469	37,469
Total revenues	34,632	163,757	220,346	56,589
EXPENDITURES				
Current:				
Community development:				
Economic development	480,051	555,052	11,513	543,539
Total community development	480,051	555,052	11,513	543,539
Contingency	5,157,375	5,791,591	-	5,791,591
Total expenditures	5,637,426	6,346,643	11,513	6,335,130
Excess (deficiency) of revenues over expenditures	(5,602,794)	(6,182,886)	208,833	6,391,719
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	-	250,215	31,387	(218,828)
Housing and Community Development Contract Fund	-	818,000	818,000	-
Neighborhood Prosperity Urban Renewal Fund		381,000	321,000	(60,000)
Total transfers in	-	1,449,215	1,170,387	(278,828)
Internal service reimbursements	(55,678)	(57,707)	(54,590)	3,117
Transfers out:				
Housing and Community Development Fund	-	-	(547,000)	(547,000)
Neighborhood Prosperity Initiative Urban Renewal fund			(83,000)	(83,000)
Total transfers out	-	-	(630,000)	(630,000)
Net change in fund balance	(5,658,472)	(4,791,378)	694,630	5,486,008
FUND BALANCE - July 1, 2018	5,658,472	4,791,378	3,536,022	(1,255,356)
FUND BALANCE - June 30, 2019	\$ -	\$ -	4,230,652	\$ 4,230,652
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			353,700	
Loan interest receivable			228	
Interfund advances			720,000	
FUND BALANCE - June 30, 2019 (GAAP BASIS)			\$ 5,304,580	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING SCHEDULE OF NET POSITION**  
**FOR COMPONENTS OF THE ENTERPRISE LOANS FUND**  
**June 30, 2019**

	<b>Small Business Loan Fund</b>	<b>Business Development Loan Fund</b>	<b>Working Capital fund</b>	<b>NPI Opportunity Fund</b>	<b>Workforce Training/Hiring Fund</b>	<b>Total Enterprise Loans Fund</b>
<b>ASSETS</b>						
Current assets:						
Cash with City of Portland investment pool	\$ 647,020	\$ 1,395,930	\$ 1,121,538	\$ 924,416	\$ 117,069	\$ 4,205,973
Receivables:						
Due from other funds	491,000	229,000	-	-	-	720,000
Loans, net	10,621	822	13,478	-	-	24,921
Interest	3,982	8,311	6,400	5,439	546	24,678
Loan interest	144	7	77	-	-	228
Total current assets	1,152,767	1,634,070	1,141,493	929,855	117,615	4,975,800
Noncurrent assets:						
Loans receivable, net	316,711	3,495	8,574	-	-	328,780
Total noncurrent assets	316,711	3,495	8,574	-	-	328,780
Total assets	1,469,478	1,637,565	1,150,067	929,855	117,615	5,304,580
<b>Net Position:</b>						
Unrestricted	\$ 1,469,478	\$ 1,637,565	\$ 1,150,067	\$ 929,855	\$ 117,615	\$ 5,304,580

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR COMPONENTS OF THE ENTERPRISE LOANS FUND**  
For the Fiscal Year Ended June 30, 2019

	Small Business Loan Fund	Business Development Loan Fund	Working Capital Fund	NPI Opportunity Fund	Workforce Training/Hiring Fund	Total Enterprise Loans Fund
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 592	\$ 888	\$ 194	\$ -	\$ -	\$ 1,674
Interest on loans	11,015	450	6,367	-	-	17,832
Miscellaneous revenues	36,243	-	69,000	-	37,469	142,712
Total operating revenues	47,850	1,338	75,561	-	37,469	162,218
<b>OPERATING EXPENSES:</b>						
Personal services	40,626	13,712	-	1,360	-	55,698
Professional services	186	26	30	-	-	242
Financial assistance	36,191	19,405	42,577	-	-	98,173
Total operating expenses	77,003	33,143	42,607	1,360	-	154,113
Operating income (loss)	(29,153)	(31,805)	32,954	(1,360)	37,469	8,105
<b>NON-OPERATING REVENUES (EXPENSE):</b>						
Interest on investment	18,964	30,647	23,151	19,842	1,785	94,389
Total non-operating revenues (expense)	18,964	30,647	23,151	19,842	1,785	94,389
Income (loss) before transfers	(10,189)	(1,158)	56,105	18,482	39,254	102,494
<b>TRANSFERS</b>						
Transfers in	-	-	31,387	-	-	31,387
Total transfers	-	-	31,387	-	-	31,387
Change in net position	(10,189)	(1,158)	87,492	18,482	39,254	133,881
<b>Net position - July 1, 2018</b>	<u>1,479,667</u>	<u>1,638,723</u>	<u>1,062,575</u>	<u>911,373</u>	<u>78,361</u>	<u>5,170,699</u>
<b>Net position - June 30, 2019</b>	<u>\$ 1,469,478</u>	<u>\$ 1,637,565</u>	<u>\$ 1,150,067</u>	<u>\$ 929,855</u>	<u>\$ 117,615</u>	<u>\$ 5,304,580</u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**BUSINESS MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Rental income	\$ 55,000	\$ 45,000	\$ 13,028	\$ (31,972)
Contractual service charges	30,000	30,000	50,000	20,000
Interest on investments	95,599	136,122	154,632	18,510
Miscellaneous:				
Reimbursements	-	-	9,368	9,368
Other	-	-	76,190	76,190
Total revenues	180,599	211,122	303,218	92,096
<b>EXPENDITURES</b>				
Property redevelopment	1,972,374	3,962,156	601,152	3,361,004
Total community development	1,972,374	3,962,156	601,152	3,361,004
Contingency	5,581,784	5,705,165	-	5,705,165
Total expenditures	7,554,158	9,667,321	601,152	9,066,169
Net change in fund balance	(7,373,559)	(9,456,199)	(297,934)	9,158,265
<b>FUND BALANCE - July 1, 2018</b>	<u>7,373,559</u>	<u>9,456,199</u>	<u>9,456,198</u>	<u>(1)</u>
<b>FUND BALANCE - June 30, 2019</b>	<u>\$ -</u>	<u>\$ -</u>	9,158,264	<u>\$ 9,158,264</u>
<b>Adjustments to generally accepted accounting principles basis-</b>				
Interfund advances			(69,951,421)	
Property held for sale			71,167,180	
<b>FUND BALANCE - June 30, 2019 (GAAP BASIS)</b>			<u>\$ 10,374,023</u>	

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**RISK MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest on investments	\$ -	\$ -	\$ 2,902	\$ 2,902
Total revenues	-	-	2,902	2,902
<b>EXPENDITURES</b>				
Current:				
Community development:				
Contingency	638	133,192	-	133,192
Total expenditures	638	133,192	-	133,192
Excess (deficiency) of revenues over expenditures	(638)	(133,192)	2,902	136,094
Net change in fund balance	(638)	(133,192)	2,902	136,094
<b>FUND BALANCE - July 1, 2018</b>	638	133,192	133,192	-
	\$			
<b>FUND BALANCE - June 30, 2019</b>	-	-	136,094	136,094



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

**CAPITAL ASSETS**  
**USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS**

**PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND OREGON**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY SOURCE  
For The Fiscal Year Ended June 30, 2019**

Governmental funds capital assets:		
Land	\$	16,016,870
Buildings and improvements		37,208,659
Leasehold improvements		3,849,501
Equipment		464,727
Intangible software, net		1,304,705
Work in process		28,461,953
Accumulated depreciation		(7,682,982)
	\$	<u>79,623,433</u>
Investment in governmental funds capital assets by source:		
General Fund	\$	1,769,432
Special Revenue Fund		282,196
Capital Projects Funds		85,254,787
Accumulated depreciation		(7,682,982)
	\$	<u>79,623,433</u>

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



**PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND OREGON**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
For The Fiscal Year Ended June 30, 2019**

<b>Function and Activity</b>	<b>Land</b>	<b>Buildings</b>	<b>Leasehold Improvements</b>	<b>Equipment</b>	<b>Software</b>	<b>Work in Process</b>	<b>Total</b>
Community development Revitalization Administration	\$ 16,016,870 -	\$ 37,208,659 -	\$ - 3,849,501	\$ - 464,727	\$ - 1,304,705	\$ 28,461,953 -	\$ 81,687,482 5,618,933
Total community development	16,016,870	37,208,659	3,849,501	464,727	1,304,705	28,461,953	87,306,415
Less: accumulated depreciation	-	(3,558,340)	(3,849,501)	(275,141)	-	-	(7,682,982)
Total governmental funds capital assets	<u>\$ 16,016,870</u>	<u>\$ 33,650,319</u>	<u>\$ -</u>	<u>\$ 189,586</u>	<u>\$ 1,304,705</u>	<u>\$ 28,461,953</u>	<u>\$ 79,623,433</u>

This schedule presents only the capital assets balances related to governmental funds

**PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND OREGON**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
For The Fiscal Year Ended June 30, 2019**

<b>Function and Activity</b>	<b>Governmental Capital Assets July 1, 2018</b>	<b>Additions</b>	<b>Deductions</b>	<b>Governmental Capital Assets June 30, 2019</b>
Community development				
Revitalization	\$ 58,758,573	\$ 22,928,909	\$ -	\$ 81,687,482
Administration	5,745,655	165,800	(292,522)	5,618,933
Total community development	64,504,228	23,094,709	(292,522)	87,306,415
Less: accumulated depreciation	(6,898,172)	-	(784,810)	(7,682,982)
Total governmental funds capital assets	<u>\$ 57,606,056</u>	<u>\$ 23,094,709</u>	<u>\$ (1,077,332)</u>	<u>\$ 79,623,433</u>

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

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND OREGON**

**SCHEDULE OF ACTIVITY OF REAL PROPERTY AND CAPITAL ASSETS**  
**HELD BY THE COMMISSION**  
**For The Fiscal Year Ended June 30, 2019**

<b>Funding Source</b>	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Sales/ Adjustment</b>	<b>Balance June 30, 2018</b>
<b>HELD FOR SALE ASSETS:</b>				
<b>General Fund (Urban Redevelopment Fund):</b>				
Woodstock & Foster Rd-Dagel-LTC	\$ 100,000	\$ -	\$ -	\$ 100,000
9330 SE Harold St-Boys & Girls Club-LTC	46,754	-	-	46,754
<b>Total</b>	<u>146,754</u>	<u>-</u>	<u>-</u>	<u>146,754</u>
<b>Downtown Waterfront Urban Renewal Fund:</b>				
NW Naito Parkway	73,597	-	-	73,597
South Waterfront Development	96,472	-	-	96,472
411 NW Flanders Unit 100	800,000	-	-	800,000
411 NW Flanders Parking (10 spaces)	124,000	-	(46,500)	77,500
<b>Total</b>	<u>1,094,069</u>	<u>-</u>	<u>(46,500)</u>	<u>1,047,569</u>
<b>North Macadam Urban Renewal Fund:</b>				
Pascuzzi Site	-	28,246	-	28,246
South Waterfront Development	1,892,705	-	-	1,892,705
<b>Total</b>	<u>1,892,705</u>	<u>28,246</u>	<u>-</u>	<u>1,920,951</u>
<b>River District Urban Renewal Fund:</b>				
NW Naito Parkway	122,919	-	-	122,919
Broadway Hoyt/Glisan/6th-Block R	72,283	-	-	72,283
1362 NW Naito Prkwy-Centennial Mills	2,650,000	-	-	2,650,000
9th & Lovejoy-Station Place	38,412	-	-	38,412
4th & West Burnside	1,201,636	-	-	1,201,636
Union Station-Old Fire Station	430,863	-	-	430,863
US Postal Site	4,202,536	-	-	4,202,536
<b>Total</b>	<u>8,718,649</u>	<u>-</u>	<u>-</u>	<u>8,718,649</u>
<b>Convention Center Urban Renewal Fund:</b>				
831-834 NE MLK Blvd-Sizzler	2,784,186	-	-	2,784,186
84 NE Weidler St-B & K	876,128	-	-	876,128
910 NE MLK-Menashe	1,920,000	-	-	1,920,000
<b>Total</b>	<u>5,580,314</u>	<u>-</u>	<u>-</u>	<u>5,580,314</u>
<b>Central Eastside Urban Renewal Fund:</b>				
ODOT Blocks	2,845,000	-	-	2,845,000
** WIP Clinton Triangle	56,699	-	-	56,699
<b>Total</b>	<u>2,901,699</u>	<u>-</u>	<u>-</u>	<u>2,901,699</u>
<b>Lents Town Center Urban Renewal Fund:</b>				
9330 SE Harold St-Boys and Girls Club	1,251,909	-	-	1,251,909
9231 SE Foster Rd-Arch Iron Wrks	630,000	-	-	630,000
9320 SE Ramona St-Tate	120,970	-	-	120,970
7104-7120, 7126-7130, 7238 SE Foster Rd-Metro	736,516	-	-	736,516
<b>Total</b>	<u>2,739,395</u>	<u>-</u>	<u>-</u>	<u>2,739,395</u>
<b>Interstate Corridor Urban Renewal Fund:</b>				
2221 N Argyle St	1,034,096	-	(1,034,096)	-
<b>Total</b>	<u>1,034,096</u>	<u>-</u>	<u>(1,034,096)</u>	<u>-</u>
<b>Gateway Regional Center Urban Renewal Fund:</b>				
1111-1125 NE 99th-Oregon Clinic	887,894	-	-	887,894
10520 NE Halsey St	1,152,811	-	-	1,152,811
10506-10512 NE Halsey St	2,067,614	-	-	2,067,614
<b>Total</b>	<u>4,108,319</u>	<u>-</u>	<u>-</u>	<u>4,108,319</u>
<b>Airport Way Urban Renewal Fund:</b>				
Cascade Station Lease Rights	7,878,034	-	(119,365)	7,758,669
<b>Total</b>	<u>7,878,034</u>	<u>-</u>	<u>(119,365)</u>	<u>7,758,669</u>
<b>Business Management Fund</b>				
BLOCK 25-3RD/4TH & NW FLANDERS/GLISAN	944,425	21,363	-	965,788
US Postal Site-715 NW Hoyt St	70,201,392	-	-	70,201,392
<b>Total</b>	<u>71,145,817</u>	<u>21,363</u>	<u>-</u>	<u>71,167,180</u>
<b>Total all HFS funds</b>	<u>107,239,851</u>	<u>49,609</u>	<u>(1,199,961)</u>	<u>106,089,499</u>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND OREGON**  
**SCHEDULE OF ACTIVITY OF REAL PROPERTY AND CAPITAL ASSETS**  
**HELD BY THE COMMISSION**  
**For The Fiscal Year Ended June 30, 2019**

<b>Funding Source</b>	<b>Balance July 1, 2018</b>	<b>Additions</b>	<b>Sales/ Adjustment</b>	<b>Balance June 30, 2018</b>
<b>NOT HELD FOR SALE ASSETS (CAPITAL ASSETS):</b>				
<b>General Fund (Urban Redevelopment Fund):</b>				
South Auditorium Park Block C	2	-	-	2
<b>Total</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
<b>Downtown Waterfront Urban Renewal Fund:</b>				
Union Station Parcels-South of Union St	632,260	-	-	632,260
<b>Total</b>	<u>632,260</u>	<u>-</u>	<u>-</u>	<u>632,260</u>
<b>North Macadam Urban Renewal Fund:</b>				
1852 SW River Dr-River Place Garage	4,175,080	-	-	4,175,080
<b>Total</b>	<u>4,175,080</u>	<u>-</u>	<u>-</u>	<u>4,175,080</u>
<b>River District Urban Renewal Fund:</b>				
Union Station Parcels	6,864,652	-	-	6,864,652
511 NW Broadway-PNCA	5,800,000	-	-	5,800,000
800 NW 6th Ave Parking Site-Block Y	487,039	-	-	487,039
Station Place Garage	9,281,563	-	-	9,281,563
<b>Total</b>	<u>22,433,254</u>	<u>-</u>	<u>-</u>	<u>22,433,254</u>
<b>Convention Center Urban Renewal Fund:</b>				
** WIP Block 49 Parking Garage	5,569,918	21,356,248	-	26,926,166
1st/Multnomah /2nd/Holladay-Block 49	1,747,754	-	-	1,747,754
420 Holladay St-Inn @ Convention Center	3,900,000	-	-	3,900,000
<b>Total</b>	<u>11,217,672</u>	<u>21,356,248</u>	<u>-</u>	<u>32,573,920</u>
<b>Central Eastside Urban Renewal Fund:</b>				
240 NE MLK Blvd	157,556	-	-	157,556
<b>Total</b>	<u>157,556</u>	<u>-</u>	<u>-</u>	<u>157,556</u>
<b>9101 Foster LLC Fund:</b>				
Lents Commons-9101 SE Foster RD	14,088,384	36,875	-	14,125,259
Lents Commons-9101 SE Foster RD	829,000	-	-	829,000
<b>Total</b>	<u>14,917,384</u>	<u>36,875</u>	<u>-</u>	<u>14,954,259</u>
<b>Lents Town Center Urban Renewal Fund:</b>				
5716 SE 92nd Ave-Bakery Block	2,151,149	-	-	2,151,149
<b>Total</b>	<u>2,151,149</u>	<u>-</u>	<u>-</u>	<u>2,151,149</u>
<b>Interstate Corridor Urban Renewal Fund:</b>				
4500 N Albina-Albina Triangle	6,410	-	-	6,410
3620 NE MLK Blvd-Parking Lot	61,888	-	-	61,888
Alberta Commons	-	1,535,786	-	1,535,786
8411 N Denver Ave	1,575,093	-	-	1,575,093
2221 N Argyle St	1,430,825	-	-	1,430,825
<b>Total</b>	<u>3,074,216</u>	<u>1,535,786</u>	<u>-</u>	<u>4,610,002</u>
<b>Total all NHFS funds</b>	<u>58,758,573</u>	<u>22,928,909</u>	<u>-</u>	<u>81,687,482</u>
<b>Total all real property assets</b>	<u>165,998,424</u>	<u>22,978,518</u>	<u>(1,199,961)</u>	<u>187,776,981</u>
<b>CAPITAL ASSETS:</b>				
<b>Add:</b>				
Equipment	551,901	27,508	(114,682)	464,727
Leasehold improvements Mason/Ehrman Bldg	3,849,501	-	-	3,849,501
Intangible Software, net	1,344,253	138,292	(177,840)	1,304,705
Accumulated depreciation-NHFS	(6,898,172)	-	(784,810)	(7,682,982)
<b>Total Capital Assets</b>	<u>\$ 164,845,907</u>	<u>\$ 23,144,318</u>	<u>\$ (2,277,293)</u>	<u>\$ 185,712,932</u>

\*\* Represents work in process

# Statistical Section\_\_\_\_\_



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

## STATISTICAL SECTION

This part of Prosper Portland's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required information says about the Commission's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	124
<i>These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.</i>	
Revenue Capacity	128
<i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, tax increment debt proceeds (in lieu of tax increment revenue).</i>	
Debt Capacity	132
<i>These schedules present information to help the reader assess the affordability of the Commission's current levels of understanding debt and its ability to issue additional debt in the future.</i>	
Demographics and Economic Information	137
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.</i>	
Operating Information	148
<i>These schedules contain service data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
(Unaudited)

	2009-10	2010-11	2011-12 (as restated) <sup>(2)</sup>	2012-13	2013-14 (as restated) <sup>(3)</sup>	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Governmental activities</b>										
Net investment in capital assets	\$ 9,995,090	\$ 9,602,690	\$ 8,938,704	\$ 8,754,072	\$ 14,507,557	\$ 14,279,722	\$ 13,371,303	\$ 45,116,399	\$ 57,606,056	\$ 79,623,433
Restricted	267,883,500	213,594,580	289,064,092	276,246,064	297,804,184	315,138,288	378,814,692	350,670,021	391,726,468	382,668,262
Unrestricted	1,527,725	3,689,822	(2,559,951)	1,956,432	(3,165,527)	(1,068,467)	(3,749,511)	(11,754,702)	(21,435,159)	(22,199,821)
Total governmental activities net position	279,406,315	226,887,092	295,432,845	286,956,568	309,146,214	328,349,543	388,436,484	384,031,718	427,897,365	440,091,874
<b>Business-type activities</b>										
Restricted	-	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000
Unrestricted	12,782,861	3,398,793	3,572,176	3,620,905	7,289,181	7,263,709	12,450,539	9,226,591	12,821,294	12,678,603
Total business type activities net position	12,782,861	3,398,793	3,572,176	3,620,905	7,289,181	7,263,709	12,450,539	12,226,591	15,821,294	15,678,603
<b>Total government</b>										
Net investment in capital assets	9,995,090	9,602,690	8,938,704	8,754,072	14,507,557	14,279,722	13,371,303	45,116,399	57,606,056	79,623,433
Restricted	267,883,500	213,594,580	279,593,433	276,246,064	297,804,184	315,138,288	378,814,692	353,670,021	394,726,468	385,668,262
Unrestricted	14,310,586	7,088,615	933,496	5,577,337	4,123,654	6,195,242	8,701,028	(2,528,111)	(8,613,865)	(9,521,218)
Total government net position	\$ 292,189,176	\$ 230,285,885	\$ 289,465,633	\$ 290,577,473	\$ 316,435,395	\$ 335,613,252	\$ 400,887,023	\$ 396,258,309	\$ 443,718,659	\$ 455,770,477

(1) Implementation of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations.

(2) Implementation of GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

(3) Implementation of GASB Statement No. 68 Accounting and Reporting for Pensions—an Amendment of GASB Statement No. 27



**PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**CHANGES IN NET POSITION  
Last Ten Fiscal Years  
(Unaudited)**

	2009-10	2010-11	2011-12 (as restated) <sup>(2)</sup>	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Expenses</b>										
Governmental activities:										
Community development	\$ 130,439,659	\$ 156,412,909	\$ 99,713,038	\$ 101,248,381	\$ 64,855,696	\$ 68,554,896	\$ 68,101,385	\$ 149,834,069	\$ 121,245,646	\$ 123,737,081
Business-type activities:										
Enterprise loans	10,450,636	10,621,790	375,805	214,579	79,814	365,839	63,104	47,240	329,863	154,113
Enterprise management	1,112,560	985,671	1,015,468	958,743	1,052,367	1,203,460	1,177,944	537,901	589,648	601,153
Total expenses	142,002,855	168,020,370	101,104,311	102,421,703	65,987,877	70,124,195	69,342,433	150,419,210	122,165,157	124,492,347
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	5,423,765	3,984,188	3,291,192	4,047,062	8,735,896	5,957,476	23,012,140	10,738,238	7,969,592	8,717,863
Operating grants and contributions	17,538,107	7,262,870	7,170,821	7,970,747	7,641,493	9,146,989	16,566,699	8,308,635	9,854,692	9,611,334
Total governmental activities program revenues	22,961,872	11,247,058	10,462,013	12,017,809	16,377,389	15,104,475	39,578,839	19,046,873	17,824,284	18,329,197
Business-type activities:										
Charges for services										
Enterprise Loans	1,368,842	1,126,578	240,514	95,055	163,255	333,883	13,562	5,021	2,602	1,674
Enterprise management	931,113	932,367	977,933	1,118,228	6,836,340	1,093,796	5,114,402	59,633	48,000	63,028
Operating grants and contributions	6,747,695	200,092	200,000	-	-	-	871,000	-	-	-
Total business-type activities program revenues	9,047,650	2,259,037	1,418,447	1,213,283	6,999,595	1,427,679	5,998,964	64,654	50,602	64,702
Total revenues	32,009,522	13,506,095	11,880,460	13,231,092	23,376,984	16,532,154	45,577,803	19,111,527	17,874,886	18,393,899
Net (expense)/revenue:										
Governmental activities	(107,477,787)	(145,165,851)	(89,251,025)	(89,230,572)	(48,478,307)	(53,450,421)	(28,522,546)	(130,787,196)	(103,421,362)	(105,407,884)
Business-type activities	(2,515,546)	(9,348,424)	27,174	39,961	5,867,414	(141,620)	4,757,916	(520,487)	(868,909)	(690,564)
Total net expenses	(109,993,333)	(154,514,275)	(89,223,851)	(89,190,611)	(42,610,893)	(53,592,041)	(23,764,630)	(131,307,683)	(104,290,271)	(106,098,448)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Tax-increment debt proceeds	89,778,162	85,287,185	133,787,307	73,354,431	59,718,111	54,233,796	82,062,888	91,394,288	116,187,078	93,748,968
(in lieu of tax-increment revenue)	-	-	-	-	-	-	-	17,372,202	-	9,499,409
City of portland debt proceeds for operations	1,190,507	664,618	525,565	675,546	838,080	1,076,076	1,711,929	2,246,957	3,350,550	6,108,557
Unrestricted investment income	14,769,846	6,644,825	23,543,906	6,724,318	5,966,992	17,423,499	4,972,873	15,468,001	27,725,722	8,276,846
Miscellaneous	-	-	-	-	5,800,000	-	-	-	-	-
Special item - Historic Monument	-	-	-	-	2,227,027	(79,621)	(138,203)	(99,018)	-	-
Transfer 511 NW Broadway	1,776,314	50,000	(60,000)	-	74,550,210	72,653,750	88,609,487	126,382,430	147,263,350	117,602,393
Total governmental activities	107,514,829	92,646,628	157,796,778	80,754,295	74,550,210	72,653,750	88,609,487	126,382,430	147,263,350	117,602,393
Business-type activities:										
Unrestricted investment income	49,858	14,356	7,480	8,768	27,889	36,527	102,954	152,615	138,711	268,853
Miscellaneous	-	-	78,729	-	-	-	187,757	44,906	4,324,901	249,633
Transfers	(1,776,314)	(50,000)	60,000	-	(2,227,027)	79,621	138,203	99,018	-	31,387
Total business-type activities	(1,726,456)	(35,644)	146,209	8,768	(2,199,138)	116,148	428,914	296,539	4,463,612	547,873
Total	105,788,373	92,610,984	157,942,987	80,763,063	72,351,072	72,769,898	89,038,401	126,678,969	151,726,962	118,150,266
<b>Changes in Net Position</b>										
Governmental activities	37,042	(52,519,223)	68,545,753	(8,476,277)	26,071,903	19,203,329	60,086,941	(4,404,766)	43,841,988	12,194,509
Business-type activities	(4,242,002)	(9,384,068)	173,383	48,729	3,668,276	(25,472)	5,186,830	(223,948)	3,594,703	(142,691)
Total	\$ (4,204,960)	\$ (61,903,291)	\$ 68,719,136	\$ (8,427,548)	\$ 29,740,179	\$ 19,177,857	\$ 65,273,771	\$ (4,628,714)	\$ 47,436,691	\$ 12,051,818

(1) Implementation of GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations.

(2) Implementation of GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

FUND BALANCES OF GOVERNMENTAL FUNDS  
Last Ten Fiscal Years  
(Unaudited)

	Fiscal Year									
	2009-10 <sup>(2)</sup>	2010-11	2011-12 (as restated) <sup>(1)</sup>	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General Fund										
Non-spendable	\$ 673,358	\$ 1,042,036	\$ 1,028,551	\$ 1,105,962	\$ 806,471	\$ 859,630	\$ 302,609	\$ 247,518	\$ 244,069	\$ 146,754
Assigned	-	3,069,788	2,397,106	2,923,994	1,936,241	902,616	1,472,560	1,321,306	1,250,675	1,371,885
Unassigned	4,632,922	1,010,040	751,723	-	(19,680)	535,759	-	-	-	-
Total general fund	\$ 5,306,280	\$ 5,121,864	\$ 4,177,380	\$ 4,029,956	\$ 2,723,032	\$ 2,298,005	\$ 1,775,169	\$ 1,568,824	\$ 1,494,744	\$ 1,518,639
All other governmental funds										
Reserved	\$ 187,587,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, report in:										
Special revenue funds	1,070,851	-	-	-	-	-	-	-	-	-
Capital projects funds	84,843,645	-	-	-	-	-	-	-	-	-
Restricted										
Special revenue funds	-	3,583,005	110,797	5,040,534	5,101,586	5,133,963	5,203,434	6,033,781	6,619,291	6,637,440
Capital projects funds	-	216,899,188	294,017,822	282,480,872	303,782,402	317,270,005	380,278,386	386,718,687	429,364,897	425,304,911
Unassigned	-	-	-	-	-	-	-	(6,150,877)	(15,279,155)	(15,035,998)
Total all other government funds	\$ 273,501,698	\$ 220,482,193	\$ 294,128,619	\$ 287,521,406	\$ 308,883,988	\$ 322,403,968	\$ 385,481,820	\$ 386,601,591	\$ 420,705,033	\$ 416,906,353

(1) Implementation of GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-november 30, 2019 FASB and AICPA Pronouncements.

(2) Implementation of GASB Statement No. 54 Fund Balance reporting and Governmental Fund Type Definitions

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (Unaudited)

	Fiscal Year									
	2009-10	2010-11	2011-12 (as restated) <sup>(2)</sup>	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenues</b>										
Intergovernmental revenues	\$ 17,538,107	\$ 7,262,870	\$ 7,170,821	\$ 7,970,747	\$ 7,641,493	\$ 9,146,999	\$ 9,687,944	\$ 8,308,635	\$ 9,854,692	\$ 9,611,334
Charges for services	1,914,924	1,764,096	1,658,729	4,047,062	8,735,896	5,957,476	23,012,140	10,738,238	7,969,592	8,717,863
Loan collections	3,508,841	1,010,555	1,238,233	1,267,686	1,241,522	5,169,226	2,550,478	3,448,954	1,225,070	1,005,275
Interest on investments	1,186,801	662,945	523,907	674,321	836,822	1,074,653	1,710,068	2,267,507	3,348,717	6,105,655
City of Portland debt issued operations	-	-	-	-	-	-	6,878,755	17,372,202	-	9,489,409
Miscellaneous	14,100,415	6,644,825	23,543,906	5,456,632	10,173,615	9,795,579	2,405,154	11,956,501	26,063,337	7,336,125
Tax-increment debt proceeds (in lieu of tax-increment revenue)	89,778,162	85,287,185	133,787,307	73,354,431	59,718,111	54,233,796	82,062,888	91,394,288	116,187,078	93,748,968
Total revenues	128,027,250	102,632,476	167,922,903	92,770,879	88,347,459	85,377,729	128,307,427	145,486,325	164,648,486	136,024,629
<b>Expenditures</b>										
Community development	42,361,435	63,899,297	61,122,362	52,585,334	32,577,253	41,931,774	39,872,743	73,538,917	63,800,619	75,764,645
Capital expenditures for urban renewal	35,237,650	45,311,997	17,166,817	34,530,496	15,100,936	8,110,216	14,865,593	32,665,931	13,870,705	9,805,703
Financial assistance	49,840,026	45,947,640	16,871,782	12,297,219	22,467,023	21,920,157	10,469,685	31,513,955	39,857,414	31,078,637
Debt service -	-	-	-	-	-	-	-	-	-	14,257
Capital Outlay	38,927	727,463	-	112,468	373,615	241,008	406,187	6,755,078	13,290,386	23,104,785
Total expenditures	127,478,038	155,886,397	95,160,961	99,525,517	70,518,827	72,203,155	65,614,208	144,473,881	130,619,124	139,768,027
Excess of revenues over (under) expenditures	549,212	(53,253,921)	72,761,942	(6,754,638)	17,828,632	13,174,574	62,693,219	1,012,444	34,029,362	(3,743,398)
<b>Other financing sources (uses)</b>										
Internal service reimbursements	569,901	-	-	-	-	-	-	-	-	-
Transfers in	16,001,799	50,000 <sup>(1)</sup>	135,000	-	2,783,306	306,267	-	-	-	-
Transfers out	(14,225,485)	-	(195,000)	-	(556,279)	(385,889)	(138,203)	(99,018)	-	(31,387)
Total other financing sources (uses)	2,346,215	50,000	(60,000)	-	2,227,027	(79,621)	(138,203)	(99,018)	-	(31,387)
Net change in fund balances	\$ 2,895,427	\$ (53,203,921)	\$ 72,701,942	\$ (6,754,638)	\$ 20,055,669	\$ 13,094,953	\$ 62,555,016	\$ 913,426	\$ 34,029,362	\$ (3,774,785)

- (1) Decrease in transfers is due to the elimination of major federal grant programs and related required transfers with the transition of housing to the Portland Housing Bureau.  
 (2) Implementation of GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**GENERAL GOVERNMENT REVENUES**  
**For The Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Inter-Governmental Revenues</b>	<b>Charges for Services</b>	<b>Loan Collections <sup>(1)</sup></b>	<b>Investment Income</b>	<b>Miscellaneous</b>	<b>Tax-increment Debt Proceeds (in lieu of tax-increment revenue)</b>	<b>Total</b>
2009-10	24,285,794	3,051,256	19,965,068	1,236,665	9,968,223	89,778,162	148,285,168 <sup>(1)</sup>
2010-11	4,159,959	2,574,277	4,321,335	678,974	11,124,848	85,287,185	108,146,578
2011-12	7,370,821	2,636,662	5,398,916	533,046	7,038,089	133,787,307	156,764,841
2012-13	7,970,747	5,033,235	12,277,490	684,316	4,556,869	73,354,431	103,877,088
2013-14	7,641,493	9,774,616	5,670,941	865,970	14,462,252	59,718,111	98,133,383
2014-15	9,146,999	7,047,902	23,289,142	1,112,599	6,085,646	53,877,036	100,559,324
2015-16	10,558,944	28,103,854 <sup>(3)</sup>	14,989,913	1,774,970	12,019,278 <sup>(2)</sup>	82,062,888	149,509,847
2016-17	8,308,635	10,760,230	23,822,421	2,862,402	43,643,995 <sup>(4)</sup>	91,394,288	180,791,971
2017-18	9,854,692	7,841,526	8,347,629	3,476,552	26,518,135	116,187,078	172,225,612
2018-19	9,611,334	8,030,495	4,371,725	6,357,578	17,342,620	93,748,968	139,462,720

Source: Prosper Portland records on a budgetary basis for all funds.

(1) Internal service reimbursements were reclassified to a transfer.

(2) Include \$6,878,755 in City of Portland general obligation debt issued for a PDC capital project. This revenue is not included in miscellaneous revenue in the statements but consolidated here.

(3) Increase due to Pioneer Square settlement and return of TIF funds from Multnomah County

(4) Increase due to proceeds from debt issued on our behalf from CoP

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**GENERAL GOVERNMENT EXPENDITURES**  
**For The Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Personal Services</b>	<b>Materials and Services</b>	<b>Capital Outlay<sup>(1)</sup></b>	<b>Financial Assistance</b>	<b>Debt Service</b>	<b>Total</b>
2009-10	22,175,426	22,981,345 <sup>(2)</sup>	36,771,943	66,245,765	8,467,384	156,641,863
2010-11	17,904,488	49,598,814 <sup>(3)</sup>	27,269,642	32,918,717	3,016,545	130,708,206
2011-12	15,440,575	52,000,490	14,186,295	12,576,846	-	94,204,206
2012-13	15,331,763	37,721,066	22,440,579	13,484,418	-	88,977,826
2013-14	13,590,294	20,065,873	8,291,982	22,700,709	-	64,648,858
2014-15	11,918,561	31,409,309	8,147,325	23,422,050	-	74,897,245
2015-16	12,556,208	28,486,217	20,142,771 <sup>(4)</sup>	24,370,157	-	85,555,353
2016-17	11,773,156	61,624,590	93,273,152 <sup>(5)</sup>	58,664,156	-	225,335,054
2017-18	12,372,624	51,266,545	13,227,943	37,282,161	-	114,149,273
2018-19	12,882,306	62,936,443	32,607,784	31,634,303	-	140,060,836

Source: Prosper Portland records on a budgetary basis for all funds.

- (1) Includes both expenditures for capital outlay and purchases of properties held for sale.
- (2) Decrease due to reclass of internal service charges being classified as interfund transfer.
- (3) Increase due principally to reimbursement payments to Portland Housing Bureau.
- (4) Increase due principally to increased work in the River District Urban Renewal area largely around the upcoming acquisition of the US Post Office property and Centennial Mills demolition.
- (5) Post office purchase

**PROSPER PORTLAND  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**URBAN RENEWAL AREA CONSOLIDATED TAX RATES  
For The Last Ten Fiscal Years  
(Unaudited)**

Districts Common to All Areas

Fiscal Year	Multnomah County	Multnomah Library District <sup>(10)</sup>	City of Portland	Port of Portland	Metro Service District	Tri-County Metropolitan Transportation District <sup>(9)</sup>	Multnomah County ESD	Subtotal	City of Portland Urban Renewal <sup>(1)</sup>
2009-10	5.4026	-	7.8235	0.0701	0.4368	0.0863	0.4576	14.2769	0.3100
2010-11	5.3846	-	7.8077	0.0701	0.4088	0.0878	0.4576	14.2166	0.3009
2011-12	5.4403	-	7.9806	0.0701	0.3154	0.0583	0.4576	14.3223	0.2926
2012-13	5.4240	-	8.0976	0.0701	0.4043	-	0.4576	14.4536	0.2857
2013-14	4.5113	1.2400	8.2560	0.0701	0.0966	-	0.4576	14.4637	0.2759
2014-15	4.4912	1.1800	8.1557	0.0701	0.4585	-	0.4576	14.8131	0.2642
2015-16	4.4872	1.1800	8.0153	0.0701	0.3883	-	0.4576	14.5985	0.2527
2016-17	4.3934	1.1800	7.9705	0.0701	0.3970	-	0.4576	14.4686	0.2405
2017-18	4.3434	1.2400	4.5770	0.0701	0.0966	-	0.4576	10.7847	0.2283
2018-19	4.3434	1.2400	4.5770	0.0701	0.0966	-	0.4576	10.7847	0.2203

Tax rates are expressed in terms of dollars and cents per \$1,000 of assessed value. Multnomah County collects all property taxes and distributes the taxes collected to each taxing district at least monthly. No charges are made to the taxing districts for these services. The sequestered tax increment revenue property taxes are recorded in the debt service funds of the City of Portland and are disclosed in the City's annual financial report.

- (1) Special levy applied only to Option 3 urban renewal areas: Oregon Convention Center, South Park Blocks, Downtown Waterfront, and Airport Way.
- (2) Applies to all areas except Gateway Regional Center Urban Renewal Area with the exception of a small number of properties.
- (3) Applies to Gateway Regional Center and Airport Way urban renewal areas
- (4) Applies only to the Airport Way Urban Renewal Area.
- (5) Applies to the following urban renewal areas: Lents Town Center, Gateway Regional Center, Interstate Corridor, Willamette Industrial, Airport Way, Oregon Convention Center, and Central Eastside
- (6) Applies to the following urban renewal areas: River District, North Macadam, South Park Blocks, and Downtown Waterfront.
- (7) Applies to the Lents Town Center, Gateway Regional Center, and Airport Way urban renewal areas.
- (8) Applies to Lents Town Center, and Gateway Regional Center urban renewal areas.
- (9) Tri-County Metropolitan District had no tax assessment rate beginning 2012-13
- (10) District established by voters in November 2013 general election

Source: Multnomah County Tax Supervising and Conservation Commission Annual Reports.

Portland Public School District #1 <sup>(2)</sup>	Parkrose School District #3 <sup>(3)</sup>	Reynolds School District #7 <sup>(4)</sup>	David Douglas School District #40 <sup>(8)</sup>	East Multnomah County Soil & Water Conservation District <sup>(5)</sup>	West Multnomah County Soil & Water Conservation District <sup>(6)</sup>	Portland Community College <sup>(2)</sup>	Mt. Hood Community College <sup>(7)</sup>
6.5281	6.1391	5.6033	6.5048	0.1000	0.0391	0.6325	0.4917
6.5281	6.0049	5.5958	6.4276	0.1000	0.0469	0.6359	0.4917
7.2681	5.8923	5.7789	6.3955	0.1000	0.0732	0.5981	0.4917
7.2681	6.1141	5.9856	6.3836	0.1000	0.0750	0.6651	0.4917
8.3571	6.0605	6.0188	6.3267	0.1000	0.0750	0.7342	0.4917
8.3535	5.8804	5.8140	6.4139	0.1000	0.0750	0.7222	0.4917
8.3632	5.9151	5.9701	6.4058	0.1000	0.0750	0.5855	0.4917
8.3304	5.8333	6.0517	6.4207	0.1000	0.0750	0.6785	0.4917
5.2781	4.8906	4.4626	4.6394	0.1000	0.0750	0.2828	0.4917
5.2781	4.8906	4.4626	4.6394	0.1000	0.0750	0.2828	0.4917

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**URBAN RENEWAL AND REDEVELOPMENT BONDS**  
**FUTURE BOND PRINCIPAL REQUIREMENTS**

As of June 30, 2019

(Unaudited)

<b>Fiscal Year</b>	<b>Airport Way Urban Renewal Bonds</b>	<b>Downtown Waterfront Urban Renewal Bonds</b>	<b>Downtown Waterfront Urban Renewal Bonds</b>	<b>Interstate Corridor Urban Renewal Bonds</b>	<b>Interstate Corridor Urban Renewal Bonds</b>	<b>Convention Center Urban Renewal Bonds</b>
	<b>2015 Series A</b>	<b>2008 Series A</b>	<b>2011 Series A</b>	<b>2015 Series A</b>	<b>2011 Series A &amp; B</b>	<b>2011 Series B</b>
2019-20	5,118,900	2,680,000	4,880,000	1,630,000	1,965,000	4,780,000
2020-21	-	5,415,000	-	1,710,000	2,065,000	-
2021-22	-	5,760,000	-	1,800,000	2,175,000	-
2022-23	-	6,120,000	-	1,890,000	2,315,000	-
2023-24	-	7,000,000	-	1,980,000	2,460,000	-
2024-25	-	-	-	2,080,000	2,615,000	-
2025-26	-	-	-	-	2,780,000	-
2026-27	-	-	-	-	2,940,000	-
2027-28	-	-	-	-	3,085,000	-
2028-29	-	-	-	-	3,230,000	-
2029-30	-	-	-	-	3,390,000	-
2030-31	-	-	-	-	3,560,000	-
2031-32	-	-	-	-	-	-
Total	<u>\$ 5,118,900</u>	<u>\$ 26,975,000</u>	<u>\$ 4,880,000</u>	<u>\$ 11,090,000</u>	<u>\$ 32,580,000</u>	<u>\$ 4,780,000</u>

Source: Amortization schedule for each bond.

Note 1: Bonds are debt of the City of Portland and are disclosed in the City's Comprehensive Annual Financial Report. This information is included in this report to assist the reader in determining future financing capacity.



<b>Convention Center Urban Renewal Bonds</b>	<b>River District Urban Renewal Bonds</b>	<b>South ParkBlocks Urban Renewal Bonds</b>	<b>Lents Town Center Urban Renewal Bonds</b>	<b>Central Eastside Urban Renewal Bonds</b>	<b>North Macadam Urban Renewal Bonds</b>
<b>2011 Series B</b>	<b>2012 Series A, B &amp; C</b>	<b>2008 Series A &amp; B</b>	<b>2010 Series A &amp; B</b>	<b>2011 Series A &amp; B</b>	<b>2010 Series A &amp; B</b>
500,000	5,490,000	5,845,000	1,690,000	1,345,000	3,040,000
14,075,000	5,735,000	4,060,000	1,785,000	1,425,000	3,205,000
14,600,000	5,965,000	4,265,000	1,900,000	1,490,000	3,380,000
15,165,000	6,235,000	4,480,000	2,015,000	1,555,000	3,525,000
15,775,000	2,165,000	8,040,000	2,145,000	1,625,000	3,655,000
9,645,000	2,255,000	-	2,275,000	1,700,000	3,840,000
-	2,350,000	-	2,390,000	1,780,000	3,995,000
-	2,465,000	-	2,500,000	1,870,000	4,150,000
-	2,570,000	-	2,625,000	1,960,000	4,320,000
-	2,700,000	-	2,755,000	2,060,000	4,500,000
-	2,835,000	-	2,885,000	2,165,000	4,725,000
-	2,985,000	-	-	2,280,000	-
-	3,130,000	-	-	-	-
<b>\$ 69,760,000</b>	<b>\$ 46,880,000</b>	<b>\$ 26,690,000</b>	<b>\$ 24,965,000</b>	<b>\$ 21,255,000</b>	<b>\$ 42,335,000</b>

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**URBAN RENEWAL AND REDEVELOPMENT BONDS**  
**FUTURE BOND INTEREST REQUIREMENTS**

As of June 30, 2019

(Unaudited)

<b>Fiscal Year</b>	<b>Airport Way Urban Renewal Bonds</b>	<b>Downtown Waterfront Urban Renewal Bonds</b>	<b>Downtown Waterfront Urban Renewal Bonds</b>	<b>Interstate Corridor Urban Renewal Bonds</b>	<b>Interstate Corridor Urban Renewal Bonds</b>	<b>Convention Center Urban Renewal Bonds</b>
	<b>2015 Series A</b>	<b>2008 Series A</b>	<b>2011 Series A</b>	<b>2015 Series A</b>	<b>2011 Series A &amp; B</b>	<b>2011 Series B</b>
2019-20	70,641	1,699,425	232,500	554,500	1,772,484	239,000
2020-21	-	1,530,585	-	473,000	1,670,815	-
2021-22	-	1,189,440	-	387,500	1,560,875	-
2022-23	-	826,560	-	297,500	1,423,980	-
2023-24	-	441,000	-	203,000	1,278,274	-
2024-25	-	-	-	104,000	1,123,442	-
2025-26	-	-	-	-	958,854	-
2026-27	-	-	-	-	802,538	-
2027-28	-	-	-	-	655,538	-
2028-29	-	-	-	-	509,000	-
2029-30	-	-	-	-	347,500	-
2030-31	-	-	-	-	178,000	-
2031-32	-	-	-	-	-	-
Total	<u>\$ 70,641</u>	<u>\$ 5,687,010</u>	<u>\$ 232,500</u>	<u>\$ 2,019,500</u>	<u>\$ 12,281,300</u>	<u>\$ 239,000</u>

Source: Amortization schedule for each bond.

Note 1: Bonds are debt of the City of Portland and are disclosed in the City's Comprehensive Annual Financial Report. This information is included in this report to assist the reader in determining future financing capacity.

<b>Convention Center Urban Renewal Bonds</b>	<b>River District Urban Renewal Bonds</b>	<b>South ParkBlocks Urban Renewal Bonds</b>	<b>Lents Town Center Urban Renewal Bonds</b>	<b>Central Eastside Urban Renewal Bonds</b>	<b>North Macadam Urban Renewal Bonds</b>
<b>2012 Series A</b>	<b>2012 Series A, B &amp; C</b>	<b>2008 Series A &amp; B</b>	<b>2010 Series A &amp; B</b>	<b>2011 Series A &amp; B</b>	<b>2010 Series A &amp; B</b>
2,792,917	2,125,132	1,334,500	1,342,493	1,059,989	1,922,729
2,774,802	1,878,047	1,042,250	1,244,743	978,671	1,759,359
2,250,790	1,653,858	839,250	1,132,574	912,125	1,580,712
1,685,332	1,380,069	626,000	1,013,178	848,800	1,439,188
1,075,244	1,089,535	402,000	886,555	780,769	1,307,000
416,953	1,000,121	-	756,238	705,613	1,124,250
-	903,607	-	642,488	624,863	970,650
-	788,700	-	527,738	535,863	810,850
-	677,950	-	402,738	442,362	644,850
-	549,450	-	275,113	344,362	461,250
-	414,450	-	144,250	236,212	236,250
-	272,700	-	-	122,550	-
-	125,200	-	-	-	-
<b>\$ 10,996,038</b>	<b>\$ 12,858,819</b>	<b>\$ 4,244,000</b>	<b>\$ 8,368,108</b>	<b>\$ 7,592,179</b>	<b>\$ 12,257,088</b>

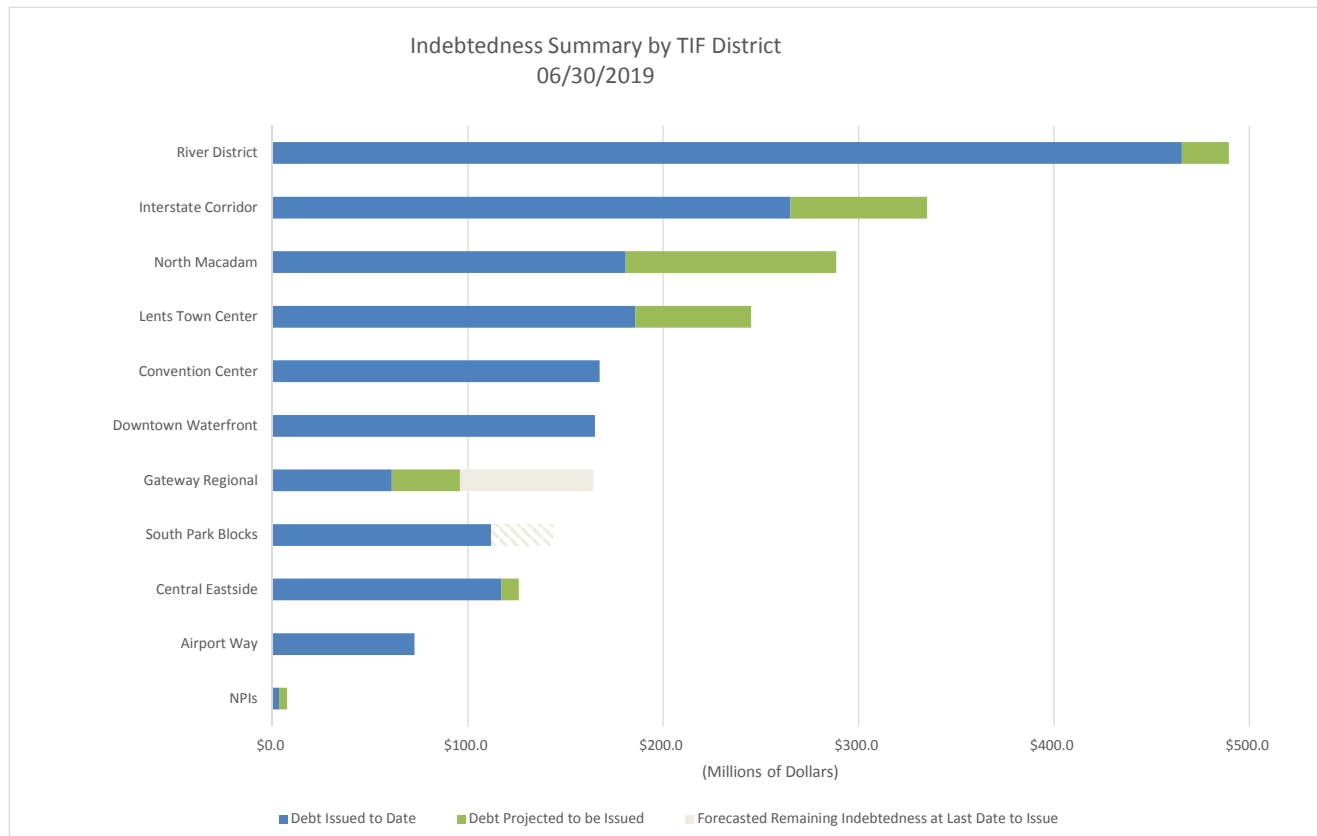
**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**URBAN RENEWAL INDEBTEDNESS SUMMARY**  
**As of June 30, 2019**  
**In Millions**  
**(Unaudited)**

TIF District	Maximum Indebtedness	Indebtedness Issued as of 06/30/19	Indebtedness Remaining as of June 30, 2019	Projected Indebtedness to Be Issued	Last Date to Issue Long Term Debt	Acres
Downtown Waterfront	\$165.0	\$165.0	\$0.0	\$0.0	2008	233.1
South Park Blocks	\$143.6	\$112.0	\$31.6	\$0.0	2008	156.3
Airport Way	\$72.6	\$72.6	\$0.0	\$0.0	2011	885.1
Convention Center	\$167.5	\$167.5	\$0.0	\$0.0	2013	410.0
Lents Town Center	\$245.0	\$185.8	\$59.2	\$59.2	2020	2,846.3
River District	\$489.5	\$465.4	\$24.1	\$24.1	2021	314.8
Gateway	\$164.2	\$61.0	\$103.2	\$34.9	2022	658.5
Central Eastside	\$126.0	\$117.1	\$8.9	\$8.9	2023	708.5
North Macadam	\$288.6	\$180.7	\$107.9	\$107.9	2025	447.0
Interstate Corridor	\$335.0	\$265.2	\$69.8	\$69.8	N/A	3,990.0
Neighborhood Prosperity Initiative (6)	\$7.5	\$3.4	\$4.1	\$4.1	N/A	803.7

Notes:

- (1) Reduced Rate Plan: Bonds and Local Option Levies approved after 10/06/2001 do not contribute to TIF.
- (2) Standard Rate Plan: Local Option Levies approved after 01/01/2013 do not contribute to urban renewal. River District and NPI Districts are subject to revenue sharing.
- (3) Not all districts are projected to reach maximum indebtedness due to debt coverage requirements and current market conditions.



**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

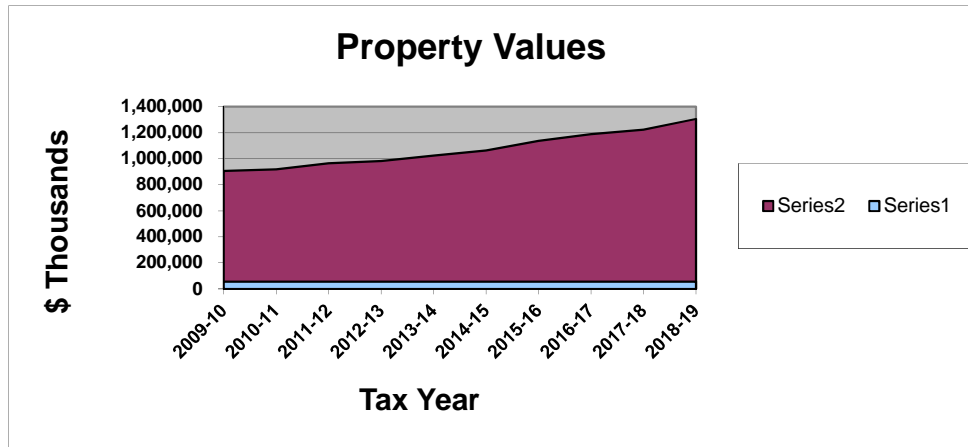
**NEIGHBORHOOD PROSPERITY INITIATIVE URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT**  
**For The Last Ten Fiscal Years Or Since Inception**  
**(Unaudited)**

		<b>42nd Ave NPI District</b>	<b>82nd Ave NPI District</b>	<b>Cully Blvd NPI District</b>	<b>Division- Midway NPI District</b>	<b>Parkrose NPI District</b>	<b>Rosewood NPI District</b>
<b><i>Frozen Base</i></b>							
2013-14	\$	83,203,598	\$ 83,686,505	\$ 83,187,490	\$ 82,343,462	\$ 85,053,706	\$ 81,232,730
2014-15		83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2015-16		83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2016-17		83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2017-18		83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2018-19		83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
<b><i>Excess Value Used</i></b>							
2013-14	\$	3,723,747	\$ 49,055	\$ 4,870,550	\$ 2,520,678	\$ -	\$ 3,353,630
2014-15		7,768,582	4,352,305	8,907,120	8,166,278	3,050,294	5,974,000
2015-16		2,152,071	3,758,446	2,942,349	878,088	2,776,723	2,193,052
2016-17		6,779,639	5,959,886	6,796,865	6,292,173	5,889,740	8,493,867
2017-18		6,815,643	8,579,009	6,815,746	6,344,007	10,843,402	6,517,263
2018-19		6,648,527	6,634,256	6,648,527	6,257,562	6,502,567	6,350,756
<b><i>Excess Value Not Used</i></b>							
2013-14	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
2014-15		-	-	-	-	-	-
2015-16		8,863,101	2,798,799	9,350,151	9,161,980	4,081,721	7,303,428
2016-17		8,402,453	3,443,809	9,013,315	6,233,265	6,557,924	3,174,913
2017-18		-	-	-	-	-	-
2018-19		17,552,225	9,449,093	18,270,263	13,138,076	15,856,787	13,317,184
<b><i>Total Plan Area Value</i></b>							
2013-14	\$	86,927,345	83,735,560	\$ 88,058,040	\$ 84,864,140	\$ 84,535,040	\$ 83,459,135
2014-15		90,972,180	88,038,810	92,094,610	90,509,740	88,104,000	87,206,730
2015-16		94,218,770	90,243,750	95,479,990	92,383,530	91,912,150	90,729,210
2016-17		98,385,690	93,090,200	98,997,670	94,868,900	97,501,370	92,901,510
2017-18		90,019,241	92,265,514	90,003,236	88,687,469	95,897,108	87,749,993
2018-19		107,404,350	99,769,854	108,106,280	101,739,100	91,556,273	100,900,670
<b><i>Taxes Imposed</i></b>							
2013-14	\$	41,899	\$ -	\$ 69,800	\$ 36,985	\$ -	\$ 40,848
2014-15		109,627	59,635	134,183	129,370	39,831	89,720
2015-16		20,601	42,059	37,359	4,316	40,970	22,157
2016-17		94,997	90,043	94,997	103,144	92,970	136,102
2017-18		94,733	123,921	94,733	105,793	169,978	104,213
2018-19		98,168	98,168	98,168	108,411	101,644	105,838
<b><i>Measure 5 Loss</i></b>							
2013-14	\$	4,216	\$ -	\$ 7,038	\$ 5,439	\$ -	\$ 6,379
2014-15		8,359	4,531	10,216	12,959	4,175	9,675
2015-16		1,105	2,361	2,110	318	3,188	1,754
2016-17		4,488	4,271	4,488	4,728	6,353	7,017
2017-18		4,640	6,058	4,640	4,523	11,696	4,767
2018-19		4,525	4,525	4,525	4,324	6,799	4,447

The Neighborhood Prosperity Initiative Urban Renewal Fund is a collection of six areas in the City of Portland where programs have been developed to do urban renewal improvements around the business districts. As such, there is no housing data.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**DOWNTOWN WATERFRONT URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	21.37	55,674,313	850,698,640	7,288,146
2010-11	21.30	55,674,313	863,116,692	7,193,407
2011-12	21.83	55,674,313	910,075,667	6,925,883
2012-13	22.05	55,674,313	926,217,621	6,776,377
2013-14	23.63	55,674,313	967,422,027	6,647,962
2014-15	23.02	55,674,313	1,008,259,957	6,910,084
2015-16	20.75	55,674,313	1,082,330,397	7,247,591
2016-17	20.67	55,674,313	1,132,664,663	7,324,037
2017-18	22.09	55,674,313	1,167,916,519	7,306,489
2018-19	22.35	55,674,313	1,249,335,927	7,304,693

Source: Multnomah County Division of Assessment and Taxation

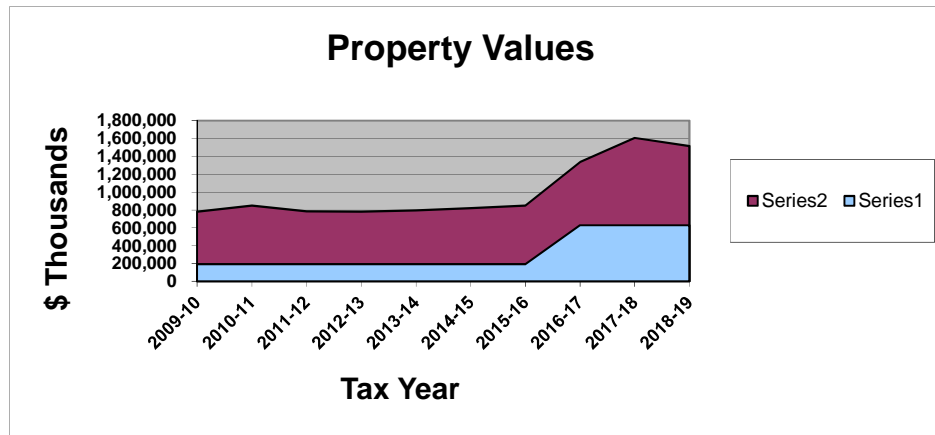
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	3,841	3,998	620,560	655,843
Per Capita Income	\$ 31,366	\$ 34,049	\$ 33,116	\$ 36,242
Total Housing Units	2,615	2,666	278,917	292,702
Owner Occupied Housing Units	309	325	130,533	136,985
Renter Occupied Housing Units	2,173	2,269	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**NORTH MACADAM URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	21.38	192,609,397	587,134,026	11,923,266
2010-11	21.35	192,609,397	655,671,677	13,139,779
2011-12	21.90	192,609,397	590,963,588	11,699,128
2012-13	22.09	192,609,397	587,825,696	11,477,781
2013-14	23.74	192,609,397	603,130,306	12,445,073
2014-15	23.10	192,609,397	626,124,703	13,063,427
2015-16	20.80	192,609,397	656,547,113	12,916,053
2016-17	20.70	628,094,444	706,794,276	13,972,086
2017-18	22.18	628,094,444	977,148,976	20,665,475
2018-19	22.44	628,094,444	886,608,116	19,025,778

Source: Multnomah County Division of Assessment and Taxation

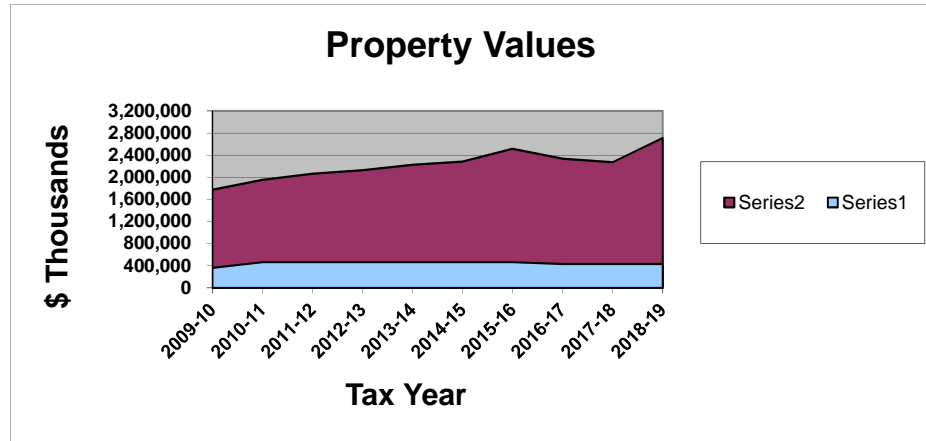
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	5,650	6,287	620,560	655,843
Per Capita Income \$	59,166	\$ 66,504	\$ 33,116	\$ 36,242
Total Housing Units	4,122	4,482	278,917	292,702
Owner Occupied Housing Units	1,035	1,143	130,533	136,985
Renter Occupied Housing Units	2,440	2,689	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**RIVER DISTRICT URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	20.38	358,684,364	1,411,486,318	28,760,647
2010-11	20.08	461,577,974	1,488,594,879	29,883,737
2011-12	19.83	461,577,974	1,602,807,681	31,571,279
2012-13	19.58	461,577,974	1,661,649,575	31,307,650
2013-14	20.68	461,577,974	1,762,885,437	32,611,642
2014-15	20.92	461,577,974	1,819,898,297	29,808,542
2015-16	19.71	461,577,974	2,051,122,151	30,600,151
2016-17	19.81	432,292,135	1,900,139,920	37,649,099
2017-18	21.16	432,292,135	1,838,197,433	38,901,101
2018-19	21.49	432,292,135	2,275,669,645	47,209,037

Source: Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	6,045	6,655	620,560	655,843
Per Capita Income	\$ 55,058	\$ 62,645	\$ 33,116	\$ 36,242
Total Housing Units	4,525	4,817	278,917	292,702
Owner Occupied Housing Units	932	968	130,533	136,985
Renter Occupied Housing Units	2,819	3,179	131,091	138,448

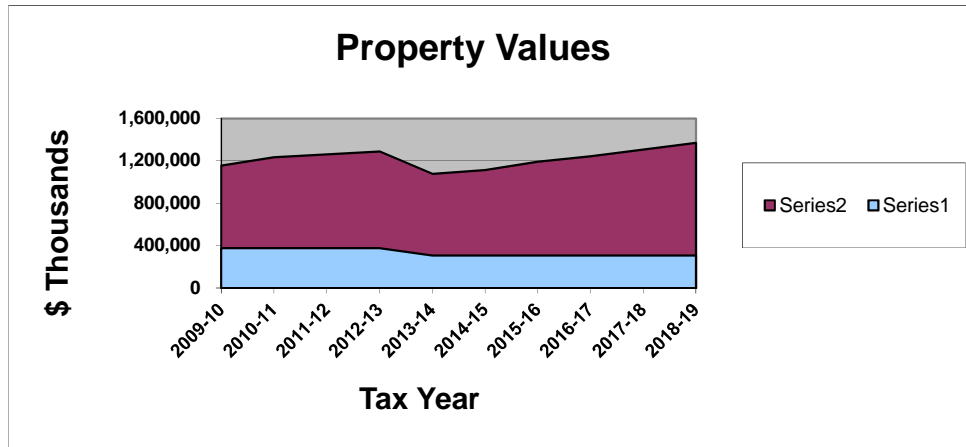
Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.



**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**SOUTH PARK BLOCKS URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	21.33	376,066,574	778,265,484	5,341,041
2010-11	21.30	376,066,574	858,446,906	5,281,167
2011-12	21.77	376,066,574	885,549,998	5,072,867
2012-13	21.98	376,066,574	912,842,988	4,959,738
2013-14	23.62	305,692,884	770,670,660	4,876,124
2014-15	23.02	305,692,884	806,476,673	5,072,572
2015-16	20.73	305,692,884	884,961,826	5,314,364
2016-17	20.61	305,692,884	938,026,116	5,362,116
2017-18	31.20	305,692,884	1,000,595,563	5,341,073
2018-19	22.26	305,692,884	1,064,257,686	5,341,986

Source: Multnomah County Division of Assessment and Taxation

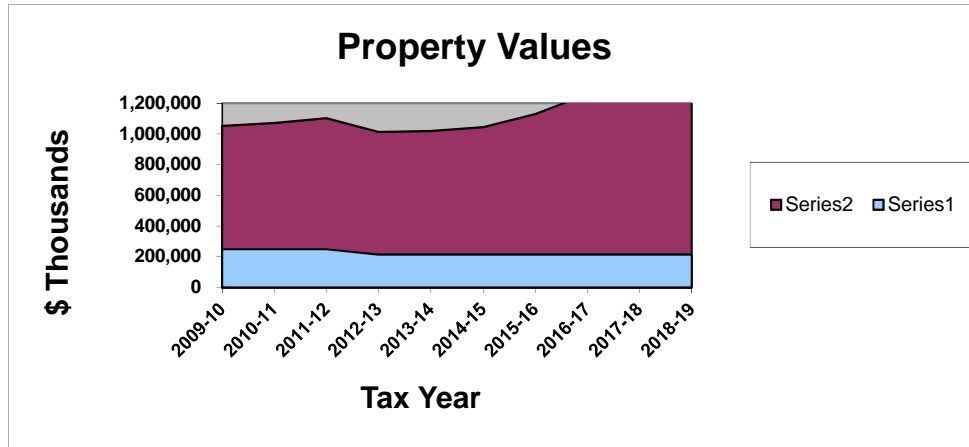
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	3,761	4,067	620,560	655,843
Per Capita Income	\$ 28,739	\$ 31,756	\$ 33,116	\$ 36,242
Total Housing Units	2,694	2,926	278,917	292,702
Owner Occupied Housing Units	248	269	130,533	136,985
Renter Occupied Housing Units	2,082	2,282	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**CONVENTION CENTER URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	21.32	248,951,143	804,685,182	5,419,374
2010-11	20.75	248,951,143	822,947,836	5,346,748
2011-12	21.38	248,951,143	852,646,229	5,141,484
2012-13	21.35	214,100,689	799,329,769	5,021,769
2013-14	21.82	214,100,689	796,003,675	4,952,060
2014-15	21.97	214,100,689	830,451,071	5,139,852
2015-16	20.70	214,100,689	916,482,391	5,375,306
2016-17	20.66	214,100,689	1,044,786,006	5,443,597
2017-18	22.05	214,100,689	1,039,709,754	5,424,623
2018-19	22.32	214,100,689	1,087,718,161	5,424,680

Source: Multnomah County Division of Assessment and Taxation

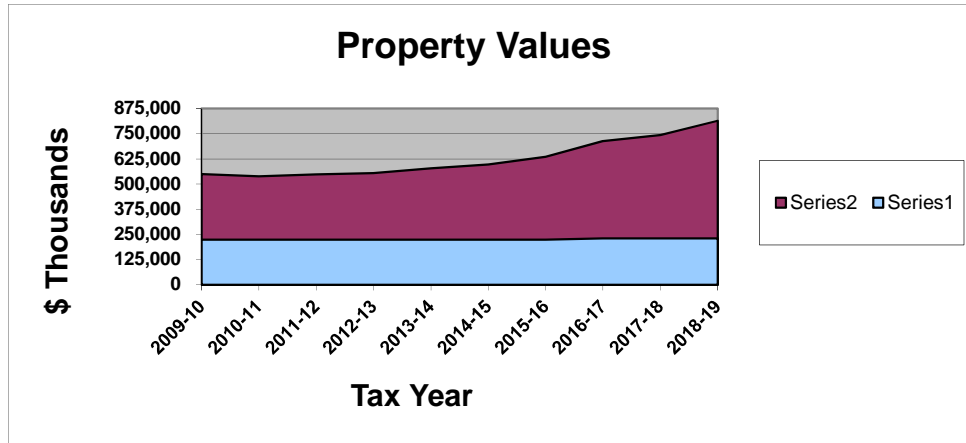
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	1,682	1,813	620,560	655,843
Per Capita Income	\$ 37,185	\$ 39,368	\$ 33,116	\$ 36,242
Total Housing Units	1,157	1,237	278,917	292,702
Owner Occupied Housing Units	154	165	130,533	136,985
Renter Occupied Housing Units	886	948	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**CENTRAL EASTSIDE URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	18.51	224,626,739	325,868,916	5,843,346
2010-11	18.00	224,626,739	314,667,331	5,460,067
2011-12	17.76	224,626,739	323,222,477	5,472,135
2012-13	17.92	224,626,739	330,134,282	5,557,691
2013-14	19.16	224,626,739	354,036,136	6,157,007
2014-15	18.94	224,626,739	372,895,947	6,560,153
2015-16	18.46	224,626,739	386,173,918	6,744,094
2016-17	18.38	230,541,190	434,403,878	7,622,430
2017-18	18.53	230,541,190	513,235,852	9,064,105
2018-19	18.56	230,541,190	573,756,063	10,178,307

Source: Multnomah County Division of Assessment and Taxation

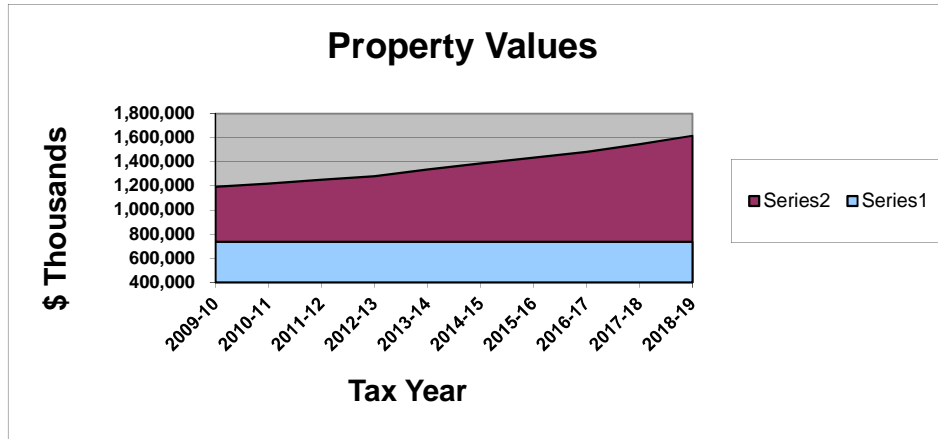
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	2,161	2,336	620,560	655,843
Per Capita Income	\$ 28,760	\$ 31,212	\$ 33,116	\$ 36,242
Total Housing Units	1,164	1,269	278,917	292,702
Owner Occupied Housing Units	90	96	130,533	136,985
Renter Occupied Housing Units	1,000	1,091	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**LENTS TOWN CENTER URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	21.40	736,224,033	457,950,622	9,344,988
2010-11	21.30	736,224,033	482,455,121	9,685,618
2011-12	21.58	736,224,033	515,771,987	10,098,006
2012-13	21.78	736,224,033	545,241,847	10,524,133
2013-14	23.03	736,224,033	599,867,032	12,003,585
2014-15	22.46	736,224,033	650,846,315	13,229,753
2015-16	20.81	736,224,033	698,111,797	13,700,744
2016-17	20.69	736,224,033	746,610,587	14,751,575
2017-18	21.66	736,224,033	810,553,020	16,762,546
2018-19	21.94	736,224,033	880,519,647	18,495,581

Source: Multnomah County Division of Assessment and Taxation

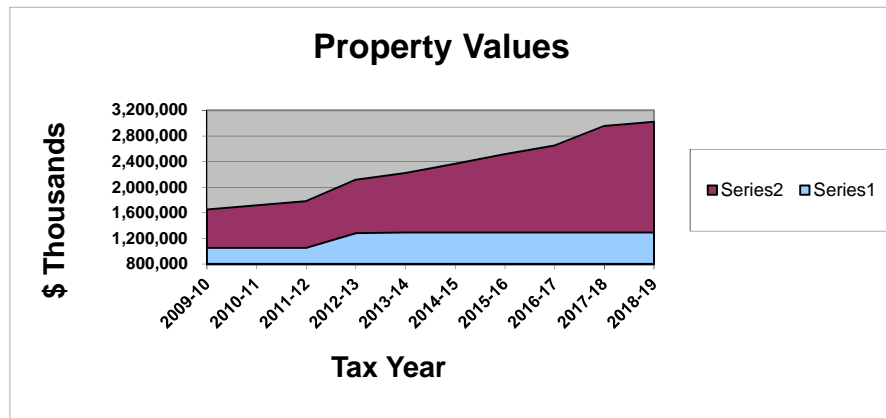
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	29,633	31,066	620,560	655,843
Per Capita Income	\$ 18,275	\$ 19,957	\$ 33,116	\$ 36,242
Total Housing Units	11,332	11,796	278,917	292,702
Owner Occupied Housing Units	5,111	5,379	130,533	136,985
Renter Occupied Housing Units	5,496	5,674	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**INTERSTATE CORRIDOR URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	21.48	1,051,408,349	603,067,607	12,307,811
2010-11	21.39	1,051,408,349	667,154,843	13,395,188
2011-12	21.93	1,051,408,349	732,982,715	14,532,562
2012-13	22.14	1,285,932,631	833,779,005	16,318,215
2013-14	23.78	1,293,389,062	928,040,273	19,182,025
2014-15	23.18	1,293,389,062	1,075,480,078	22,520,074
2015-16	20.86	1,293,389,062	1,222,834,128	24,121,728
2016-17	20.77	1,293,389,062	1,361,889,768	27,009,707
2017-18	22.22	1,293,389,062	1,662,446,085	35,213,331
2018-19	22.50	1,293,460,097	1,726,799,363	37,150,414

Source: Multnomah County Division of Assessment and Taxation

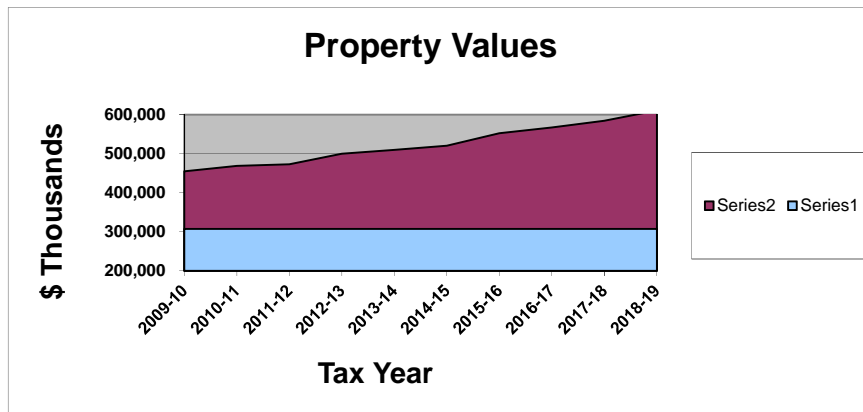
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	38,606	41,451	620,560	655,843
Per Capita Income	\$ 24,928	\$ 27,360	\$ 33,116	\$ 36,242
Total Housing Units	16,821	17,979	278,917	292,702
Owner Occupied Housing Units	7,435	7,857	130,533	136,985
Renter Occupied Housing Units	8,427	9,079	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. PDC G/S

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**GATEWAY REGIONAL CENTER URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	21.15	307,174,681	147,626,654	3,001,090
2010-11	20.97	307,174,681	162,221,215	3,228,472
2011-12	20.77	307,174,681	165,778,737	3,149,978
2012-13	20.88	307,174,681	193,181,233	3,600,918
2013-14	21.33	307,174,681	202,760,459	3,755,877
2014-15	20.83	307,174,681	213,423,949	4,044,323
2015-16	20.63	307,174,681	245,514,959	4,745,960
2016-17	20.46	307,174,681	260,170,089	5,072,692
2017-18	20.51	307,174,681	277,397,571	5,436,331
2018-19	20.63	307,174,681	303,269,319	5,997,667

Source: Multnomah County Division of Assessment and Taxation

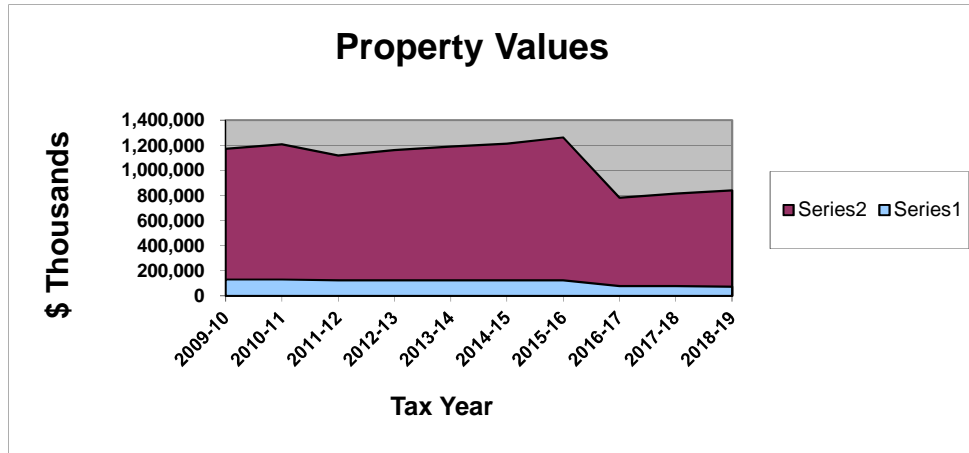
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	6,006	6,347	620,560	655,843
Per Capita Income	\$ 22,821	\$ 24,695	\$ 33,116	\$ 36,242
Total Housing Units	3,100	3,251	278,917	292,702
Owner Occupied Housing Units	716	845	130,533	136,985
Renter Occupied Housing Units	2,058	2,165	131,091	138,448

Source: The 2016/2021 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2010 data as well as using postcensus trends in the population which are captured from a variety of data sources and applied to the most accurate update for 2016. This change is then extrapolated five years to 2021. The 2016 update represents current events; the 2021 forecast illustrates the effects of current events. *PDC GIS*

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

**AIRPORT WAY URBAN RENEWAL FUND**  
**PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS**  
For The Last Ten Fiscal Years Or Since Inception  
(Unaudited)



Tax Year	Tax Rate <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2009-10	20.55	129,701,177	1,043,109,736	2,374,741
2010-11	20.34	129,701,177	1,077,899,700	2,340,489
2011-12	20.22	124,710,301	992,524,455	2,276,718
2012-13	20.68	124,710,301	1,036,798,748	2,237,816
2013-14	21.07	124,710,301	1,065,895,813	2,154,123
2014-15	20.49	124,710,301	1,086,924,214	2,255,741
2015-16	20.02	124,710,301	1,137,468,819	2,312,721
2016-17	19.73	77,306,472	704,813,426	2,324,902
2017-18	20.35	77,306,472	736,979,222	2,345,108
2018-19	20.51	73,942,075	767,511,865	2,346,634

Source: Multnomah County Division of Assessment and Taxation

Population and housing data are not included for Airport Way Urban Renewal Area because it is primarily an industrial area.

(1) Tax rate is the average, imputed tax rate based on Tax Revenue for Urban Renewal Debt (taxes imposed) and Increased Value.

**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**Financial Assistance**  
**For The Last Ten Fiscal Years**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Number of loans and grants</u>	<u>Dollar Amount</u>
2009-10	258	15,391,215
2010-11	269	10,631,493
2011-12	264	33,764,995
2012-13	236	7,547,956
2013-14	234	8,919,709
2014-15	300	20,769,972
2015-16	234	14,203,451
2016-17	157	48,530,924
2017-18	171	43,342,987
2018-19	155	10,495,351

Source: Commission loan system.

Notes: Financial assistance may include assistance for building repair, facility expansion, new equipment, storefront improvements, or working capital as well as a myriad of other small assistance programs.



**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**TOTAL PERSONAL INCOME, PER CAPITA INCOME,  
POPULATION TRENDS, AND UNEMPLOYMENT RATES  
PORTLAND/VANCOUVER/HILLSBORO MSA, OREGON, AND THE UNITED STATES**  
(Unaudited)

Year	Personal Income (Thousands)			Per Capita Income		
	Portland/ Vancouver/ Hillsboro MSA	Oregon	U.S. Total	Portland/ Vancouver/ Hillsboro MSA	Oregon	U.S. Total
2005	\$ 73,806	\$ 116,889	\$ 10,251,639	\$ 35,215	\$ 32,103	\$ 34,586
2006	79,399	124,589	10,870,319	37,145	33,666	36,307
2007	83,765	133,871	11,652,339	38,511	35,027	38,632
2008	87,053	136,277	12,086,534	39,436	35,956	39,751
2009	85,922	133,907	11,852,715	38,936	35,159	38,637
2010	87,550	137,672	12,423,332	39,212	35,869	40,163
2011	93,406	146,001	13,179,561	41,313	37,744	42,298
2012	98,698	152,721	13,729,063	43,103	39,166	43,735
2013	101,210	158,117	14,081,242	43,728	40,233	44,543
2014	107,536	163,653	14,683,147	45,794	41,220	46,049
2015	115,691	173,170	15,324,108	48,422	42,974	48,112
2016	122,434	185,840	15,912,777	50,489	45,482	49,204
2017	131,861	192,064	16,413,551	53,751	46,361	51,640
2018	141,270	209,148	NA	56,991	50,843	54,446

Sources: U.S. Department of Commerce, Bureau of Economic Analysis  
Oregon Office of Economic Analysis

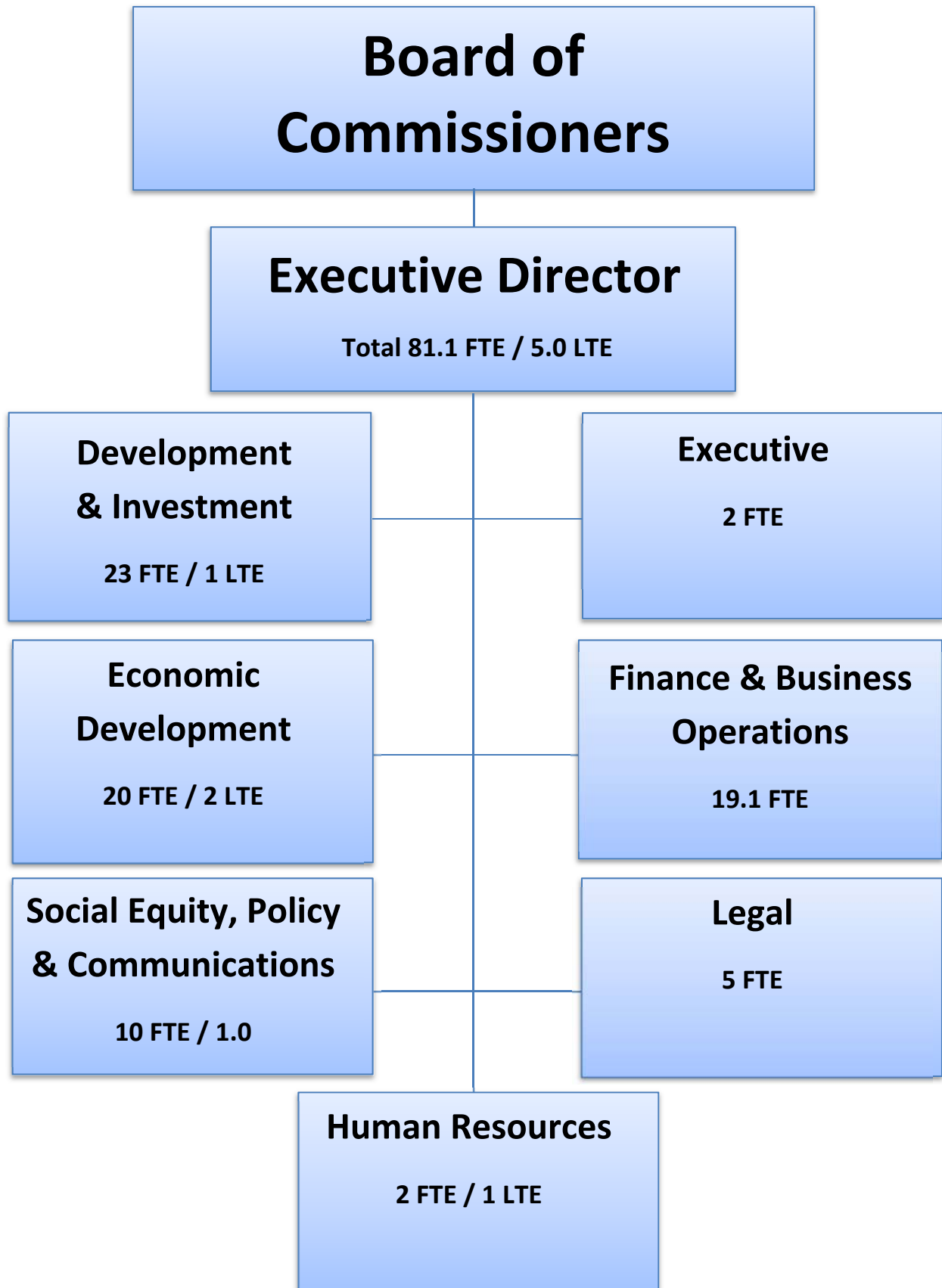
Year	POPULATION TRENDS				UNEMPLOYMENT RATES	
	Portland <sup>(1)</sup>	Portland/ Vancouver/ Hillsboro MSA <sup>(1)</sup>	Oregon <sup>(1)</sup>	U.S. Total <sup>(1)</sup>	Portland Unemployment % Rate <sup>(2)</sup>	Oregon Unemployment %Rate <sup>(2)</sup>
2005	533,467	2,082,240	3,638,871	296,507,061	6.1	6.4
2006	537,081	2,137,540	3,700,758	299,398,484	5.2	5.3
2007	568,380	2,159,720	3,745,455	301,621,157	4.9	5.2
2008	557,706	2,207,462	3,790,060	304,059,724	5.8	5.4
2009	582,130	2,206,737	3,808,600	309,771,529	11.0	11.6
2010	581,484	2,232,717	3,838,212	309,326,225 <sup>(3)</sup>	10.5	10.8
2011	583,546	2,260,928	3,868,229	311,587,816	9.1	9.5
2012	587,865	2,289,800	3,899,353	313,914,040	7.6	8.1
2013	594,687	2,314,554	3,930,065	316,128,839	7.3	7.8
2014	619,360	2,347,127	3,970,239	318,857,056	5.4	6.1
2015	632,309	2,389,228	4,029,631	321,365,215	4.6	5.5
2016	529,657	2,424,955	4,085,989	323,405,935	3.7	3.7
2017	NA	2,453,168	4,142,776	325,719,178	3.9	4.1
2018	NA	2,478,810	4,190,713	NA	NA	NA

Source: <sup>(1)</sup> U.S. Department of Commerce, Bureau of Economic Analysis  
Oregon Office of Economic Analysis

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

<sup>(3)</sup> US Census 2010

Note: NA = Information Not Available



**PROSPER PORTLAND**  
**A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON**

**MISCELLANEOUS STATISTICS**  
**As of June 30, 2019**  
**(Unaudited)**

**Date of Charter Amendment creating agency**

May 16, 1958

**Form of Government**

Commission, appointed by City Mayor  
 Approved by City Council

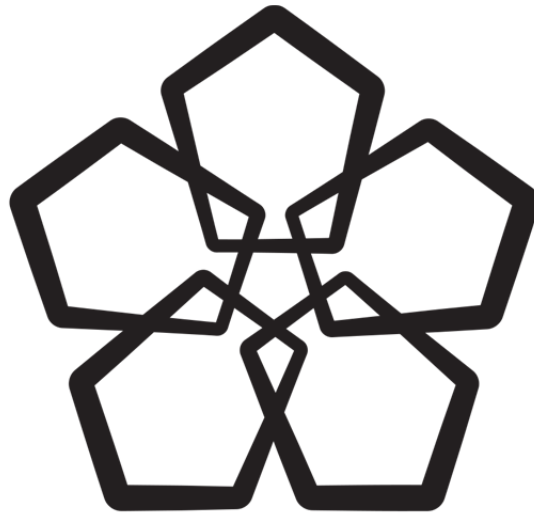
**Number of Employees:**

<u>As of June 30</u>	<u>FY2015-16</u>		<u>FY2016-17</u>		<u>FY2017-18</u>		<u>FY2018-19</u>	
	<u>FTE</u>	<u>LTE</u>	<u>FTE</u>	<u>LTE</u>	<u>FTE</u>	<u>LTE</u>	<u>FTE</u>	<u>LTE</u>
Urban Development	38.0	0.0	0.0	0.0 <sup>(1)</sup>	0.0	0.0	0.0	0.0
Executive	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0
Finance & Business Operations	23.0	2.0	20.0	0.0	17.9	1.2	19.1	0.0
Legal & Human Resources	7.0	0.0	0.0	0.0 <sup>(1)</sup>	0.0	0.0		0.0
Opportunities Cooperative	3.0	0.0	0.0	0.0 <sup>(1)</sup>	0.0	0.0	0.0	0.0
Communication & Social Equity	6.0	0.0	0.0	0.0 <sup>(1)</sup>	0.0	0.0	0.0	0.0
Social Equity, Policy & Communications	0.0	0.0	10.0	1.0	10.0	1.0	10.0	1.0
Real Estate & Lending	14.0	0.0	0.0	0.0 <sup>(1)</sup>	0.0	0.0	0.0	0.0
Legal	0.0	0.0	5.0	0.0 <sup>(1)</sup>	4.0	0.0	5.0	0.0
Human Resources	0.0	0.0	2.0	1.0 <sup>(1)</sup>	3.0	1.0	2.0	1.0
Development and Investment	0.0	0.0	23.0	0.0 <sup>(1)</sup>	23.0	1.0	23.0	1.0
Economic Development	0.0	0.0	22.0	1.0 <sup>(1)</sup>	21.0	2.0	20.0	2.0
<b>Total</b>	<b>93.0</b>	<b>2.0</b>	<b>84.0</b>	<b>3.0</b>	<b>80.9</b>	<b>6.2</b>	<b>81.1</b>	<b>5.0</b>

(1) After the adoption of the FY 2016-17 budget with the implementation of the Strategic Plan Urban Development essentially split into two new functions, Development and Investment, and Economic Development. Legal and Human Resources functions were split apart and the work of the Opportunities Cooperative was absorbed by Development and Investment. Social Equity, Policy & Communications was an expansion of the Communications & Social Equity function which added staff that did not move with the other work of Urban Development. The net decrease in positions is consistent with the anticipated reduction in positions that will occur over time through attrition in Prosper Portland's long-term financial plan. The FY 2017-18 budget was adopted with this new organizational structure.

**Urban Renewal District Land Area and Base Values**  
**As of June 30, 2019**

<u>District</u>	<u>Acres</u>	<u>Base Value</u>
Airport Way	885.2	73,942,075
Central Eastside	708.5	230,541,190
Downtown Waterfront	233.1	55,674,313
Gateway Regional Center	658.5	307,174,681
Interstate Corridor	3,997.1	1,293,460,097
Lents Town Center	2,846.3	736,224,033
North Macadam	447.1	628,094,444
Oregon Convention Center	410.0	214,100,689
River District	314.8	432,292,135
Neighborhood Prosperity Initiatives	805.5	498,707,491
South Park Blocks	97.9	305,692,884
<b>Total URA Land Data</b>	<b>11,404.0</b>	<b>\$ 3,482,443,935</b>
<b>Total City Land Data</b>	<b>92,773</b>	<b>\$ 55,616,562,285</b>
Urban renewal land as a percentage of City total	12.3%	6.3%



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# Audit Comments and Disclosures\_\_\_\_\_



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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 Board of Commissioners  
Prosper Development Commission, Portland, Oregon (dba Prosper Portland)  
(A Component Unit of the City of Portland)

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, each major fund, the budgetary comparison statement for the General Fund, and the aggregate remaining fund information of Portland Development Commission, dba Prosper Portland (A Component Unit of the City of Portland) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Prosper Portland's basic financial statements, and have issued our report thereon dated November 13, 2019.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Prosper Portland'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 Prosper Portland's internal control. Accordingly, we do not express an opinion on the effectiveness of Prosper Portland'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Prosper Portland'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*.

## **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*

Portland, Oregon  
November 13, 2019



## **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***

The Board of Commissioners  
Portland Development Commission, Portland, Oregon (dba Prosper Portland)  
(A Component Unit of the City of Portland)

We have audited the basic financial statements of Portland Development Commission, dba Prosper Portland (a Component Unit of the City of Portland) as of and for the year ended June 30, 2019 and have issued our report thereon dated November 13, 2019. 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 Oregon 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 Prosper Portland'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 162-010-0320, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2019 and 2020.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

## **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Prosper Portland'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 Prosper Portland's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 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.

## **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 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 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  
Portland, Oregon  
November 13, 2019



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