

Portland Development Commission Doing Business As

PROSPER PORTLAND

Comprehensive Annual Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



**PROSPER
PORTLAND**

Building an Equitable Economy

A Component Unit of the City of Portland, Oregon

PROSPER PORTLAND

A Component Unit of the City of Portland, Oregon

Comprehensive Annual Financial Report

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

Kimberly Branam, Executive Director
Adam Lane, Chief Financial Officer

For the fiscal year ended June 30, 2020



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

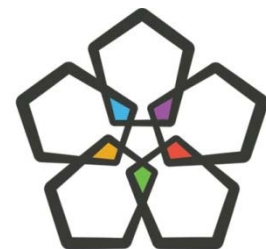
Portland is one of the most globally competitive, equitable, and healthy cities in the world.

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.

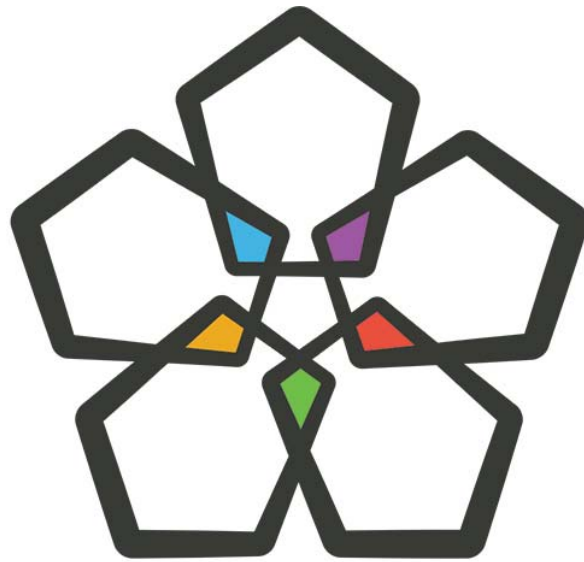
Our new logo was inspired by the shape of a keystone, the pivotal final piece of an archway in ancient bridge construction. It is used to symbolize trust, partnership, and our role in building an equitable economy for Portlanders. The five keystone shapes represent the five neighborhoods of Portland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



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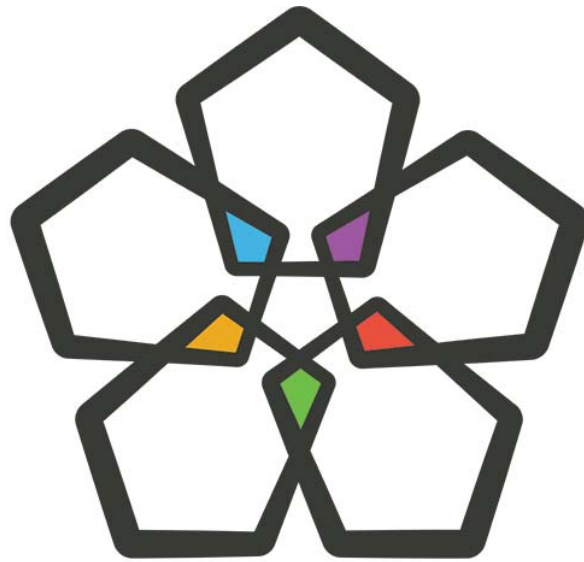
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Introductory Section_____



PROSPER
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Building an Equitable Economy



October 26, 2020

Gustavo J. Cruz, Jr.
Chair

Francesca Gambetti
Commissioner

William Myers
Commissioner

Peter Platt
Commissioner

Serena Stoudamire Wesley
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, 2020. 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 2019-20 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, 2020, 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

220 NW Second Ave.,
2nd Floor, Portland, OR
97209-3943

503-823-3200 Main
503-823-3368 Fax
503-823-3366 TTY

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 adopted a five-year strategic plan in 2015 that established the goal 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. With 2020 being the final year of the 2015 Strategic Plan, Prosper Portland is continuing with the existing plan goals through FY 2020-21 and will be starting a new planning process in 2021.

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 Community 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, the Kaiser Foundation Health Plan of the Northwest, and Legacy Health System. Educational and Health care, manufacturing, professional and business services, and retail trade compose the largest industry segments of the regional economy and account for approximately 58 percent of local, non-government jobs before the COVID-19 pandemic.

The COVID-19 pandemic has created significant challenges for the region, especially for small businesses and businesses owned by people of color. By July 2020, unemployment in the Portland Metro area rose to 11.2 percent according to the Oregon Employment Department. The Portland-Vancouver-Hillsboro MSA are among the hardest-hit and slowest-recovering large metropolitan areas in the country according to the [Brookings Metro Recovery Index](#), which tracks how regions have fared since the beginning of the COVID-19 Pandemic recession as well as their current trajectory: our region falls below average among all indicators tracked for overall recession impact, with work trips, small business opening hours and commercial vacancies most impacted. The trajectory of our recovery is modestly better with three indicators performing above average (job postings, air traveler count, and for-sale home inventory), but we are still falling below other large metros in six tracked categories with commercial vacancy rates being of particular concern.

The depth and trajectory of our local recession is likely in part due to the relatively more effective suppression policies employed in Oregon relative to other places and may ultimately be to our region's economic benefit (research shows that regions that effectively suppress pandemic viruses recover better in the long run), but it bears careful monitoring.

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 TIF District revenues and expenditure requirements are dependent on the annual allocation of resources from external funding providers.

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 9 percent of the city of Portland's total overall assessed value and 12 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 continue to be addressed in the FY 2020-21 Budget and Forecast.

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 2021.

Prosper Portland's budget includes \$6.7 million in City General Fund and Cannabis Tax resources as well as \$3.6 million in federal Community Development Block Grant resources to continue implementation of economic development programming including the Inclusive Business Resources Network, workforce development, traded sector business development and the Neighborhood Prosperity Network. Economic development programming has been refocused to respond to the COVID pandemic and now more critical than ever to help support economic recovery in the City of Portland. Additional economic development programming will be added this Fall with a \$15 million allocation of federal CARES Act funding received by the City of Portland that City Council allocated to small business relief grants.

Prosper Portland has budgeted approximately \$34 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.

TIF District budgets also include \$15 million for new and in-progress city infrastructure improvements including parks, transportation and public facilities primarily in the Lents TIF District. Prosper Portland has also budgeted \$42 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 TIF District project costs are proposed to occur in the North Macadam TIF District with \$41 Million in planned spending. Planned expenditures include a planned acquisition to support transportation improvements and future redevelopment. River District is budgeted with \$35 million in expenditures. Most expenditures in the district are budgeted towards implementation of the Broadway Corridor project at the former United State Postal Service site. The Interstate Corridor TIF District with \$33 million in planned spending with investments primarily in affordable housing and the North/Northeast Community Development Initiative in the form of small business and commercial property loans and grants to the community.



Other major projects in FY 2020-21 include completion of the 106th and Halsey Commercial Condominium in the Gateway TIF District, development of the 92nd and Harold project in the Lents Town Center TIF District, development of the former ODOT blocks in Central Eastside, and several projects associated with the Old Town/Chinatown Action Plan in Downtown Waterfront and River District TIF Districts.

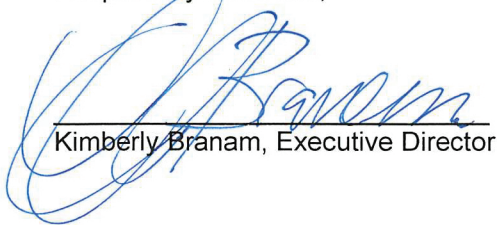
Awards and Acknowledgements

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, 2019. Prosper Portland has received a Certificate of Achievement for the last 32 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 well 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, 2020 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, Francis Thurman, Courtney Cohn, Viyada, Ruscigno, Gina Bixby, 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

Governing Board

(As of August XX, 2020)

Term Expires



Gustavo J. Cruz Jr., Chair
Senior Counsel
Farleigh Wada Witt
121 SW Morrison St., #600
Portland, OR 97204
gacruz@fwwlaw.com

June 30, 2021



William Myers, Vice Chair
Executive Secretary Treasurer
Columbia Pacific Building Trades
Council
3535 SE 86th Avenue
Portland, OR 97266
Willy@cpbctc.com

June 30, 2021



Serena Stoudamire Wesley
Youth Development Director
Oregon Department of Education
2010 NE Blue Heron Drive
Portland, OR 97211
serena.stoudamire@oregon.gov

July 9, 2022



Peter Platt
Owner
Andina
1314 NW Glisan Street
Portland, OR 97209
pdplatt@gmail.com

August 2, 2023



Francesca Gambetti
Partner/Project Manager
Shiels Obletz Johnsen, Inc.
1140 SW 11th Ave #500
Portland, OR 97205
Francesca@sojpdx.com

August 2, 2023

Agency Executive



Kimberly Branam
Executive Director
Prosper Portland
220 NW 2nd Ave, Second Floor
Portland, OR 97209
BranamK@prosperportland.us

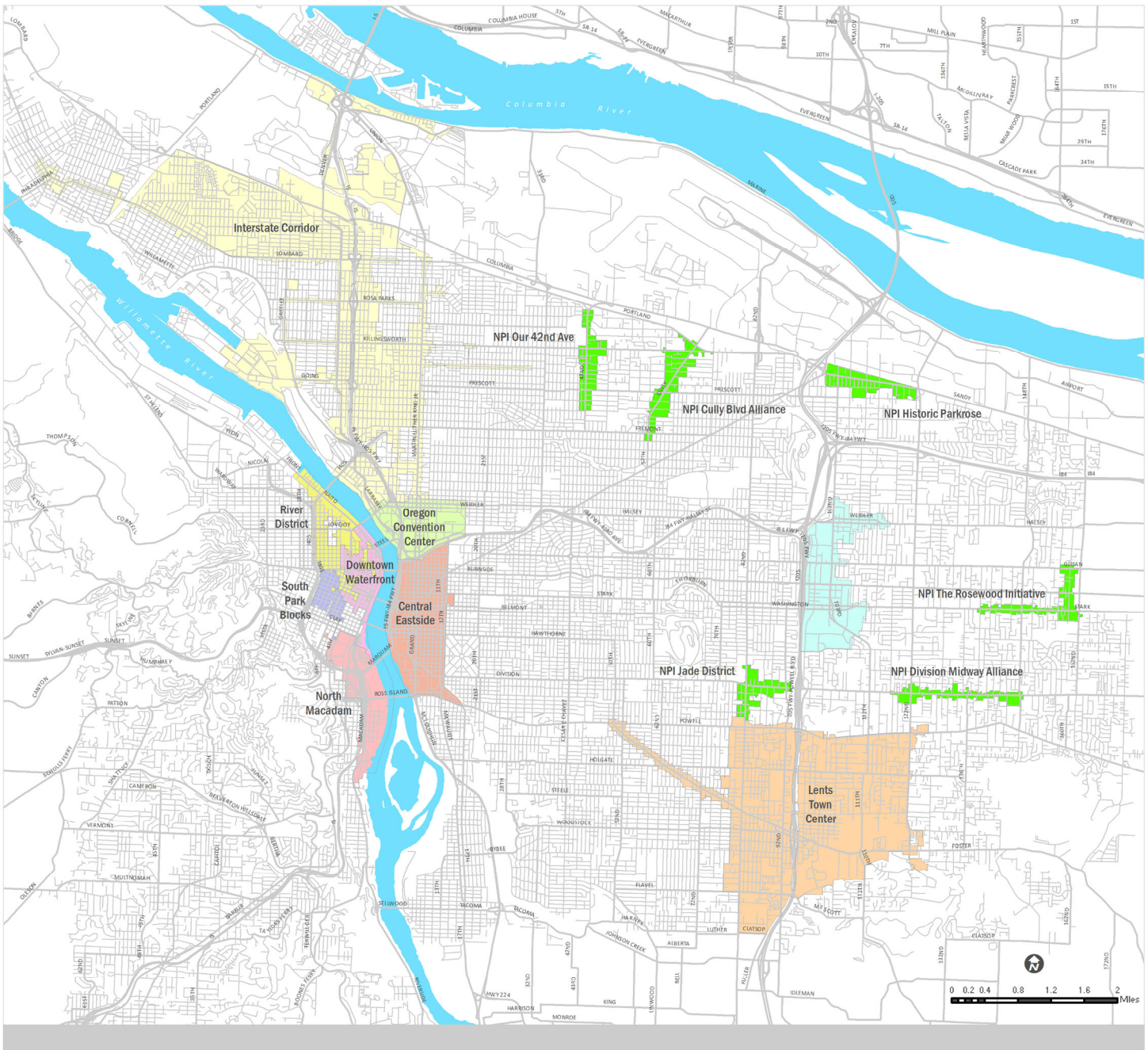
Registered Agent

None

Prosper Portland

Organizational Chart














Total Acres in Tax Increment Finance Districts: 10,518

Tax Increment Finance Districts as a Percentage of City Acreage: 11.3%

Legend

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

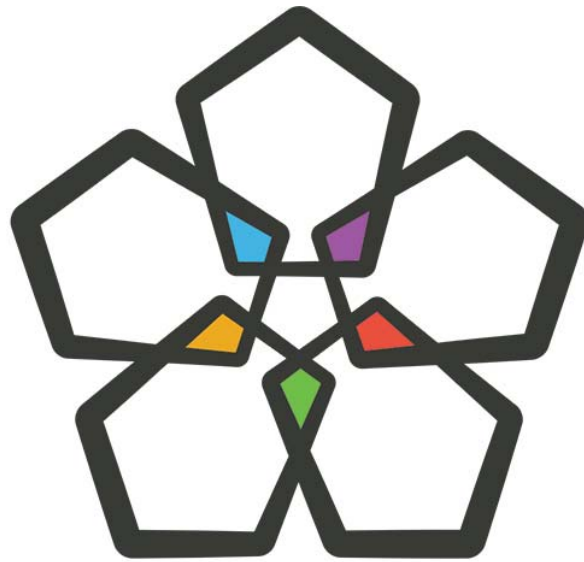
**Prosper Portland
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



PROSPER
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Building an Equitable Economy

Financial
Section_____



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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, 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, 2020, 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, and the aggregate remaining fund information of Prosper Portland as of June 30, 2020, 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 74 through 77 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 Introductory Section, Supplementary Data, and Statistical Section as listed in the table of contents 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 data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

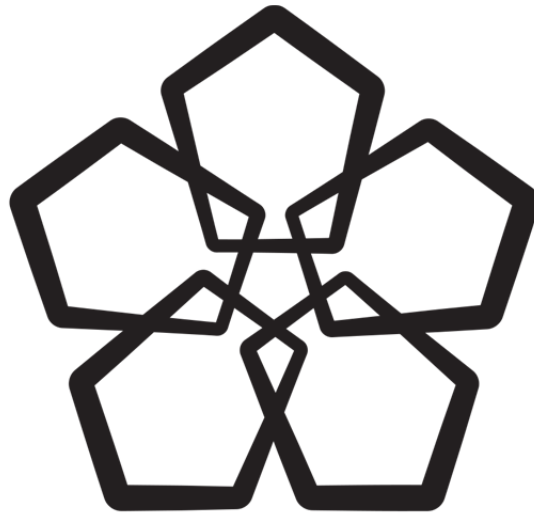
The introductory section and statistical information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2020 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.

A handwritten signature in blue ink, reading "James C. Luyarotta". The signature is written in a cursive style with a large, stylized 'J' and 'L'.

For Moss Adams LLP
Portland, Oregon
October 26, 2020



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, 2020. 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 plus deferred outflows of resources of Prosper Portland exceeded the liabilities plus deferred outflows of resources for the current year ended June 30, 2020 by \$442,988,046 (net position).
- Prosper Portland's total net position decreased by \$12,782,431 (2.9%) when compared to the financial statements at June 30, 2019. The decrease in net position is attributable to a decrease in current and other assets resulting from expenditures exceeding new resources.
- As of June 30, 2020, Prosper Portland's governmental funds reported a combined ending fund balance of \$409,061,135 a decrease of \$9,363,857 from the prior year.
- At the end of the 2019-20 fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$1,225,520, or 22.3% of total general fund expenditures.
- Gross loans receivable increased from \$81,649,090 to \$91,482,490 agency-wide, or 12.0%. The loan loss allowance increased from \$32,149,967 to \$51,802,524, an increase of 61.1% 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. Additionally, a deferral program offered to borrowers due to the severe economic downturn impacted the loan loss allowance.

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 as to 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 17-19 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 Prosper Portland's 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 20 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. A major fund is defined as those funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total. The major governmental funds are: General Fund (adopted as the Urban Redevelopment Fund), 9101 Foster LLC (a blended component unit), Downtown Waterfront Tax Increment Financing Fund, North Macadam Tax Increment Financing Fund, River District Tax Increment Financing Fund, Convention Center Tax Increment Financing Fund, Lents Town Center Tax Increment Financing Fund, Interstate Corridor Tax Increment Financing Fund, and Gateway Regional Tax Increment Financing Fund. Data from the other 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. A proprietary fund is used in governmental accounting to account for activities that involve business-like interactions. 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's goal is 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 31-72 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 74-77 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 79-121 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 \$442,988,046 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	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	\$ 425,163,328	\$ 435,315,657	\$ 15,459,838	\$ 15,678,603	\$ 440,623,166	\$ 450,994,260
Capital assets	79,571,055	79,623,433	-	-	79,571,055	79,623,433
Total assets	504,734,383	514,939,090	15,459,838	15,678,603	520,194,221	530,617,693
Deferred outflow of resources	4,814,936	3,936,462	-	-	4,814,936	3,936,462
Liabilities						
Current and other liabilities	27,320,909	28,246,950	47,663	-	27,368,572	28,246,950
Long-term liabilities	53,926,788	49,779,474	-	-	53,926,788	49,779,474
Total liabilities	81,247,697	78,026,424	47,663	-	81,295,360	78,026,424
Deferred inflow of resources	725,751	757,254	-	-	725,751	757,254
Net position						
Net investment in capital assets	79,571,055	79,623,433	-	-	79,571,055	79,623,433
Restricted	371,515,177	382,668,262	3,000,000	3,000,000	374,515,177	385,668,262
Unrestricted	(23,510,361)	(22,199,821)	12,412,175	12,678,603	(11,098,186)	(9,521,218)
Total net position	\$ 427,575,871	\$ 440,091,874	\$ 15,412,175	\$ 15,678,603	\$ 442,988,046	\$ 455,770,477

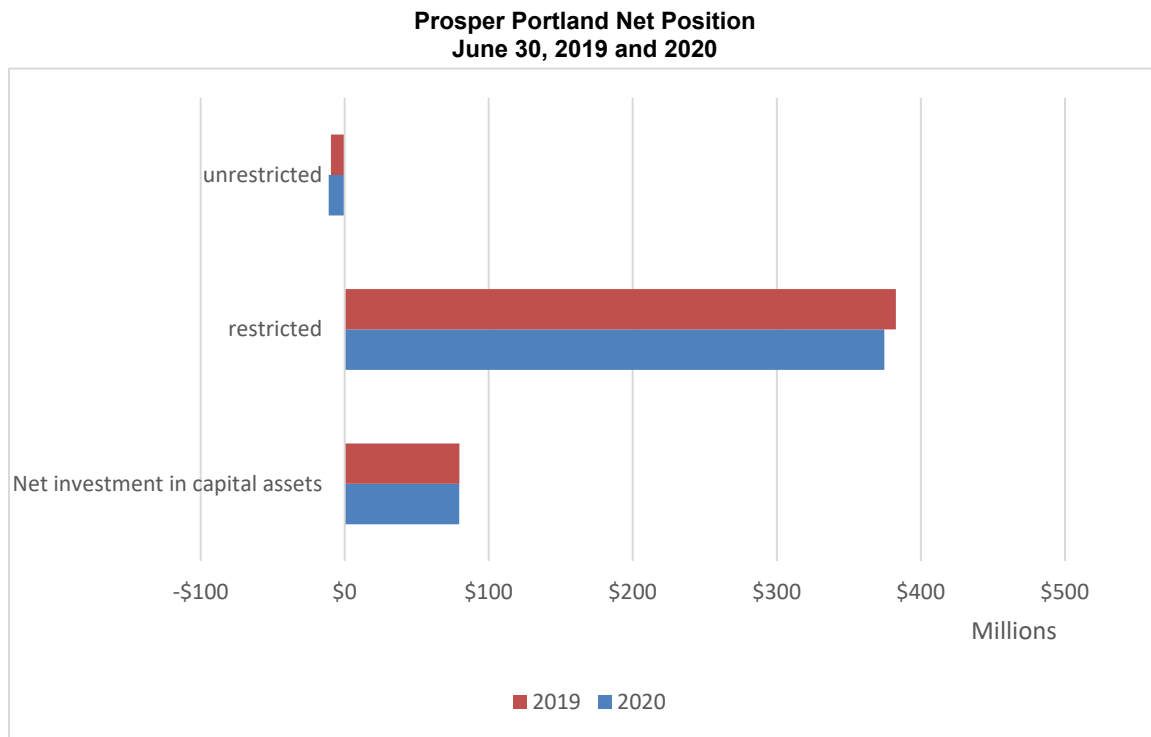
The largest portion of Prosper Portland's combined governmental and business-type total net position is \$374,515,177 of restricted net position. This accounts for 84.5% of the total and represents resources that are subject to external restrictions on how they may be used. Restricted net position is mainly composed of tax increment district funds that are limited to use in the specific districts where the funds originated. Restricted net position decreased 2.9% from fiscal year ended June 30, 2019.

The next largest portion of Prosper Portland's combined governmental and business-type total net position is \$79,571,055 or 18.0% of the total and 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 was nearly flat with a decrease of - 0.1% over the previous year.

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 (\$11,098,186). 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.



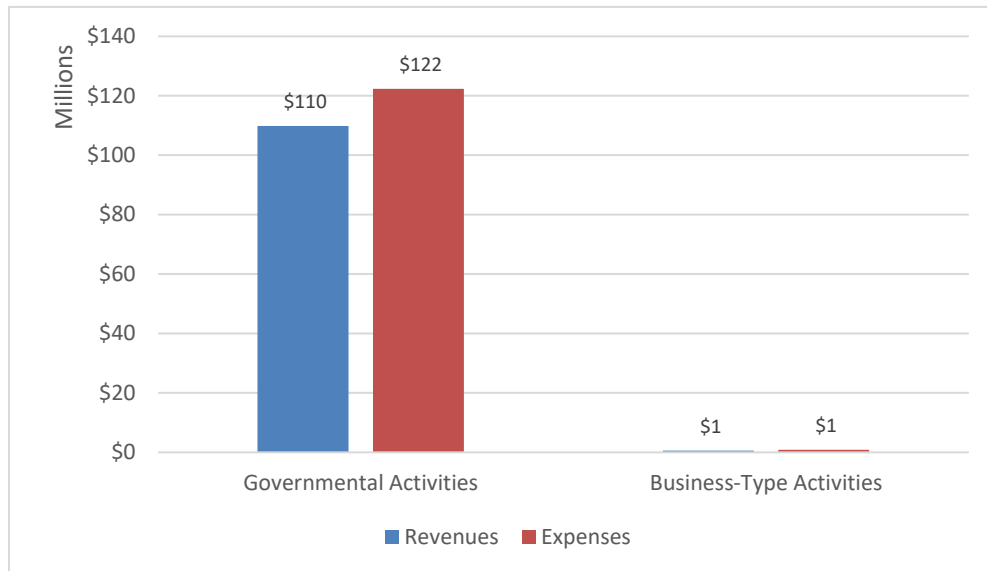
Prosper Portland's overall net position decreased \$12,663,067 from the prior fiscal year. The changes are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$12,516,003 from the prior fiscal year for an ending balance of \$427,575,871. The change in governmental activities is due primarily to the near completion of the Hotel Garage in the Convention Center URA. Construction spending for the garage decreased by \$18,600,000 from \$21,400,000 in FY 18-19 to \$2,700,000 in FY19-20. Similarly, the construction of the 10th & Yamhill parking structure concluded in FY19-20, with costs of \$3,700,000 in FY18-19 decreasing to \$200,000 in FY 19-20. Miscellaneous income decreased 48.7% over the prior year because the prior year included unusually high liquidations of Property Held for Sale. The Operating Grants and contributions increased due to a slightly larger contract with the city of Portland, which included a special award of \$1,000,000 for rapid deployment of economic relief due to the COVID-19 shut down. Tax increment debt proceeds decreased \$12,773,268.

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

	Governmental Activities		Business Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 7,517,968	\$ 8,717,863	\$ 212,079	\$ 64,702	\$ 7,730,047	\$ 8,782,565
Operating grants and contributions	11,215,872	9,611,334	-	-	11,215,872	9,611,334
General revenues						
Tax-increment debt proceeds (in lieu of tax-increment revenue)	80,975,700	93,748,968	-	-	80,975,700	93,748,968
City of Portland debt proceeds for operations	-	9,499,409	-	-	-	9,499,409
Unrestricted investment income	5,818,369	6,108,557	228,660	266,853	6,047,029	6,375,410
Miscellaneous	4,264,203	8,276,846	138,002	249,633	4,402,205	8,526,479
Total revenues	109,792,112	135,962,977	578,741	581,188	110,370,853	136,544,165
Expenses						
Community development	122,350,894	123,737,081	-	-	122,350,894	123,737,081
Enterprise loans	-	-	569,828	154,113	569,828	154,113
Enterprise management	-	-	232,562	601,153	232,562	601,153
Total expenses	122,350,894	123,737,081	802,390	755,266	123,153,284	124,492,347
Increase (Decrease) in net position before transfers	(12,558,782)	12,225,896	(223,649)	(174,078)	(12,782,431)	12,051,818
Transfers	42,779	(31,387)	(42,779)	31,387	-	-
Increase (Decrease) in net position	(12,516,003)	12,194,509	(266,428)	(142,691)	(12,782,431)	12,051,818
Beginning net position	440,091,874	427,897,365	15,678,603	15,821,294	455,770,477	443,718,659
Ending net position	\$ 427,575,871	\$ 440,091,874	\$ 15,412,175	\$ 15,678,603	\$ 442,988,046	\$ 455,770,477

**Community Development Program Expenses
and General Revenues**



Business-type Activities. For Prosper Portland's business-type activities, overall net position decreased \$266,428 (1.7%) for an ending balance of \$15,412,175. 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 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,**

Expenses	2020	2019	Change
Personal services	\$ 41,795	\$ 60,284	\$ 18,489
Professional services	600,668	596,809	(3,859)
Financial assistance	154,289	98,173	(56,116)
Miscellaneous expenses	5,638	-	(5,638)
Totals	\$ 802,390	\$ 755,266	\$ (47,124)

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 increased \$9,833,400 or 12.0%. The loan loss allowance increased by 61.1% or \$19,652,557. The percentage change in the allowance was due to additional cash flow loans that are given a higher allowance and a general increase due to customers taking advantage of loan deferments during the COVID-19 shut down. The current portion of the net portfolio decreased 42.6% while the non-current portion dropped 24.3% or \$7,714,777.

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

	2020	2019	Change	% Change
Gross loans receivable	\$ 91,482,490	\$ 81,649,090	\$ 9,833,400	12.0%
Allowance	(51,802,524)	(32,149,967)	(19,652,557)	61.1%
Total, net	<u>\$ 39,679,966</u>	<u>\$ 49,499,123</u>	<u>\$ (9,819,157)</u>	-19.8%
Current portion	\$ 1,338,702	\$ 2,332,984	\$ (994,282)	-42.6%
Non-current portion	24,057,068	31,771,845	(7,714,777)	-24.3%
Total, net	<u>\$ 25,395,770</u>	<u>\$ 34,104,829</u>	<u>\$ (8,709,059)</u>	-25.5%

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 \$14,284,196 in fiscal year 2020 and a balance of \$14,268,094 in fiscal year 2019.

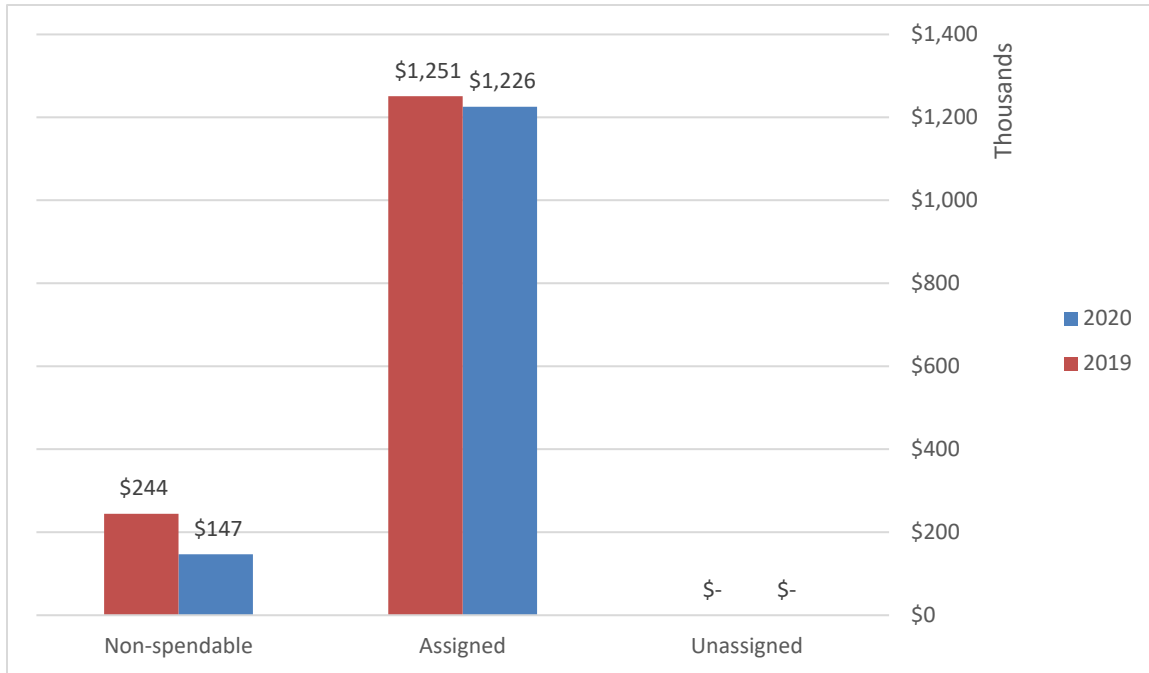
Financial Analysis of Governmental Funds

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 balances 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, 2020, Prosper Portland's governmental funds reported combined fund balances of \$409,061,135, a decrease of \$9,363,857 in comparison with the prior year. Prosper Portland had unassigned fund balance of (\$14,737,270) 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: \$896,754; 2) restricted for particular purposes: \$421,795,495; or assigned for particular purposes: \$1,225,520.

**General Fund
Components of Fund Balance
June 30, 2019 and 2020**



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 decreased to \$1,372,274. As a measure of the general fund's liquidity, the total fund balance represents approximately 15.9% of total 2020 fiscal year general fund expenditures.

The fund balance of Prosper Portland's general fund decreased by \$146,365 during the current fiscal year ended June 30, 2020. Key factors include:

- Revenues increased by \$1,507,222 overall, primarily in intergovernmental revenues, \$1,000,000 of which came from additional special economic development funds from the City's General Fund.
- Community development expenditures, up by \$291,188 and financial assistance increase of \$1,491,310 accounts for most of the increase of \$1,830,939 for work funded by City's general fund contract. Capital outlay decreased \$48,441.

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 2020 decreased from the prior fiscal year and is below the five-year average for the third time in recent years. The five-year average increased by \$5,348,380 from \$87,525,404 in fiscal year 2019. 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 District, 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,**

Year	Amount	Change	%	
2016	\$ 82,062,888			5-Year Average
2017	91,394,288	9,331,400	11.4%	\$ 92,873,784
2018	116,187,078	24,792,790	27.1%	
2019	93,748,968	(22,438,110)	-19.3%	
2020	80,975,700	(12,773,268)	-13.6%	
	<u>\$ 464,368,922</u>			

The City of Portland receives property taxes in each of the designated Tax Increment Financing 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 Tax Increment Financing area, South Park Blocks Tax Increment Financing area, and Airport Way Tax Increment Financing area have all reached their plan expiration dates, and the Oregon Convention Center Tax Increment Financing 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 133 of the Statistical Section.

The eight other major governmental funds include the 9101 Foster LLC Fund, Downtown Waterfront Tax Increment Financing Fund, North Macadam Tax Increment Financing Fund, River District Tax Increment Financing Fund, Convention Center Tax Increment Financing Fund, Lents Town Center Tax Increment Financing Fund, Interstate Corridor Tax Increment Financing Fund and The Gateway Regional Tax Increment Financing Fund. The following table shows the change in their fund balances.

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

Fund	2020	2019	Change	% Change
9101 Foster LLC	\$ (14,737,270)	\$ (15,035,998)	\$ 298,728	2.0%
Downtown Waterfront Tax Increment Financing Fund	44,928,414	44,915,084	13,330	0.0%
North Macadam Tax Increment Financing Fund	34,195,649	21,966,946	12,228,703	55.7%
River District Tax Increment Financing Fund	164,188,390	160,153,209	4,035,181	2.5%
Convention Center Tax Increment Financing Fund	20,109,597	30,580,588	(10,470,991)	-34.2%
Lents Town Center Tax Increment Financing Fund	25,681,622	22,182,351	3,499,271	15.8%
Gateway Regional Town Center Tax Increment Financing Fund	14,934,384	23,339,379	(8,404,995)	-36.0%
Interstate Corridor Tax Increment Financing Fund	41,504,775	57,015,594	(15,510,819)	-27.2%
	<u>\$ 330,805,561</u>	<u>\$ 345,117,153</u>	<u>\$ (14,311,592)</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. In fiscal year 2020 tenant improvements were underway to commence on the first-floor commercial spaces but the economic shutdown due to COVID-19 has slowed this work. The \$14,397,208 capital asset for 9101 Foster LLC is not a current resource and therefore contributes to the large negative balance in that fund.

The fund balance in the Downtown Waterfront Tax Increment Financing area increased by \$13,330. This relatively slight increase in fund balance comprised of a significant decrease in expenses by more than half that of FY19, which was offset by a decrease in beginning fund balance and small decreases in all revenue categories.

The fund balance in the North Macadam Tax Increment Financing area increased by \$12,228,703 or 55.7%. This sharp increase in fund balance is due to ongoing receipt of tax increment debt proceeds and a significant decrease in community development expenses. Community development expenses decreased by \$9,673,793 compared to

the prior year which was due to a decrease in housing expense. There was also a drop in financial assistance of \$3,840,000 due to a one-time grant to Portland State University given in the prior fiscal year.

In the River District Tax Increment Financing Fund, there was a \$4,035,181 or an 2.5% net increase in fund balance in fiscal year 2020. No draws were made on a line of credit that provided resources in prior years resulting in a 100% drop in that revenue source. Decreases of \$2,883,339 in community development expenses, \$2,845,403 in capital outlay for area improvements, and \$9,421,746 for financial assistance were offset by the \$13,864,839 change in beginning fund balance account for this modest increase. The community development decrease was primarily due to a drop in housing expense. The decrease in capital outlay is due to the improvement project at 10th & Yamhill winding down and finally the decrease in financial assistance is due primarily to a one time grant to Multnomah County of \$9.5 million in the prior year.

The Convention Center Tax Increment Financing Fund experienced a decrease of over 34.2% in fund balance, or \$10,470,991. All revenue sources, in total, decreased by \$6,854,105 while expenses increased \$3,760,601. While community development expenses related primarily to housing projects decreased \$6,000,000, capital expenditures and financial assistance increased \$9,760,583. Capital expenditures for TIF district improvement increased with large outlays for predevelopment, contributions to City of Portland infrastructure and redevelopment strategy work including completion of the Convention Center Hotel Garage and construction of the Earl Blumenauer pedestrian bridge.

In the Lents Town Center Tax Increment Financing Fund, the fund balance increased by \$3,499,271 or 15.8%, due to a drop in financial assistance disbursements of \$4,443,363 while receiving increased resources including tax increment debt and other revenues. Other revenues include miscellaneous revenue of \$2,344,876, which primarily came from the sale of the Bakery Blocks property. Decreases in community development expenses of \$2,802,529 occurred due to a decrease in housing projects. These decreases were offset by the gain in beginning fund balance of \$5,847,423.

The Interstate Corridor Tax Increment Financing Fund ended the year with a decrease in fund balance of \$15,510,819 or 27.2%. The decrease is substantially due to community development expenditures increasing by \$11,786,920 or 53.5% and financial assistance of \$8,191,061. The lion's share of this increase was due to an increase in support of housing expenses at the Portland Housing Bureau of \$11,539,182.

The Gateway Regional Town Center Tax Increment Financing Fund ended the year with a decrease in fund balance of \$8,404,995 or 36.0%. while TIF revenue increased by nearly \$1.0 million expenditures for community development increased by just over \$6.0 million and financial assistance increased by \$5,434,760. The bulk of both these increases is related to a new mixed-use development at 106th and Halsey. Prosper Portland has an ownership interest in the first-floor commercial space and has provided financial assistance to Human Solutions for the housing portion of the development.

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 \$266,466 or 2.6%. While revenue increased slightly from the prior year, the level of expenditures and transfers continued in the fund. Expenditures and transfers included payments related to a 10-year interfund loan between the Business Management Fund and the River District Fund and a small transfer out of \$42,779 to support economic development work for traded sector companies.

General Fund Budgetary Highlights

The differences between the final amended budget was a \$1,070,356 increase in appropriations. The major differences are summarized as follows:

	Change in Original Budget to Final Budget	Comments
Revenue increase	\$693,551	Largest components of variance are: <ul style="list-style-type: none"> \$803,000 increase in intergovernmental revenue for City General Funds to assist small businesses struggling during the novel coronavirus pandemic \$167,800 decrease in charges for services for C-PACE loan activity \$58,351 increase in miscellaneous revenue
Expenditure increase	\$1,070,356	Components of variance are: <ul style="list-style-type: none"> \$1,588,432 increase in economic development related to the increase in City General Funds for small business assistance during the novel coronavirus pandemic and an increase in general work done around the city to assist small businesses \$195,055 increase in property redevelopment \$713,131 decrease in administration costs due to savings in Prosper Portland's overhead expenditures

Differences between the final amended budget and actual revenues and expenditures amounted to a \$1,240,180 decrease over projected amounts. The major differences are summarized as follows:

	Final Budget to Actual	
Revenue variance	\$10,086	Largest component of variance: <ul style="list-style-type: none"> \$104,462 variance in state and local revenue, as this was budgeted under contractual service revenue (\$159,226) variance in contractual service revenue, as this was actually received as state and local revenue \$57,205 variance of other miscellaneous revenue
Expenditure variance	\$285,966	Largest component of variance: <ul style="list-style-type: none"> \$122,637 variance in property redevelopment due to decreased spending in general city-wide redevelopment efforts \$147,147 variance in administration expenditures due to savings associated with Prosper Portland's overhead

- Budgeted contingency funds of \$1,278,821 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, 2020, capital assets amount to \$79,271,053 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, and software. The total

decrease in Prosper Portland's investment in capital assets for the fiscal year ended June 30, 2020 was \$352,380 -0.44%.

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

Asset type	Governmental activities		
	2020	2019	Change
Land	\$ 14,126,571	\$ 16,016,870	\$ (1,890,299)
Work in progress	2,019,162	28,461,953	(26,442,791)
Buildings	62,213,664	33,650,318	28,563,346
Equipment	112,124	189,585	(77,461)
Intangible software	1,099,534	1,304,707	(205,173)
Total asset	<u>\$ 79,571,055</u>	<u>\$ 79,623,433</u>	<u>\$ (52,378)</u>

Additional information on Prosper Portland's capital assets can be found in note F. on page 50 of this report, and in the Supplementary Data on pages 118-121.

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, 2020.

**Prosper Portland's
Real Property Held for Sale
For the Fiscal Year Ended June 30, 2020**

Funding Source	Balance	Additions	Disposals/	Balance
	July 1, 2019		Adjustments	June 30, 2020
General Fund	\$ 146,754	\$ -	\$ -	\$ 146,754
Downtown Waterfront Tax Increment Financing Fund	1,047,569	8,001,430	15,500	9,033,499
North Macadam Tax Increment Financing Fund	1,920,952	46,898	-	1,967,850
River District Tax Increment Financing Fund	8,718,649	167,574	-	8,886,223
Convention Center Tax Increment Financing Fund	5,580,314	-	-	5,580,314
Lents Town Center Tax Increment Financing Fund	2,739,395	29,033	-	2,768,428
Interstate Corridor Tax Increment Financing Fund	-	-	-	-
Gateway Regional Town Center Tax Increment Financing Fund	4,108,319	-	-	4,108,319
Other Governmental Funds	10,660,367	- *	119,363	10,541,004
Subtotal Governmental Funds	<u>34,922,319</u>	<u>8,244,935</u>	<u>134,863</u>	<u>43,032,391</u>
Business Management Fund	71,167,180	-	-	71,167,180
Total Property Held for Sale	<u>\$ 106,089,499</u>	<u>\$ 8,244,935</u>	<u>\$ 134,863</u>	<u>\$ 114,199,571</u>

In the Downtown Waterfront Tax Increment Financing Fund, Prosper Portland acquired Block 24.

In the North Macadam Tax Increment Financing Fund, there was as an additional modest investment in a property the agency is currently committed to acquisition, referred to as "the Pascuzzi site". This investment was booked as work in progress.

In the River District Tax Increment Financing Fund, modest improvement on a parcel along NW Naito Parkway. In addition, a small investment was made in the portion of Block 25 held by the fund.

Additional information on Prosper Portland's real property held for sale can be found in note E. on pages 49-50 of this report, and in the Supplementary Data on pages 118-121.

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 Multnomah county seasonally adjusted unemployment rate for July 2020 was 11% compared to 3.6% in 2019 and 3.8% in 2018. The unemployment rate for the United States as a whole for July 2020 is 10.2%. Meanwhile, job growth was -0.2% year over year, with the Portland metro area adding jobs in the transportation, warehousing & utilities and educational services sectors.
- The Portland area office vacancy was 9.67% during the 2nd quarter of 2020, with net absorption of 108,709 square feet (sf). Currently there is a total 1,078,778 sf of office space under construction in the Portland area.
- In the industrial market the average vacancy rate was 4.65% at the end of the 2nd quarter of 2020 with around (900,427) sf absorbed. Projects totaling 1,112,543 sf are currently under construction.
- The consumer price index for July is was at 1.0% at the end of the fiscal year.
- Prosper Portland recognized a significant impact to program revenues as a result of the pandemic, mainly around loans, leases, and parking revenue. Loan and lease revenue were impacted in part due to Prosper Portland granting deferrals to impacted businesses. Parking revenue associated with several Prosper Portland owned garages decreased substantially. When compared to the FY 2019-20 Revised Budget adopted by the Board in November, 2019, loan interest was approximately 10% or \$100,000 lower than budget due to loan deferrals, parking income was \$700,000 or 26% lower than budget, and Lease income was \$900,000 or 25% lower than budget.
- There were no major, immediate impacts in the FY 2019-20 project and program budgets as a result of the pandemic due to sufficient TIF resources in most TIF districts. However, the decline in program revenue in FY 2019-20 combined with the forecasted reduction in FY 2020-21 required expenditure reductions in the FY 2020-21 budget. Staff rebalanced several TIF Districts that were experiencing higher reductions in program revenue by reducing lending and grant programs in order to balance funds where necessary. Since program revenues as well as General Fund resources contribute to the agency's overall operating budget, the agency also implemented personnel services reduction through furlough days and a decrease to management pay to help offset the decrease in program revenues. Program revenues are being monitored closely to determine if additional steps are needed to maintain a balanced budget.

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, 2021.

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, 220 NW 2nd, Second floor, Portland, Oregon 97209.

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

STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 279,549,107	\$ 10,679,411	\$ 290,228,518
Receivables:			
Due from City of Portland	4,471,601	155,000	4,626,601
Accounts	1,288,252	5,905	1,294,157
Internal balances	70,530,421	(70,530,421)	-
Loans, net	1,226,262	112,440	1,338,702
Interest	1,165,580	43,293	1,208,873
Loan interest	198,609	3,148	201,757
Prepays and other	322,087	-	322,087
Property held for sale	43,032,391	71,167,180	114,199,571
Total current assets	<u>401,784,310</u>	<u>11,635,956</u>	<u>413,420,266</u>
Non-current assets:			
Loans receivable, net	23,283,186	773,882	24,057,068
Net other post-employment benefits assets	95,832	-	95,832
Escrow deposit	-	3,050,000	3,050,000
Capital assets not being depreciated:			
Land	14,126,571	-	14,126,571
Work in progress	2,019,162	-	2,019,162
Capital assets net of accumulated depreciation:			
Buildings and improvements	62,213,664	-	62,213,664
Equipment	112,124	-	112,124
Intangible software	1,099,534	-	1,099,534
Total non-current assets	<u>102,950,073</u>	<u>3,823,882</u>	<u>106,773,955</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred outflow related to other post-employment benefits	44,447	-	44,447
Deferred outflow related to pensions	4,770,489	-	4,770,489
Total deferred outflow of resources	<u>4,814,936</u>	<u>-</u>	<u>4,814,936</u>
Total assets and deferred outflow of resources	<u>\$ 509,549,319</u>	<u>\$ 15,459,838</u>	<u>\$ 525,009,157</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 5,917,995	\$ 47,663	\$ 5,965,658
Accrued liabilities	448,816	-	448,816
Due to City of Portland	8,111,787	-	8,111,787
Due to other entities	294,635	-	294,635
Long-term liabilities due within one year:			
Pollution remediation	12,440,185	-	12,440,185
Note payable	32,248	-	32,248
Vacation accrual	75,243	-	75,243
Total long-term liabilities due within one year	<u>12,547,676</u>	<u>-</u>	<u>12,547,676</u>
Total current liabilities	<u>27,320,909</u>	<u>47,663</u>	<u>27,368,572</u>
Non-current liabilities:			
Long-term liabilities:			
Note payable	1,062,003	-	1,062,003
Total other post-employment benefits liability	290,002	-	290,002
Pension obligation	13,169,861	-	13,169,861
Pollution remediation	38,717,523	-	38,717,523
Vacation accrual	687,399	-	687,399
Total non-current liabilities	<u>53,926,788</u>	<u>-</u>	<u>53,926,788</u>
Total liabilities	<u>81,247,697</u>	<u>47,663</u>	<u>81,295,360</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflow related to other post-employment benefits	69,341	-	69,341
Deferred inflow related to pensions	656,410	-	656,410
Total deferred inflow of resources	<u>725,751</u>	<u>-</u>	<u>725,751</u>
NET POSITION			
Net investment in capital assets	79,571,055	-	79,571,055
Restricted for:			
Urban renewal	364,681,207	-	364,681,207
Property clean up	-	3,000,000	3,000,000
Other	6,833,970	-	6,833,970
Unrestricted	(23,510,361)	12,412,175	(11,098,186)
Total net position	<u>427,575,871</u>	<u>15,412,175</u>	<u>442,988,046</u>
Total liabilities and net position	<u>\$ 509,549,319</u>	<u>\$ 15,459,838</u>	<u>\$ 525,009,157</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 ACTIVITIES
For the Fiscal Year Ended June 30, 2020

Functions/Programs			Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Expenses			
Governmental activities:				
Community development	\$ 122,350,894	\$	7,517,968	\$ 11,215,872
Business-type activities:				
Enterprise loans	569,828		10,534	-
Loan interest	232,562		201,545	-
Total	\$ 123,153,284	\$	7,730,047	\$ 11,215,872

General Revenues:

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

Transfers

Total general revenues and transfers

Change in net position

Net position - July 1, 2019

Net position - June 30, 2020

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

Net Expense and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (103,617,054)	\$ -	\$ (103,617,054)
-	(559,294)	(559,294)
-	(31,017)	(31,017)
<u>(103,617,054)</u>	<u>(590,311)</u>	<u>(104,207,365)</u>
80,975,700	-	80,975,700
5,818,369	228,660	6,047,029
4,264,203	138,002	4,402,205
42,779	(42,779)	-
<u>91,101,051</u>	<u>323,883</u>	<u>91,424,934</u>
(12,516,003)	(266,428)	(12,782,431)
<u>440,091,874</u>	<u>15,678,603</u>	<u>455,770,477</u>
<u>\$ 427,575,871</u>	<u>\$ 15,412,175</u>	<u>\$ 442,988,046</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	Special Revenue Funds		Capital Projects Funds		
	General Fund	Component Unit 9101 Foster LLC	Downtown Waterfront Tax Increment Financing Fund	North Macadam Tax Increment Financing Fund	River District Tax Increment Financing Fund
ASSETS					
Cash and cash equivalents	\$ 13,689	\$ 608,348	\$ -	\$ -	\$ -
Cash with City of Portland investment pool	1,095,693	-	34,775,709	31,687,405	71,248,705
Receivables:					
Due from City of Portland	1,833,065	-	-	-	1,434,698
Accounts	7,098	40,967	36,847	436,569	23,397
Internal balances	-	-	937,000	-	69,951,421
Internal payable	-	-	-	-	-
Loans, net	-	-	88,776	-	13,109,175
Interest	(1,583)	-	160,849	127,377	289,695
Loan interest	-	-	-	-	3,716
Property held for sale	146,754	-	9,033,499	1,967,850	8,886,223
Other	3,061	37,728	134	-	-
Total Assets	3,097,777	687,043	45,032,814	34,219,201	164,947,030
Total Assets	\$ 3,097,777	\$ 687,043	\$ 45,032,814	\$ 34,219,201	\$ 164,947,030
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 887,238	\$ 44,260	\$ 15,637	\$ 15,059	\$ 323,421
Accrued liabilities	448,816	-	-	-	-
Notes Payable other	-	15,378,449	-	-	-
Due to City of Portland	364,128	-	87,463	8,493	434,719
Due to other entities	25,321	1,604	1,300	-	500
Internal balances	-	-	-	-	-
Total Liabilities	1,725,503	15,424,313	104,400	23,552	758,640
FUND BALANCES					
Non-spendable					
Loans receivable	-	-	-	-	-
Property held for sale	146,754	-	-	-	-
Restricted					
Loans receivable	-	-	88,776	-	13,109,175
Urban renewal	-	-	44,839,638	34,195,649	151,079,215
Contractual obligations	-	-	-	-	-
Assigned					
Subsequent year's expenditures	1,225,520	-	-	-	-
Unassigned					
Ending fund balance	-	(14,737,270)	-	-	-
Total Fund Balances	1,372,274	(14,737,270)	44,928,414	34,195,649	164,188,390
Total Liabilities and Fund Balances	\$ 3,097,777	\$ 687,043	\$ 45,032,814	\$ 34,219,201	\$ 164,947,030

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

Capital Projects Funds (continued)					
Convention Center Tax Increment Financing Fund	Lents Town Center Tax Increment Financing Fund	Interstate Corridor Tax Increment Financing Fund	Gateway Regional Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 622,037
7,775,760	11,315,959	42,459,888	14,072,349	64,357,275	278,788,743
-	-	-	-	1,203,838	4,471,601
307,777	44,260	-	-	391,337	1,288,252
-	-	-	-	-	70,888,421
-	-	-	-	-	-
6,472,076	13,083,415	898,812	797,047	4,344,345	38,793,646
34,738	52,206	178,185	65,922	257,641	1,165,030
4,325	10,789	7,485	-	4,586	30,901
5,580,314	2,768,428	-	4,108,319	10,541,004	43,032,391
262,537	-	18,760	469	167,106	489,795
<u>20,437,527</u>	<u>27,275,057</u>	<u>43,563,130</u>	<u>19,044,106</u>	<u>81,267,132</u>	<u>439,570,817</u>
\$ <u>20,437,527</u>	\$ <u>27,275,057</u>	\$ <u>43,563,130</u>	<u>19,044,106</u>	\$ <u>81,267,132</u>	\$ <u>439,570,817</u>
\$ 155,886	\$ 46,475	\$ 95,502	596,259	\$ 3,738,258	\$ 5,917,995
-	-	-	-	-	448,816
-	-	-	-	-	15,378,449
40	1,540,035	1,936,948	3,452,887	287,074	8,111,787
172,004	6,925	25,905	60,576	500	294,635
-	-	-	-	358,000	358,000
<u>327,930</u>	<u>1,593,435</u>	<u>2,058,355</u>	<u>4,109,722</u>	<u>4,383,832</u>	<u>30,509,682</u>
-	-	-	-	750,000	750,000
-	-	-	-	-	146,754
6,472,076	13,083,415	898,812	797,047	3,795,531	38,244,832
13,637,521	12,598,207	40,605,963	14,137,337	66,500,554	377,594,084
-	-	-	-	5,837,215	5,837,215
-	-	-	-	-	1,225,520
-	-	-	-	-	(14,737,270)
<u>20,109,597</u>	<u>25,681,622</u>	<u>41,504,775</u>	<u>14,934,384</u>	<u>76,883,300</u>	<u>409,061,135</u>
\$ <u>20,437,527</u>	\$ <u>27,275,057</u>	\$ <u>43,563,130</u>	<u>19,044,106</u>	\$ <u>81,267,132</u>	\$ <u>439,570,817</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, 2020**

Fund balances - total governmental funds		\$ 409,061,135
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		79,571,055
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	\$ 95,832	
Deferred outflow of resources	44,447	
Post-employment benefit health insurance continuation liability	(290,002)	
Deferred inflow of resources	(69,341)	
Total other post-employment benefits		(219,064)
Net vacation accrual obligation reported on the Balance Sheet		(762,642)
Pollution remediation liability		(51,157,708)
Pension		
Deferred outflow of resources	4,770,489	
Net pension liability	(13,169,861)	
Deferred inflow of resources	(656,410)	
Total pension		(9,055,782)
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		138,877
Net position of governmental activities	\$	<u><u>427,575,871</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, 2020

	<u>Special Revenue</u>		<u>Capital Projects Fund</u>	
	<u>General Fund</u>	<u>Component Unit 9101 Foster LLC</u>	<u>Downtown Waterfront Tax Increment Financing Fund</u>	<u>North Macadam Tax Increment Financing Fund</u>
REVENUES				
Intergovernmental revenues	\$ 8,209,582	\$ -	\$ -	\$ -
Charges for services	41,464	731,945	18,097	238,748
Loan collections	-	-	6,395	-
Interest on investments	2,949	-	859,301	437,454
Miscellaneous	120,752	17,879	47,399	-
Tax-increment debt proceeds (in lieu of tax-increment revenue)	-	-	-	13,692,917
Total revenues	8,374,747	749,824	931,192	14,369,119
EXPENDITURES				
Current:				
Community development	3,010,889	376,731	821,980	2,120,810
Capital expenditures for urban renewal	-	-	53,557	19,606
Financial assistance	5,409,982	-	42,325	-
Debt service	-	15,461	-	-
Capital Outlay	222,311	58,904	-	-
Total expenditures	8,643,182	451,096	917,862	2,140,416
Excess (deficiency) of revenues over (under) expenditures	(268,435)	298,728	13,330	12,228,703
OTHER FINANCING SOURCES (USES)				
Transfers in	122,070	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	122,070	-	-	-
Net change in fund balances	(146,365)	298,728	13,330	12,228,703
FUND BALANCES - July 1, 2019	1,518,639	(15,035,998)	44,915,084	21,966,946
FUND BALANCES (deficit) - June 30, 2020	\$ 1,372,274	\$ (14,737,270)	\$ 44,928,414	\$ 34,195,649

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

Capital Projects Fund (continued)

River District Tax Increment Financing District	Convention Center Tax Increment Financing Fund	Lents Town Center Tax Increment Financing Fund	Interstate Corridor Tax Increment Financing Fund	Gateway Regional Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
\$ 9,367	\$ -	\$ -	\$ -	\$ -	2,996,923	\$ 11,215,872
2,196,860	1,885,676	168,386	242,119	186,015	1,808,658	7,517,968
410,443	301,104	46,354	53,485	4,690	274,024	1,096,495
1,925,605	229,864	131,472	725,076	334,329	1,169,536	5,815,586
70,015	321,888	2,506,137	79,124	-	30,896	3,194,090
<u>12,993,049</u>	<u>-</u>	<u>11,993,807</u>	<u>26,986,065</u>	<u>5,996,920</u>	<u>9,312,942</u>	<u>80,975,700</u>
<u>17,605,339</u>	<u>2,738,532</u>	<u>14,846,156</u>	<u>28,085,869</u>	<u>6,521,954</u>	<u>15,592,979</u>	<u>109,815,711</u>
11,951,386	2,980,183	6,727,655	33,822,345	7,128,385	2,289,544	71,229,908
1,402,058	4,100,966	1,653,628	40,995	287,095	3,000,000	10,557,905
216,714	3,426,583	2,965,602	9,733,348	5,496,957	5,133,044	32,424,555
-	-	-	-	-	-	15,461
-	2,701,791	-	-	2,011,512	-	4,994,518
<u>13,570,158</u>	<u>13,209,523</u>	<u>11,346,885</u>	<u>43,596,688</u>	<u>14,923,949</u>	<u>10,422,588</u>	<u>119,222,347</u>
<u>4,035,181</u>	<u>(10,470,991)</u>	<u>3,499,271</u>	<u>(15,510,819)</u>	<u>(8,401,995)</u>	<u>5,170,391</u>	<u>(9,406,636)</u>
-	-	-	-	-	-	122,070
-	-	-	-	-	(79,291)	(79,291)
-	-	-	-	-	(79,291)	42,779
4,035,181	(10,470,991)	3,499,271	(15,510,819)	(8,401,995)	5,091,100	(9,363,857)
<u>160,153,209</u>	<u>30,580,588</u>	<u>22,182,351</u>	<u>57,015,594</u>	<u>23,336,379</u>	<u>71,792,200</u>	<u>418,424,992</u>
<u>\$ 164,188,390</u>	<u>\$ 20,109,597</u>	<u>\$ 25,681,622</u>	<u>\$ 41,504,775</u>	<u>\$ 14,934,384</u>	<u>\$ 76,883,300</u>	<u>\$ 409,061,135</u>

**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, 2020**

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

Net change in fund balances - total governmental funds	\$	(9,363,857)
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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	\$	4,720,953	
Capital asset sales and disposals		(3,686,936)	
Less current year depreciation		(1,086,395)	
			(52,378)

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		(1,383,161)
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Current year adjustment for change in net other post-employment benefits payable in the Statement of Net Position		25,193
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Current year adjustment for change in vacation accrual		(208,482)
--	--	-----------

Current year adjustment for change in pollution remediation		(1,536,101)
---	--	-------------

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		2,783

Change in net position of governmental activities	\$	(12,516,003)
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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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues-				
State and local	\$ -	\$ -	\$ 104,462	\$ 104,462
City of Portland, General Fund	7,302,620	8,105,620	8,105,120	(500)
Charges for services-				
Rental income	-	600	600	-
Contractual service charges	342,960	174,560	15,334	(159,226)
Interest on investments	-	-	2,949	2,949
Miscellaneous:				
Reimbursements	-	-	5,196	5,196
Sale of personal property	-	351	351	-
Other	-	58,000	115,205	57,205
Total revenues	<u>7,645,580</u>	<u>8,339,131</u>	<u>8,349,217</u>	<u>10,086</u>
EXPENDITURES				
Current:				
Community development:				
Property redevelopment	560,594	755,649	633,012	122,637
Economic development	6,658,156	8,246,588	8,230,405	16,183
Administration	14,004,734	13,291,602	13,144,456	147,146
Total community development	<u>21,223,484</u>	<u>22,293,839</u>	<u>22,007,873</u>	<u>285,966</u>
Contingency	<u>1,181,972</u>	<u>1,278,821</u>	<u>-</u>	<u>1,278,821</u>
Total expenditures	<u>22,405,456</u>	<u>23,572,660</u>	<u>22,007,873</u>	<u>1,564,787</u>
Excess (deficiency) of revenues over expenditures	<u>(14,759,876)</u>	<u>(15,233,529)</u>	<u>(13,658,656)</u>	<u>1,574,873</u>
OTHER FINANCING SOURCES (USES)				
Internal service reimbursements in	13,970,244	14,266,472	13,695,840	(570,632)
Transfers in-				
COEP Fund		104,122	79,291	(24,831)
Business Management Fund		42,779	42,779	-
Total transfers in	<u>-</u>	<u>146,901</u>	<u>122,070</u>	<u>(24,831)</u>
Internal service reimbursements out	(519,424)	(318,271)	(305,618)	12,653
Transfers out:				
Enterprise Loans Fund	<u>-</u>	<u>(248,116)</u>	<u>-</u>	<u>248,116</u>
Total transfers out	<u>-</u>	<u>(248,116)</u>	<u>-</u>	<u>248,116</u>
Net change in fund balance	(1,309,056)	(1,386,543)	(146,364)	1,240,179
FUND BALANCE - July 1, 2019	<u>1,309,056</u>	<u>1,386,543</u>	<u>1,371,884</u>	<u>(14,659)</u>
FUND BALANCE - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>1,225,520</u>	<u>\$ 1,225,520</u>
Adjustments to generally accepted accounting principles basis-				
Property held for sale			<u>146,754</u>	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			<u>\$ 1,372,274</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, 2020

	Major Business- type Activities- Enterprise Funds				Governmental Activities - Internal Service Fund
	Business Management Fund		Nonmajor Enterprise Funds	Total Enterprise Funds	
ASSETS					
Current assets:					
Cash with City of Portland investment pool	\$ 6,596,720	\$	4,082,691	\$ 10,679,411	\$ 138,326
Receivables:					
Due from City of Portland	155,000		-	155,000	-
Accounts	5,905		-	5,905	-
Internal balances	-		358,000	358,000	-
Loans, net	-		112,440	112,440	-
Interest	26,811		16,482	43,293	551
Property held for sale	71,167,180		-	71,167,180	-
Other	-		3,148	3,148	-
Total current assets	<u>77,951,616</u>		<u>4,572,761</u>	<u>82,524,377</u>	<u>138,877</u>
Noncurrent assets:					
Escrow deposit	3,050,000		-	3,050,000	-
Loans receivable, net	-		<u>773,882</u>	<u>773,882</u>	-
Total noncurrent assets	<u>3,050,000</u>		<u>773,882</u>	<u>3,823,882</u>	<u>-</u>
Total assets	<u>\$ 81,001,616</u>	<u>\$</u>	<u>5,346,643</u>	<u>\$ 86,348,259</u>	<u>\$ 138,877</u>
LIABILITIES AND NET POSITION					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 5,638	\$	42,025	\$ 47,663	\$ -
Internal balances	937,000		-	937,000	-
Advance from other funds	69,951,421		-	69,951,421	-
Total current liabilities	<u>70,894,059</u>		<u>42,025</u>	<u>70,936,084</u>	<u>-</u>
Total liabilities	<u>70,894,059</u>		<u>42,025</u>	<u>70,936,084</u>	<u>-</u>
NET POSITION					
Restricted for rent abatement	-		-	-	100,000
Restricted for pollution remediation	3,000,000		-	3,000,000	-
Unrestricted	7,107,557		5,304,618	12,412,175	38,877
Total net position	<u>10,107,557</u>		<u>5,304,618</u>	<u>15,412,175</u>	<u>138,877</u>
Total liabilities and net position	<u>\$ 81,001,616</u>	<u>\$</u>	<u>5,346,643</u>	<u>\$ 86,348,259</u>	<u>\$ 138,877</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, 2020

	Major Business-type Activities-Enterprise Funds			Governmental Activities - Internal Service Fund
	Business Management Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
OPERATING REVENUES:				
Charges for services	\$ 201,545	\$ 10,534	\$ 212,079	\$ -
Interest on loans	-	31,336	31,336	-
Miscellaneous revenues	4,880	101,786	106,666	-
Total operating revenues	206,425	143,656	350,081	-
OPERATING EXPENSES:				
Personal services	6,891	34,904	41,795	-
Professional services	557,299	43,369	600,668	-
Financial assistance	-	154,289	154,289	-
Miscellaneous expenses	5,638	-	5,638	-
Total operating expenses	569,828	232,562	802,390	-
Operating income (loss)	(363,403)	(88,906)	(452,309)	-
NON-OPERATING REVENUES (EXPENSE):				
Interest on investments	139,716	88,944	228,660	2,783
Total non-operating revenues (expense)	139,716	88,944	228,660	2,783
Income before transfers	(223,687)	38	(223,649)	2,783
Transfers out	(42,779)	-	(42,779)	-
Change in net position	(266,466)	38	(266,428)	2,783
Net position - July 1, 2019	10,374,023	5,304,580	15,678,603	136,094
Net position - June 30, 2020	\$ 10,107,557	\$ 5,304,618	\$ 15,412,175	\$ 138,877

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, 2020

	Major Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Business Management Fund	Nonmajor Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:				
Loan collections from borrowers	\$ -	\$ 135,652	\$ 135,652	\$ -
Interest on loans from borrowers	-	28,416	28,416	-
Loan fees from customers	-	10,534	10,534	-
Rent income	151,545	-	151,545	-
Increase in accounts receivable	(129,793)	-	(129,793)	-
Payments to employees	(6,891)	(9,374)	(16,265)	-
Payments to vendors	(557,299)	(1,341)	(558,640)	-
Payments for interfund services used	-	(25,530)	(25,530)	-
Loans to borrowers	-	(720,777)	(720,777)	-
Miscellaneous reimbursements (payments)	54,880	-	54,880	-
Net cash provided/(used) by operating activities	(487,558)	(582,420)	(1,069,978)	-
Cash flows from noncapital financing activities:				
Repayment of interfund borrowing	-	660,000	660,000	-
Deposit/Retain	(50,000)	-	(50,000)	-
Interfund borrowing	(42,779)	(298,000)	(340,779)	-
Net cash provided by noncapital financing activities	(92,779)	362,000	269,221	-
Cash flows from investing activities:				
Interest received from investing	154,416	97,138	251,554	3,028
Net cash increase (decrease) in cash and cash equivalents	(425,921)	(123,282)	(549,203)	3,028
Cash and cash equivalents-July 1, 2019	7,022,641	4,205,973	11,228,614	135,298
Cash and cash equivalents-June 30, 2020	\$ 6,596,720	\$ 4,082,691	\$ 10,679,411	\$ 138,326
Cash with City of Portland investment pool	\$ 6,596,720	\$ 4,082,691	\$ 10,679,411	\$ 138,326
Total	\$ 6,596,720	\$ 4,082,691	\$ 10,679,411	\$ 138,326
Reconciliation of operating income to net cash provided/(used) by operating activities:				
Net operating income(loss)	\$ (363,403)	\$ (88,906)	\$ (452,309)	\$ -
Adjustments to reconcile net operating income to net cash provided/(used) by operating activities:				
Increase in due to City of Portland	(155,000)	-	(155,000)	-
increase in property held for sale	-	-	-	-
Increase in loans receivable	25,207	(532,619)	(507,412)	-
Increase in due from other entities	5,638	(2,920)	2,718	-
Increase in accounts payable	-	42,025	42,025	-
Total adjustments	(124,155)	(493,514)	(617,669)	-
Net cash provided/(used) by operating activities	\$ (487,558)	\$ (582,420)	\$ (1,069,978)	\$ -

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, 2020

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. Governmental 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, 2020

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 personnel services, operational supplies, and capital outlay.

There is one major special revenue fund. *9101 Foster LLC* was established to account for the operation and management of the Lents Commons Property – a blended commercial/residential building.

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

Downtown Waterfront Tax Increment Financing Fund – accounts for resources used in the redevelopment of the Old Town/China Town neighborhood

North Macadam Tax Increment Financing 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 Tax Increment Financing 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 Tax Increment Financing 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.

Central Eastside Tax Increment Financing Fund - accounts for resources used in transportation improvements and the revitalization of commercial areas near the Central City.

Lents Town Center Tax Increment Financing Fund – accounts for resources used in the revitalization of commercial and residential areas in and near the existing Lents neighborhood.

Interstate Corridor Tax Increment Financing 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.

Gateway Regional Tax Increment Financing Fund - accounts for resources used in transportation improvements and the revitalization of commercial and residential areas in the Gateway neighborhood.

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.

PROSPER PORTLAND
A Component Unit of the City of Portland, Oregon
Notes to the Financial Statements
June 30, 2020

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 \$25,530. Elimination of these charges would distort the direct costs reported for the various programs concerned.

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 fiscal year just ended. 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.

PROSPER PORTLAND
A Component Unit of the City of Portland, Oregon
Notes to the Financial Statements
June 30, 2020

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.

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, General Fund and Cannabis programs, and Community Opportunity and Enhancements Program (COEP) 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
A Component Unit of the City of Portland, Oregon
Notes to the Financial Statements
June 30, 2020

Prosper Portland maintains an allowance for loans receivable as a valuation adjustment 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. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. 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 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.

Asset	Years
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.

5. 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.

6. 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

PROSPER PORTLAND
A Component Unit of the City of Portland, Oregon
Notes to the Financial Statements
June 30, 2020

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, 2020 was \$75,243.

7. Long-term Obligations

Other post-employment benefits (OPEB)

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

Pension Liability

Prosper Portland reports its proportional share of the Pension Liability of the Oregon Public Employees Retirement System (OPERS). For purposes of measuring the 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 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.

8. Deferred Inflows and Outflows of Resources

Deferred outflows - In addition to assets, the statement of net 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.

Deferred inflows - In addition to liabilities, the statement of net 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 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 net 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

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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.

9. 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:

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.

10. 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, 2020, and the reported amounts of revenues, expenditures, and expenses for the year then ended. Actual results could differ from those estimates.

11. 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

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and clarifying how that applies to business-type activities. Prosper Portland was subject to implementation this fiscal year as the City of Portland adopted it, but it was not applicable to us.

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 2023 if applicable (Note, this was extended 18 months by GASB Statement No. 95).

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 2022 if applicable (Note, this was extended one year by GASB Statement No. 95).

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 2023 (Note, this was extended one year by GASB Statement No. 95).

GASB Statement No 92, *Omnibus 2020*, enhances comparability in accounting and financial reporting as it relates to reporting of intra-entity transfers of assets between a primary government employer and a component unit define benefit pension or OPEB plan. If applicable, Prosper Portland will implement those portions effective immediately, other provisions will be implemented in in fiscal year 2023 (Note, this was extended one year by GASB Statement No. 95).

GASB Statement No 93, *Replacement of Interbank Offered Rates*, addresses accounting and financial reporting implications resulting from the replacement of the LIBOR, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Prosper Portland will implement this, if applicable, in fiscal year 2022 and 2023, as per the portions requiring implementation as of those dates (Note, this was extended one year by GASB Statement No. 95).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public -public partnership arrangements and availability payment arrangements. Prosper Portland will implement this, if applicable, in fiscal year 2023.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, extends implementation dates of several previous pronouncements, which have been noted above as applicable. Prosper Portland implemented this for FY20-21.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – provides guidance on SBITAs (subscription-based information technology arrangements) and the recognition of a right-to-use subscription asset and a corresponding subscription liability. If applicable, Prosper Portland will implement this in fiscal year 2023.

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GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No 84 and a supersession of GASB Statement No. 32* – Prosper Portland will implement, if applicable, portions of this statement immediately, per the statement guidance, otherwise, 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 on a budgetary basis but not on a GAAP basis. Those adjustments and others for the General Fund are detailed below:

Revenues—budgetary basis	\$ 8,349,217
Internal services revenues from business-type funds	25,530
Revenues—GAAP basis	<u>\$ 8,374,747</u>
Expenditures—budgetary basis	\$ 22,007,873
Internal service reimbursements between governmental funds	(13,364,691)
Expenditures—GAAP basis	<u>\$ 8,643,182</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 three supplemental budgets during the fiscal year. Appropriations lapse at each fiscal year-end.

B. Deficit Fund Equity

Oregon state law requires disclosure of deficit fund balance. At June 30, 2020 the 9101 Foster LLC Fund, a component unit of Prosper Portland had a deficit balance of \$14,737,270. This is due to the loans used to acquire and construct the Lents Commons facility, a residential multifamily unit with retail

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on the ground floor with no offsetting assets reported at the fund level. However, there are assets that were acquired with the loans, land and a building that are not included in the fund, therefore causing the fund to show a deficit. The value of the land and building included in the government-wide land and building totals at June 30, 2020 is \$14,961,909 which is directly attributable to the 9101 Foster LLC operation.

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.

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.

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

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Prosper Portland's cash balance as of June 30, 2020 is composed of the following:

Cash on hand	\$ 400
Deposits with financial institutions	621,637
Cash with City of Portland investment pool	289,606,481
	<u>\$ 290,228,518</u>

The details of the balance on the Statement of Net Position are as follows:

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 622,037	\$ -	\$ 622,037
Cash with City of Portland investment pool	278,927,070	10,679,411	289,606,481
	<u>\$ 279,549,107</u>	<u>\$ 10,679,411</u>	<u>\$ 290,228,518</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 \$621,637 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 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.

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As of June 30, 2020, the weighted average maturity of the City's investment portfolio was 1.6 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted average maturity of two years. 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, 2020, 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, 2020, 77.7 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 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>.

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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 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.

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B. Internal Balances and Transfers

The composition of internal balances is as follows:

Payable Fund	Receivable Fund			Total
	Major Governmental Funds		Non-major Business-type funds	
	River District TIF	Downtown Waterfront TIF		
Governmental Funds				
Non-major Governmental Funds				
CDBG EOI	\$ -	\$ -	\$ (298,000)	\$ (298,000)
Neighborhood Prosperity Initiative TIF	-	-	(60,000)	(60,000)
Total Governmental Funds liabilities	-	-	(358,000)	(358,000)
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
Total interfund payables	\$ 69,951,421	\$ 937,000	\$ (358,000)	\$ 70,530,421

Total interfund liability sits at \$358,000 in the non-major business-type funds for FY20. A portion of this is for the CDBG EOI, and Neighborhood Prosperity Initiative TIF Fund, which owe \$298,000 for short-term interfund loans for grant expenditures not yet reimbursed. The \$60,000 balance is in the Neighborhood Prosperity Initiative TIF Fund, which received a long-term loan of \$120,000 in FY18, and made \$30,000 payments on that loan for both FY19 and FY20. The River District TIF 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 TIF Fund \$937,000 payable when Block 25 is sold or developed. The resolution of this interfund loan is under discussion by management.

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

	Transfer in Fund				
	Governmental Funds		Business-type funds		
	General Fund	Non-major Governmental Funds	Business Management Fund	Non-major Enterprise Fund	Total Transfers Out
Transfer out fund					
Governmental funds					
General fund	\$ -	\$ 79,291	42,779	\$ -	\$ 122,070
Non-major governmental funds	(79,291)	-	-	(332,000)	(411,291)
Business-type funds					
Business management fund	(42,779)	-	-	-	(42,779)
Non-major enterprise fund	-	332,000	-	-	332,000
Total Transfers In	\$ (122,070)	\$ 411,291	\$ 42,779	\$ (332,000)	\$ -

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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:

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance And Discount
<u>Major Funds:</u>				
Downtown Waterfront Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	7 yrs	1% to 3%	\$ 93,448	\$ 4,672
Total Gross Downtown Waterfront Tax Increment Financing Fund			93,448	4,672
Total Net Downtown Waterfront Tax Increment Financing Fund				88,776
River District Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	9 yrs	0% to 12%	7,400,448	370,022
Deferred payment loans	8 yrs	0%	8,105,000	2,026,251
Total Gross River District Tax Increment Financing Fund			15,505,448	2,396,273
Total Net River District Tax Increment Financing Fund				13,109,175
Convention Center Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	17 yrs	0.41% to 6%	10,452,500	3,980,424
Cash flow loans	29 yrs	0.5% to 9%	2,960,655	2,960,655
Total Gross Convention Center Tax Increment Financing Fund			13,413,155	6,941,079
Total Net Convention Center Tax Increment Financing Fund				6,472,076
Lents Town Center Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	15 yrs	0% to 7%	3,871,766	1,210,005
Cash flow loans	39 yrs	0% to 3.25%	36,249,937	25,829,072
PreDev-CPRL	1 yrs	5.5%	15,771	14,982
Total Gross Lents Town Center Tax Increment Financing Fund			40,137,474	27,054,059
Total Net Lents Town Center Tax Increment Financing Fund				13,083,415

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Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance And Discount
<u>Major Funds (continued):</u>				
Interstate Corridor Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	20 yrs	2% to 8%	9,506,983	8,733,106
Deferred payment loans	0 yrs	2%	166,580	41,645
Total Gross Interstate Corridor Tax Increment Financing Fund			9,673,563	8,774,751
Total Net Interstate Corridor Tax Increment Financing Fund				898,812
Gateway Regional Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	6 yrs	0% to 7.5%	1,672,991	1,667,095
Cash flow loans	39 yrs	2.5%	4,044,737	3,253,586
Total Gross Gateway Regional Tax Increment Financing Fund			5,717,728	4,920,681
Total Net Gateway Regional Tax Increment Financing Fund				797,047
Total Gross Major Funds			84,540,816	50,091,515
Total Net Major Funds				34,449,301
Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance And Discount
<u>Other Governmental Funds:</u>				
Other Federal Grants Fund (EDA):				
Urban Development:				
Amortized Loans	10 yrs	0% to 8.5%	868,935	320,121
Total Gross Other Federal Grants Fund			868,935	320,121
Total Net Other Federal Grants Fund				548,814
Ezone WFBD Fund:				
Urban Development:				
Amortized loans	9 yrs	0%	1,000,000	250,000
Total Gross Ezone WFBD Fund			1,000,000	250,000
Total Net Ezone WFBD Fund				750,000
Neighborhood Prosperity Initiative Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	4 yrs	6.5%	56,407	56,407
Total Gross Neighborhood Prosperity Initiative Tax Increment Financing Fund			56,407	56,407
Total Net Neighborhood Prosperity Initiative Tax Increment Financing Fund				-

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Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance And Discount
<u>Other Governmental Funds (Continued):</u>				
South Park Blocks Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	7 yrs	1% to 3.25%	481,802	95,972
Total Gross South Park Blocks Tax Increment Financing Fund			481,802	95,972
Total Net South Park Blocks Tax Increment Financing Fund				385,830
Central Eastside Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	7 yrs	1% to 8.5%	1,120,414	319,976
Total Gross Central Eastside Tax Increment Financing Fund			1,120,414	319,976
Total Net Central Eastside Tax Increment Financing Fund				800,438
Airport Way Tax Increment Financing Fund:				
Urban Development:				
Amortized loans	12 yrs	2% to 8.5%	1,175,908	60,645
Deferred payment loans	12 yrs	2%	992,000	248,000
Total Gross Airport Way Tax Increment Financing Fund			2,167,908	308,645
Total Net Airport Way Tax Increment Financing Fund				1,859,263
Total Gross Other Governmental Funds			5,695,466	1,351,121
Total Net Other Governmental Funds				4,344,345
Total Gross Governmental Funds			90,236,282	51,442,636
Total Net Governmental Funds				38,793,646
<u>Business-type Funds:</u>				
Enterprise Loans Fund:				
Urban Development:				
Amortized loans	6 yrs	2.5% to 11%	1,246,208	359,886
Total Gross Enterprise Loans Fund			1,246,208	359,886
Total Net Enterprise Loans Fund				886,322
Total Gross All Funds			\$ 91,482,490	51,802,522
Total Net All Funds				\$ 39,679,968

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The combined loan portfolio is composed of the following:

Organizational Unit and Program	Current Year Gross Loan Percentages	Gross Loans Receivable	Allowance And Discount
Urban Development:			
Amortized loans	42.57%	\$ 38,947,810	\$ 17,428,331
Cash flow loans	47.28%	43,255,329	32,043,313
Deferred payment loans	10.13%	9,263,580	2,315,896
PreDev-CPRL	0.02%	15,771	14,982
Urban development totals	100.00%	91,482,490	51,802,522
Total Gross Loans	100%	\$ 91,482,490	51,802,522
Total Net Loans			\$ 39,679,968

Summary Loans Receivable Aging:

Current loans receivable, net	\$ 1,338,702
Noncurrent loans receivable, net	24,057,068
Total Net Loans	\$ 25,395,770

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 \$14,284,178 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:

Restricted by:

Enabling legislation:	
Urban renewal	\$ 364,681,207
Contributors:	
Property Clean up	3,000,000
Public-private partnership agreement	6,833,969
	\$ 374,515,176

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

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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:

Governmental activities:	
General Fund	\$ 146,754
Downtown Waterfront Tax Increment Financing Fund	9,033,499
North Macadam Tax Increment Financing Fund	1,967,850
River District Tax Increment Financing Fund	8,886,223
Convention Center Tax Increment Financing Fund	5,580,314
Lents Town Center Tax Increment Financing Fund	2,768,428
Gateway Regional Tax Increment Financing Fund	4,108,319
Other governmental funds	10,541,004
Total governmental activities	<u>43,032,391</u>
Business-type Activities:	
Business Management Fund	71,167,180
Total property held for sale	<u><u>\$ 114,199,571</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	\$ -	\$ 1,890,299	\$ -	\$ 14,126,571
Work in progress-Block 49 parking garage	26,926,166	2,701,791	-	(29,627,957)	-
Work in progress-Alberta Commons	1,535,787	-	1,535,787	-	-
Work in progress-Commercial space Lents Commons	-	7,650	-	-	7,650
Work in progress-Halsey 106 Comm. Condo	-	2,011,512	-	-	2,011,512
Total Capital assets, not being depreciated:	<u>44,478,823</u>	<u>4,720,953</u>	<u>3,426,086</u>	<u>(29,627,957)</u>	<u>16,145,733</u>
Capital assets, being depreciated or amortized:					
Buildings and improvements	37,208,660	-	260,850	29,627,957	66,575,767
Leasehold improvements	3,849,501	-	-	-	3,849,501
Equipment	464,727	-	-	-	464,727
Intangible software	2,051,715	-	-	-	2,051,715
Total capital assets, being depreciated or amortized	<u>43,574,603</u>	<u>-</u>	<u>260,850</u>	<u>29,627,957</u>	<u>72,941,710</u>
Total capital assets before depreciation	<u>88,053,426</u>	<u>4,720,953</u>	<u>3,686,936</u>	<u>-</u>	<u>89,087,443</u>
Less accumulated depreciation or amortization for:					
Buildings and improvements	(3,558,341)	(803,762)	-	-	(4,362,103)
Leasehold improvements	(3,849,501)	-	-	-	(3,849,501)
Equipment	(275,141)	(77,462)	-	-	(352,603)
Intangible software	(747,010)	(205,171)	-	-	(952,181)
Total accumulated depreciation or amortization	<u>(8,429,993)</u>	<u>(1,086,395)</u>	<u>-</u>	<u>-</u>	<u>(9,516,388)</u>
Total capital assets, being depreciated or amortized, net	<u>35,144,610</u>	<u>(1,086,395)</u>	<u>260,850</u>	<u>29,627,957</u>	<u>63,425,322</u>
Governmental activities capital assets, net	<u><u>\$ 79,623,433</u></u>	<u><u>\$ 3,634,558</u></u>	<u><u>\$ 3,686,936</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 79,571,055</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,

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elevator and other repair expenses allowed under the lease amounted to approximately \$238,261. Future minimum lease payments under Prosper Portland's operating leases are projected at \$400,000 for FY 2021.

Fiscal Year Ending	Minimum Lease Payments
2021	650,513 *
2022	800,130
2023	824,134
2024	848,858
2025	874,324
2026-2030	4,781,162
2031	1,218,836
	<u>9,997,957</u>

* abated for the first 12 months

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, 2020, Prosper Portland's investment in operating leases is as follows:

	Basis Value	Accumulated Depreciation	Book Value
Land and improvements	\$ 86,067,111	\$ -	\$ 86,067,111
Buildings	6,620,734	(2,115,012)	4,505,722
	<u>\$ 92,687,845</u>	<u>\$ (2,115,012)</u>	<u>\$ 90,572,833</u>

Rental revenue amounted to approximately \$3,465,987 for the fiscal year. The minimum future operating non-cancelable lease revenues are as follows:

Fiscal Year Ending	Minimum Revenue Total
2021	\$ 2,822,597
2022	443,197
2023	440,197
2024	264,277
2025	146,277
	<u>\$ 4,116,545</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 made 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 flows. Because this loan is from

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Prosper Portland to the blended component unit it is eliminated and does not appear on the statement of net position.

	Beginning Balance	Additions	Payments/ Reductions	Ending Balances	Long-term Portion	Due within One year
Governmental activities						
Notes payable	\$ 1,126,500	\$ -	\$ 32,249	\$ 1,094,251	\$ 1,062,003	\$ 32,248
Other post-employment benefits	280,843	36,120	26,961	290,002	290,002	-
Net pension liability	10,867,461	2,302,400	-	13,169,861	13,169,861	-
Pollution remediation	49,621,607	1,536,101	-	51,157,708	38,717,523	12,440,185
Vacation accrual	554,160	739,301	530,819	762,642	687,399	75,243
	<u>\$ 62,450,571</u>	<u>\$ 4,613,922</u>	<u>\$ 590,029</u>	<u>\$ 66,474,464</u>	<u>\$ 53,926,788</u>	<u>\$ 12,547,676</u>

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

Debt service requirement on direct borrowing at June 30, 2020, are as follows:

Year Ending, June 30,	Principal	Interest
2021	\$ 32,248	\$ 16,174
2022	33,230	15,680
2023	33,732	15,178
2024	34,241	14,669
2025	34,758	14,151
2026-2030	181,826	62,722
2031-2035	195,978	48,569
2036-2040	211,231	33,316
2041-2045	227,672	16,875
2046-2050	109,335	1,893
	<u>\$ 1,094,251</u>	<u>\$ 239,227</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, 2020 are as follows:

	Accounts Payable
General Fund	\$ 364,128
Downtown Waterfront Tax Increment Financing Fund	87,463
North Macadam Tax Increment Financing Fund	8,493
River District Tax Increment Financing Fund	434,719
Convention Center Tax Increment Financing Fund	40
Lents Town Center Tax Increment Financing Fund	1,540,035
Gateway Regional Center Tax Increment Financing Fund	3,452,887
Interstate Corridor Tax Increment Financing Fund	1,936,948
Other governmental funds	287,074
	<u>\$ 8,111,787</u>

Grant revenues under grant programs and other inter-governmental agreements due from the City of Portland totaled \$4,626,601 at June 30, 2020.

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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	Land /Personal Property Sales	Reimbursement	Other	Total
Governmental funds					
General Fund	\$ -	\$ 351	\$ 5,196	\$ 115,205	\$ 120,752
Component Unit 9101 Foster LLC	-	-	3,447	14,432	17,879
Downtown Waterfront Urban Renewal Fund	10,298	36,907	-	194	47,399
River District Urban Renewal Fund	9,441	-	46,888	13,686	70,015
Convention Center Urban Renewal Fund	-	319,274	-	2,614	321,888
Lents Town Center Urban Renewal Fund	-	2,445,640	-	60,497	2,506,137
Interstate Corridor Urban Renewal Fund	-	-	-	79,124	79,124
Other Non-Major Governmental Funds	7,398	-	-	23,498	30,896
Total governmental funds	27,137	2,802,172	55,531	309,250	3,194,090
Business-type funds					
Business Management Fund	-	-	4,880	-	4,880
Non-major business-type funds	101,786	-	-	-	101,786
Total business-type funds	101,786	-	4,880	-	106,666
	\$ 128,923	\$ 2,802,172	\$ 60,411	\$ 309,250	\$ 3,300,756

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

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

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and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

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.

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

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, 2020 were \$1,491,359, excluding amounts to fund employer specific liabilities. The contribution rates on subject salary in effect for the fiscal year ended June 30, 2020 for each pension program were: Tier1/Tier 2 – 21.86%, OPSRP – 15.53%.

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

At June 30, 2020, Prosper Portland reported a liability for its proportionate share of the pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate

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the pension liability was determined by an actuarial valuation as of December 31, 2016 and rolled forward to June 30, 2019. Prosper Portland's proportion was based on Prosper Portland's projected long-term contribution effort as compared to the total projected pension, a long-term 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, 2020, the City's proportionate share of OPERS pension liability was 3.97438327% and Prosper Portland's portion of the City's OPERS pension liability was 1.5716%.

For the year ended June 30, 2020, Prosper Portland recognized pension expense of \$1,383,161. At June 30, 2020, Prosper Portland reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Summary of Deferred Outflows			
	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Deferred Outflow/(Inflow) of Resources
Differences between expected and actual experience	\$ 700,003	\$ -	\$ 700,003
Net difference between projected and actual earnings on investments	-	(341,160)	(341,160)
Change in assumptions	1,979,457	-	1,979,457
Differences between employer contributions and employer proportionate share	5,447	(247,368)	(241,921)
Changes in proportionate share	594,223	(67,882)	526,341
	<u>3,279,130</u>	<u>(656,410)</u>	<u>2,622,720</u>
Contributions made subsequent to the measurement dates	1,491,358	-	1,491,358
	<u>\$ 4,770,488</u>	<u>\$ (656,410)</u>	<u>\$ 4,114,078</u>

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Prosper Portland deferred \$1,491,358 for contributions made after to the measurement date of June 30, 2019 and before the end of fiscal year 2021 will be recognized as a contribution in the following fiscal period rather than the current fiscal period.

Deferred Outflow of Resources

Fiscal Year Ending June 30,	Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportionate Share	Differences between Employer Contributions and Proportionate Share of Contributions	Total
2021	\$ 237,273	\$ 282,552	\$ 18,537	\$ 1,702	\$ 540,064
2022	185,867	1,572,630	180,049	1,702	1,940,248
2023	138,586	103,563	179,835	1,702	423,686
2024	115,580	20,712	179,835	341	316,468
2025	22,697	-	35,967	-	58,664
	<u>\$ 700,003</u>	<u>\$ 1,979,457</u>	<u>\$ 594,223</u>	<u>\$ 5,447</u>	<u>\$ 3,279,130</u>

Deferred Inflow of Resources

Fiscal Year Ending June 30,	Change in Proportionate Share	Differences Between Employer Contributions and Proportionate Share of Contributions	Net Difference between Projected and Actual Earnings on Investments	Total Deferred Inflows of Resources
2021	\$ (26,769)	\$ (86,452)	\$ 117,679	\$ 4,458
2022	(26,769)	(54,640)	(507,616)	(589,025)
2023	(12,942)	(49,004)	(72,372)	(134,318)
2024	(1,402)	(47,727)	121,149	72,020
2025	-	(9,545)	-	(9,545)
	<u>\$ (67,882)</u>	<u>\$ (247,368)</u>	<u>\$ (341,160)</u>	<u>\$ (656,410)</u>

Net Deferred Outflow/Inflow of Resources

Fiscal Year Ending June 30,	Total Deferred Outflows	Total Deferred Inflows	Total
2021	\$ 540,064	\$ 4,458	\$ 535,606
2022	1,940,248	(589,025)	2,529,273
2023	423,686	(134,318)	558,004
2024	316,468	72,020	244,448
2025	58,664	(9,545)	68,209
	<u>\$ 3,279,130</u>	<u>\$ (656,410)</u>	<u>\$ 3,935,540</u>

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Actuarial Methods and Assumptions:

Actuarial Valuations. The employer contribution rates effective July 1, 2019, through June 30, 2021, 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.

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

Measurement date:	June 30, 2019
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 retirees and beneficiaries:</u> RP-2014 Healthy annuitant, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><u>Active members:</u> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><u>Disabled Retirees:</u> RP-2014 Disabled retirees, sex-distinct, generational 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

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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.

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.0%
Debt Securities	20.0
Public equity	37.5
Private equity	17.5
Real estate	12.5
Alternatives portfolio	12.5
Opportunity portfolio	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.

<u>Asset Class</u>	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
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

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

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate share of the net pension (asset/liability)	\$ 21,090,453	\$ 13,169,861	\$ 6,541,519

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, 2017 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:

- 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.

Changes in Actuarial Methods:

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

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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 2020 Prosper Portland paid \$523,002.

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

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Total OPEB liability

Prosper Portland's total HIC liability of \$290,002 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs:

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

Election and lapse rates

- 40% of eligible employees, 60% of male members and 35% of female members will elect spouse coverage

Withdrawal, retirement, and mortality rates

- December 31, 2017 Oregon PERS valuation

The results of the July 1, 2018 valuation are used to calculate the changes in the total OPEB Liability for the fiscal year ending June 30, 2020.

Changes in Total OPEB Liability

Balance as of June 30, 2019	\$ 280,843
Changes for the year:	
Service cost	16,758
Interest on total OPEB liability	11,000
Effect of assumptions changes or inputs	8,362
Benefit payments	<u>(26,961)</u>
Balance as of June 30, 2020	<u>\$ 290,002</u>

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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.

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	\$313,026	\$290,002	\$268,568

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	\$260,430	\$290,002	\$374,704

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

For the year ended June 30, 2020, Prosper Portland recognized an OPEB expense of \$18,615. At June 30, 2020, they reported deferred inflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (9,807)	\$ (9,807)
Changes of assumptions or inputs	7,167	(39,099)	(31,932)
	7,167	(48,906)	(41,739)
Benefit payments	33,048	-	33,048
	<u>\$ 40,215</u>	<u>\$ (48,906)</u>	<u>\$ (8,691)</u>

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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	\$ 9,143
2022	9,143
2023	9,143
2024	9,022
2025	6,476
Thereafter	(1,188)
	<u>\$ 41,739</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>

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, 2020, was 0.06 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 \$4,232 for the year ended June 30, 2020. 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, 2020, Prosper Portland reported an asset of \$95,832 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation date as of December 31, 2017. 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, 2019 was 1.2454%.

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For the year ended June 30, 2020, Prosper Portland recognized an OPEB credit of -\$10,760. At June 30, 2020, 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	\$ -	\$ (5,837)	\$ (5,837)
Change of Assumptions	-	(101)	(101)
Difference between expected and actual experience	-	(10,160)	(10,160)
Changes in proportionate share	-	(4,337)	(4,337)
Total (prior to post-measurement date contributions)	-	(20,435)	(20,435)
Contributions made subsequent to measurement date	4,232	-	-
Net deferred outflow/(inflows) of resources	<u>\$ 4,232</u>	<u>\$ (20,435)</u>	<u>\$ (16,203)</u>

Deferred outflows of resources resulting from contributions subsequent to the measurement date of \$4,232 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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
2021	\$ (2,934)	\$ (78)	\$ (5,256)	\$ (2,268)	\$ (10,536)
2022	\$ (2,934)	(23)	(4,488)	(1,892)	(9,337)
2023	(570)	-	(416)	(177)	(1,163)
2024	601	-	-	-	601
2025	-	-	-	-	-
	<u>\$ (5,837)</u>	<u>\$ (101)</u>	<u>\$ (10,160)</u>	<u>\$ (4,337)</u>	<u>\$ (20,435)</u>

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Actuarial Methods & Assumptions:

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

Valuation date	July 1, 2017
Measurement date	June 30, 2019
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	3.50%
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, 2019 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 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.

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Assumed Asset Allocation

<u>Asset Class</u>	<u>Target Allocation</u>
Cash	0.0%
Debt Securities	20.0
Public equity	37.5
Private equity	17.5
Real estate	12.5
Alternatives portfolio	12.5
Opportunity portfolio	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 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.

<u>Asset Class</u>	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
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:

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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 (6.20%) or one percentage point higher (8.20%)

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Decrease (8.20%)
Proportionate share of the net OPEB liability (asset)	\$ (113,963)	\$ (95,832)	\$ (74,148)

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 of Prosper Portland's net OPEB liability/(asset), OPEB expense, and net deferred inflows and outflows as of June 30, 2020:

	Deferred Outflow/(Inflow) of Resources - OPEB	Net OPEB Liability/(Asset)	OPEB Expense
RHIA	\$ (16,203)	\$ (95,832)	\$ (10,760)
HIC	(8,691)	290,002	18,615
	<u>\$ (24,894)</u>	<u>\$ 194,170</u>	<u>\$ 7,855</u>

D. Commitments

Contractual and other commitments for subsequent years' expenditures amounting to \$113,648,735 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	\$ -	\$ 3,472,858	\$ 3,472,858
9101 Foster	-	94,111	94,111
North Macadam TIF District	8,246,809	-	8,246,809
River District TIF District	5,114,112	-	5,114,112
Convention Center TIF District	46,207,901	-	46,207,901
Central Eastside TIF District	4,823,083	-	4,823,083
Lents Town Center TIF District	16,596,257	-	16,596,257
Interstate Corridor TIF District	19,007,441	-	19,007,441
Gateway Regional TIF District	8,449,634	-	8,449,634
Other governmental funds	630,031	1,006,498	1,636,529
Total governmental activities	<u>\$ 109,075,268</u>	<u>\$ 4,573,467</u>	<u>\$ 113,648,735</u>

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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 completion of the repayment of the debt by the developer, the assets constructed become the property of the developer. At June 30, 2020, 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, 2020 of \$3,365,000. 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 covered under 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 \$1,000,000 for each incident and each employee.

Prosper Portland is represented by Alliant Insurance Services as its Broker of Record and 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

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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 with an estimated total insured value (TIV) of \$125 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 OneBeacon Insurance Group/Scottsdale Indemnity Company in the amount of \$4 million per claim with a \$50,000 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 \$138,877 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.

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.

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

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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 \$1,536,101. At June 30, 2020, Prosper Portland had a total outstanding pollution remediation liability of \$51,157,708. The estimated current portion is \$12,440,185.

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. 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.

In December 2018 EPA notified many parties that it expected parties to begin remedial design within a year or face enforcement. In response the City has entered into agreements with EPA to perform or fund remedial activities in Portland Harbor. To be consistent with EPA's implementation timeline, the Office of Management and Finance established the Citywide Obligations Reserve Fund a central reserve in January 2020 to collect funds for long-term funds City-wide including certain Portland Harbor obligations. The City General Fund, Water Bureau, BES, Bureau of Transportation and Prosper Portland each have agreed to provide funding to the Citywide Obligations Reserve Fund for this purpose, based on their respective uses of and obligations for remediation associated with properties owned, or operated by each bureau or agency.

Other

The Covid-19 pandemic has decreased both program revenue associated with Prosper Portland real estate and loan assets as well as General Fund resources from the City of Portland. Impacts were realized in the fourth quarter of FY 2019-20 and forecasted reductions in revenue were included in the FY 2020-21 budget. The FY 2021-22 and FY 2022-23 forecasts were also adjusted to account for a longer-term recovery period. There were no major, immediate impacts in the FY 2019-20 project and program budgets as a result of the pandemic due to sufficient TIF resources in most TIF districts. However, the decline in program revenue in FY 2019-20 combined with the forecasted reduction in FY 2020-21 required operating and capital budget expenditure reductions to balance the FY 2020-21 budget. While budgets include

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conservative assumptions on program revenues for the next several years, further reductions in General Fund or other program revenue may necessitate additional reductions to budgets. Program revenues are being monitored closely to determine if additional steps are needed to maintain a balanced budget and additional impacts resulting from changes in General Fund programming will be incorporated when the Mayor proposes the FY 2021-22 Budget in the spring of 2021.

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.

I. Subsequent Events

In August 2020, City Council allocated \$15 million of the City's \$114 million in Federal CARES Act resources for small business relief to be administered by Prosper Portland. In addition, Prosper Portland was awarded \$1.4 million from the Economic Development Administration for a supplemental grant to support loans to small businesses.

Prosper Portland's biggest development project achieved some significant milestones after the end of the fiscal year. Prosper Portland's Board of Commissioners approved the terms of a Disposition and Development Agreement (DDA), Community Benefits Agreement (CBA), and the associated Funding & Finance Plan on August 12, 2020. City Council similarly held a first reading for approval of these agreements, including the initiation of a Local Improvement District (LID) in September 2020. With Council's authorization, Prosper will work to finalize the CBA, DDA, and various Inter-Governmental Agreements consistent with the approved term sheets and Funding & Finance Plan. The Portland Bureau of Transportation (PBOT) also returned to City Council for authorization of the LID formation Ordinance in October 2020. PBOT and Prosper will coordinate with the City Budget Office on the underlying financial analysis for this authorization.

The Broadway Corridor project includes 15 acres within the River District TIF District. The project includes \$40 million of remaining River District TIF funds programmed towards relocation of the existing USPS retail facility, demolition of existing structures, investment in infrastructure and funding a community benefits agreement. Other infrastructure investment will occur through system development charges and local improvement district resources and from future land sales. Total private investment is anticipated to be close to \$1 billion.

REQUIRED SUPPLEMENTARY INFORMATION

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 Inception²

	2020	2019	2018	2017	2016	2015	2014
Prosper Portland's proportion of the net pension liability ¹	0.0869%	0.0717%	0.0733%	0.0736%	0.0721%	0.0892%	0.0892%
Prosper Portland's proportionate share of the net pension liability (asset)	\$ 13,169,861	\$ 10,867,461	\$ 9,878,065	\$ 11,045,372	\$ 4,139,065	\$ (2,021,851)	\$ 4,551,875
Covered payroll	7,275,570	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	181.0148%	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%	82.07%	83.10%	80.50%	91.90%	103.59%	92.00%

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

² 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 Inception¹

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,491,359	\$ 941,781	\$ 915,327	\$ 673,628	\$ 736,024	\$ 596,226	\$ 669,619
Contributions in relation to the actuarially determined contribution	1,491,359	941,781	915,327	673,628	736,024	596,226	669,619
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,275,520	\$ 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	20.50%	12.94%	12.70%	8.37%	8.94%	6.94%	8.01%

¹ 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 Inception¹**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Health Insurance Continuation			
Total OPEB liability, beginning	280,843	336,842	359,090
Service Cost	\$ 16,758	\$ 21,045	\$ 21,990
Interest on total OPEB liability	11,000	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	8,362	(39,972)	(18,548)
Benefit payments	(26,961)	(35,525)	(36,041)
Net change in total OPEB liability	<u>290,002</u>	<u>(55,999)</u>	<u>(22,248)</u>
Total OPEB liability, ending	570,845	280,843	336,842
Covered payroll	7,275,520	8,405,438	7,851,891
Total OPEB liability as a % of covered payroll*	7.8461%	3.3412%	4.2899%

¹Schedule 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 Inception¹

	2020	2019	2018	2017
OPERS Retirement Health Insurance Account				
Proportion of the OPEB Liability	0.0495%	0.0472%	0.0435%	0.0443%
Proportionate share of the net OPEB liability (asset)	\$ (95,832)	\$ (52,218)	\$ (18,170)	\$ 12,021
Covered payroll	\$ 7,275,570	\$ 7,204,530	\$ 8,050,801	\$ 8,234,621
Proportionate share of OPEB liability (asset) as a percentage of covered employee payroll	-1.3172%	-0.7248%	-0.2257%	0.1460%
Plan net position as a percentage of the total OPEB liability	144.40%	124.00%	108.90%	94.20%

¹ 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 Inception¹

	2020	2019	2018	2017
Actuarially determined contribution	\$ 4,232	\$ 31,449	\$ 33,160	\$ 34,512
Contributions in relation to the actuarially determined contribution	4,232	31,449	33,160	34,512
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,275,520	\$ 7,204,530	\$ 8,050,801	\$ 8,234,621
Contributions as a percentage of covered payroll	0.06%	0.44%	0.41%	0.42%

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



PROSPER
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Supplementary Data

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.

COEP (Community Opportunities and Enhancements Program) Fund – Accounts for the City of Portland's effort to distribute a percent of the hard construction costs on all public improvement contracts toward workforce development and business development in the construction sector.

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.

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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash with City of Portland investment pool	\$ 5,624,428	\$ 58,732,847	\$ 64,357,275
Receivables:			
Due from City of Portland	587,438	616,400	1,203,838
Accounts	48,859	342,478	391,337
Loans, net	1,298,814	3,045,531	4,344,345
Interest	22,357	235,284	257,641
Loan interest	820	3,766	4,586
Property held for sale	-	10,541,004	10,541,004
Other	-	167,106	167,106
Total assets	<u>\$ 7,582,716</u>	<u>\$ 73,684,416</u>	<u>\$ 81,267,132</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 697,501	\$ 3,040,757	\$ 3,738,258
Due to City of Portland	-	287,074	287,074
Due to other entities	-	500	500
Due to other funds	298,000	60,000	358,000
Total liabilities	<u>995,501</u>	<u>3,388,331</u>	<u>4,383,832</u>
FUND BALANCES			
Non-spendable			
Loans receivable	750,000	-	750,000
Restricted			
Loans receivable	-	3,795,531	3,795,531
Urban renewal	-	66,500,554	66,500,554
Contractual obligations	5,837,215	-	5,837,215
Total fund balances	<u>6,587,215</u>	<u>70,296,085</u>	<u>76,883,300</u>
Total liabilities and fund balances	<u>\$ 7,582,716</u>	<u>\$ 73,684,416</u>	<u>\$ 81,267,132</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, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 2,247,675	\$ 749,248	\$ 2,996,923
Charges for services	1,338,773	469,885	1,808,658
Loan interest collections	44,535	229,489	274,024
Interest on investments	111,293	1,058,243	1,169,536
Miscellaneous	23,498	7,398	30,896
Tax-increment debt proceeds (in lieu of tax-increment revenue)	<u>-</u>	<u>9,312,942</u>	<u>9,312,942</u>
Total revenues	<u>3,765,774</u>	<u>11,827,205</u>	<u>15,592,979</u>
EXPENDITURES			
Current:			
Community development	139,687	2,149,857	2,289,544
Capital expenditures for urban renewal	-	3,000,000	3,000,000
Financial assistance	<u>3,597,021</u>	<u>1,536,023</u>	<u>5,133,044</u>
Total expenditures	<u>3,736,708</u>	<u>6,685,880</u>	<u>10,422,588</u>
Excess (deficiency) of revenues over expenditures	<u>29,066</u>	<u>5,141,325</u>	<u>5,170,391</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(79,291)</u>	<u>-</u>	<u>(79,291)</u>
Total other financing sources (uses)	<u>(79,291)</u>	<u>-</u>	<u>(79,291)</u>
Net change in fund balances	<u>(50,225)</u>	<u>5,141,325</u>	<u>5,091,100</u>
FUND BALANCES - July 1, 2019	<u>6,637,440</u>	<u>65,154,760</u>	<u>71,792,200</u>
FUND BALANCES - June 30, 2020	<u>\$ 6,587,215</u>	<u>\$ 70,296,085</u>	<u>\$ 76,883,300</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2020

	Housing and Community Development Contract Fund	COEP Fund	Other Federal Grants Fund	Enterprise Zone Fund	Ambassador Program Fund	Total
ASSETS						
Cash with City of Portland investment pool	\$ 169	\$ 4,413	\$ 1,780,838	\$ 3,826,248	\$ 12,760	\$ 5,624,428
Receivables:						
Due from City of Portland	575,487	11,951	-	-	-	587,438
Accounts	-	-	-	48,859	-	48,859
Loans, net	-	-	548,814	750,000	-	1,298,814
Interest	-	(5)	7,727	14,584	51	22,357
Loan interest	-	-	820	-	-	820
Total assets	<u>575,656</u>	<u>16,359</u>	<u>2,338,199</u>	<u>4,639,691</u>	<u>12,811</u>	<u>7,582,716</u>
Total assets	<u>\$ 575,656</u>	<u>\$ 16,359</u>	<u>\$ 2,338,199</u>	<u>\$ 4,639,691</u>	<u>\$ 12,811</u>	<u>\$ 7,582,716</u>
LIABILITIES						
Liabilities:						
Accounts payable	\$ 277,656	\$ -	\$ -	\$ 419,845	\$ -	\$ 697,501
Internal balances	298,000	-	-	-	-	298,000
Total liabilities	<u>575,656</u>	<u>-</u>	<u>-</u>	<u>419,845</u>	<u>-</u>	<u>995,501</u>
FUND BALANCES						
Non-spendable						
Loans receivable	-	-	-	750,000	-	750,000
Restricted						
Contractual obligations	-	16,359	2,338,199	3,469,846	12,811	5,837,215
Total fund balances	<u>-</u>	<u>16,359</u>	<u>2,338,199</u>	<u>4,219,846</u>	<u>12,811</u>	<u>6,587,215</u>
Total liabilities and fund balances	<u>\$ 575,656</u>	<u>\$ 16,359</u>	<u>\$ 2,338,199</u>	<u>\$ 4,639,691</u>	<u>\$ 12,811</u>	<u>\$ 7,582,716</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 SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2020

	Housing and Community Development Contract Fund	COEP Fund	Other Federal Grants Fund	Enterprise Zone Fund	Ambassador Program Fund	Total
REVENUES						
Intergovernmental revenues	\$ 2,247,675	\$ -	\$ -	\$ -	\$ -	\$ 2,247,675
Charges for services	-	107,654	3,828	1,226,756	535	1,338,773
Loan collections	-	-	44,535	-	-	44,535
Interest on investments	-	(4)	33,792	77,224	281	111,293
Miscellaneous	-	-	-	23,498	-	23,498
Total revenues	<u>2,247,675</u>	<u>107,650</u>	<u>82,155</u>	<u>1,327,478</u>	<u>816</u>	<u>3,765,774</u>
EXPENDITURES						
Current:						
Community development	-	12,000	15,136	109,751	2,800	139,687
Financial assistance	<u>2,247,675</u>	<u>-</u>	<u>217,651</u>	<u>1,131,695</u>	<u>-</u>	<u>3,597,021</u>
Total expenditures	<u>2,247,675</u>	<u>12,000</u>	<u>232,787</u>	<u>1,241,446</u>	<u>2,800</u>	<u>3,736,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>95,650</u>	<u>(150,632)</u>	<u>86,032</u>	<u>(1,984)</u>	<u>29,066</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>-</u>	<u>(79,291)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,291)</u>
Total other financing sources (uses)	<u>-</u>	<u>(79,291)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,291)</u>
Net change in fund balances	<u>-</u>	<u>16,359</u>	<u>(150,632)</u>	<u>86,032</u>	<u>(1,984)</u>	<u>(50,225)</u>
FUND BALANCES - July 1, 2019	<u>-</u>	<u>-</u>	<u>2,488,831</u>	<u>4,133,814</u>	<u>14,795</u>	<u>6,637,440</u>
FUND BALANCES - June 30, 2020	<u>\$ -</u>	<u>\$ 16,359</u>	<u>\$ 2,338,199</u>	<u>\$ 4,219,846</u>	<u>\$ 12,811</u>	<u>\$ 6,587,215</u>



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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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues-				
Housing and Community				
Development contract	\$ 2,280,648	\$ 2,280,648	\$ 2,247,675	\$ (32,973)
Total revenues	2,280,648	2,280,648	2,247,675	(32,973)
EXPENDITURES				
Current:				
Community development:				
Economic development	2,280,648	2,280,648	2,247,675	32,973
Total community development	2,280,648	2,280,648	2,247,675	32,973
Total expenditures	2,280,648	2,280,648	2,247,675	32,973
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Enterprise Loans Fund	-	-	298,000	298,000
Total transfers in	-	-	298,000	298,000
Transfers out:				
Enterprise Loans Fund	-	(547,000)	(547,000)	-
Total transfers out	-	(547,000)	(547,000)	-
Net change in fund balance	-	(547,000)	(249,000)	298,000
FUND BALANCE - July 1, 2019	-	547,000	547,000	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	298,000	\$ 298,000
Adjustments to generally accepted accounting principles basis-				
Interfund advances			(298,000)	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ -	

PROSPER PORTLAND
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COEP
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Contractual service charges	\$ -	\$ 200,000	\$ 107,654	\$ (92,346)
Interest on investments	-	-	(4)	(4)
Total revenues	-	200,000	107,650	(92,350)
EXPENDITURES				
Current:				
Community development:				
Economic development	-	95,878	12,000	83,878
Total community development	-	95,878	12,000	83,878
Total expenditures	-	95,878	12,000	83,878
Excess (deficiency) of revenues over expenditures	-	104,122	95,650	(8,472)
OTHER FINANCING USES				
General Fund		(104,122)	(79,291)	24,831
Total transfers out	-	(104,122)	(79,291)	24,831
Total other financing uses	-	(104,122)	(79,291)	24,831
Net change in fund balance	-	-	16,359	16,359
FUND BALANCE - July 1, 2019				
	-	-	-	-
FUND BALANCE - June 30, 2020				
	\$ -	\$ -	16,359	\$ 16,359

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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 500	\$ 500	\$ 3,828	\$ 3,328
Loan collections-				
Principal	154,710	267,182	541,585	274,403
Interest	45,046	43,185	47,598	4,413
Interest on investments	-	-	33,792	33,792
Total revenues	200,256	310,867	626,803	315,936
EXPENDITURES				
Current:				
Community development:				
Economic development	276,407	515,746	287,354	228,392
Total community development	276,407	515,746	287,354	228,392
Contingency	1,269,227	1,244,237	-	1,244,237
Total expenditures	1,545,634	1,759,983	287,354	1,472,629
Excess (deficiency) of revenues over expenditures	(1,345,378)	(1,449,116)	339,449	1,788,565
Net change in fund balance	(1,345,378)	(1,449,116)	339,449	1,788,565
FUND BALANCE - July 1, 2019	1,345,378	1,449,116	1,449,116	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	1,788,565	\$ 1,788,565
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			548,814	
Loan interest receivable			820	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 2,338,199	

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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 15,000	\$ 15,000	\$ 25,500	\$ 10,500
Contractual service charges	1,401,967	1,251,967	1,201,256	(50,711)
Interest on investments	-	-	77,224	77,224
Miscellaneous:				
Other	-	-	23,498	23,498
Total revenues	1,416,967	1,266,967	1,327,478	60,511
EXPENDITURES				
Current:				
Community development:				
Economic development	1,559,731	2,862,038	1,971,627	890,411
Total community development	1,559,731	2,862,038	1,971,627	890,411
Contingency	3,260,914	2,517,058	-	2,517,058
Total expenditures	4,820,645	5,379,096	1,971,627	3,407,469
Excess (deficiency) of revenues over expenditures	(3,403,678)	(4,112,129)	(644,149)	3,467,980
OTHER FINANCING USES				
Internal service reimbursements	(35,392)	(21,686)	(19,820)	1,866
Total other financing uses	(35,392)	(21,686)	(19,820)	1,866
Net change in fund balance	(3,439,070)	(4,133,815)	(663,969)	3,469,846
FUND BALANCE - July 1, 2019	3,439,070	4,133,815	4,133,815	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	3,469,846	\$ 3,469,846
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			750,000	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 4,219,846	

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

AMBASSADOR PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Contractual service charges	-	-	535	535
Interest on investments	\$ -	\$ -	\$ 281	\$ 281
Total revenues	-	-	816	816
EXPENDITURES				
Current:				
Community development:				
Economic development	-	10,000	2,800	7,200
Total community development	-	10,000	2,800	7,200
Contingency	11,419	4,795	-	4,795
Total expenditures	11,419	14,795	2,800	11,995
Excess (deficiency) of revenues over expenditures	(11,419)	(14,795)	(1,984)	12,811
Net change in fund balance	(11,419)	(14,795)	(1,984)	12,811
FUND BALANCE - July 1, 2019	11,419	14,795	14,795	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	\$ 12,811	\$ 12,811

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2020

	Neighborhood Prosperity Initiative Tax Increment Financing Fund	South Park Blocks Tax Increment Financing Fund	Central Eastside Tax Increment Financing Fund
ASSETS			
Cash with City of Portland investment pool	\$ 938,759	\$ 8,568,690	\$ 39,220,240
Receivables:			
Due from City of Portland	616,400	-	-
Accounts	-	-	342,478
Loans, net	-	385,830	800,438
Interest	4,530	34,259	156,712
Loan interest	-	2,390	1,376
Property held for sale	-	-	2,901,699
Other	3,920	-	-
Total Assets	\$ 1,563,609	\$ 8,991,169	\$ 43,422,943
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,000	\$ 3,001,134	\$ 25,854
Due to City of Portland	-	283,511	3,563
Due to other entities	-	-	500
Internal balances	60,000	-	-
Total liabilities	63,000	3,284,645	29,917
FUND BALANCES			
Restricted			
Loans receivable	750,000	385,830	800,438
Urban renewal	750,609	5,320,694	42,592,588
Total fund balances	1,500,609	5,706,524	43,393,026
Total liabilities and fund balances	\$ 1,563,609	\$ 8,991,169	\$ 43,422,943

Airport Way Tax Increment Financing Fund	Willamette Industrial Tax Increment Financing Fund	Total
\$ 5,689,489	\$ 4,315,669	\$ 58,732,847
-	-	616,400
-	-	342,478
1,859,263	-	3,045,531
22,628	17,155	235,284
-	-	3,766
7,639,305	-	10,541,004
163,186	-	167,106
<u>\$ 15,373,871</u>	<u>\$ 4,332,824</u>	<u>\$ 73,684,416</u>
\$ 10,769	\$ -	\$ 3,040,757
-	-	287,074
-	-	500
-	-	60,000
<u>10,769</u>	<u>-</u>	<u>3,388,331</u>
1,859,263	-	3,795,531
<u>13,503,839</u>	<u>4,332,824</u>	<u>66,500,554</u>
<u>15,363,102</u>	<u>4,332,824</u>	<u>70,296,085</u>
<u>\$ 15,373,871</u>	<u>\$ 4,332,824</u>	<u>\$ 73,684,416</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, 2020**

	Neighborhood Prosperity Initiative Tax Increment	South Park Blocks Tax Increment Financing Fund	Central Eastside Tax Increment Financing Fund
REVENUES			
Intergovernmental revenues	\$ 749,248	\$ -	\$ -
Charges for services	-	500	465,805
Loan collections	3,920	13,331	23,425
Interest on investments	21,237	145,326	686,710
Miscellaneous	-	-	-
Tax-increment debt proceeds (in lieu of tax-increment revenue)	<u>616,400</u>	<u>2,000,000</u>	<u>6,696,542</u>
Total revenues	<u>1,390,805</u>	<u>2,159,157</u>	<u>7,872,482</u>
EXPENDITURES			
Current:			
Community development	102,229	639,612	1,016,457
Capital expenditures for urban renewal	-	3,000,000	-
Financial assistance	<u>1,241,200</u>	<u>72,944</u>	<u>213,546</u>
Total expenditures	<u>1,343,429</u>	<u>3,712,556</u>	<u>1,230,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>47,376</u>	<u>(1,553,399)</u>	<u>6,642,479</u>
Net change in fund balances	<u>47,376</u>	<u>(1,553,399)</u>	<u>6,642,479</u>
FUND BALANCES - July 1, 2019	<u>1,453,233</u>	<u>7,259,923</u>	<u>36,750,547</u>
FUND BALANCES - June 30, 2020	<u>\$ 1,500,609</u>	<u>\$ 5,706,524</u>	<u>\$ 43,393,026</u>

Airport Way Tax Increment Financing	Willamette Industrial Tax Increment Financing Fund	Total Governmental Funds
\$ -	\$ -	\$ 749,248
3,580	-	469,885
188,813	-	229,489
118,075	86,895	1,058,243
7,398	-	7,398
-	-	9,312,942
<u>317,866</u>	<u>86,895</u>	<u>11,827,205</u>
359,108	32,451	2,149,857
-	-	3,000,000
<u>8,333</u>	<u>-</u>	<u>1,536,023</u>
<u>367,441</u>	<u>32,451</u>	<u>6,685,880</u>
<u>(49,575)</u>	<u>54,444</u>	<u>5,141,325</u>
<u>(49,575)</u>	<u>54,444</u>	<u>5,141,325</u>
<u>15,412,677</u>	<u>4,278,380</u>	<u>65,154,760</u>
<u>\$ 15,363,102</u>	<u>\$ 4,332,824</u>	<u>\$ 70,296,085</u>

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

NEIGHBORHOOD PROSPERITY INITIATIVE TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues-				
State and local	\$ 801,142	\$ 887,326	\$ 749,248	\$ (138,078)
Interest on investments	-	-	21,237	21,237
Tax increment debt proceeds				
(in lieu of tax increment revenue)	561,897	589,103	616,400	27,297
Total revenues	1,363,039	1,476,429	1,386,885	(89,544)
EXPENDITURES				
Current:				
Community development:				
Economic development	1,106,215	1,481,215	1,243,309	237,906
Total community development	1,106,215	1,481,215	1,243,309	237,906
Contingency	1,327,792	1,404,550	-	1,404,550
Total expenditures	2,434,007	2,885,765	1,243,309	1,642,456
Excess (deficiency) of revenues over expenditures	(1,070,968)	(1,409,336)	143,576	1,552,912
OTHER FINANCING USES				
Internal service reimbursements	(83,820)	(103,897)	(100,120)	3,777
Interfund loan	-	-	(30,000)	(30,000)
Transfers out:	(30,000)	-	-	-
Enterprise Loans Fund	-	(113,000)	(83,000)	30,000
Total transfers out	(30,000)	(113,000)	(83,000)	30,000
Net change in fund balance	(1,184,788)	(1,626,233)	(69,544)	1,556,689
FUND BALANCE - July 1, 2019	1,184,788	1,626,233	1,626,233	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	1,556,689	\$ 1,556,689
Adjustments to generally accepted accounting principles basis-				
Other receivable			3,920	
Interfund advances			(60,000)	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 1,500,609	

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

DOWNTOWN WATERFRONT TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 290	\$ 290	\$ 244	\$ (46)
Rental income	9,740	16,433	17,853	1,420
Loan collections-				
Principal	24,351	200,452	205,944	5,492
Interest	73,480	6,807	7,182	375
Interest on investments	426,530	848,123	859,301	11,178
Miscellaneous:				
Reimbursements	17,000	17,000	-	(17,000)
Sale of personal property	10,000	30,862	41,407	10,545
Other	-	-	195	195
Total revenues	<u>561,391</u>	<u>1,119,967</u>	<u>1,132,126</u>	<u>12,159</u>
EXPENDITURES				
Current:				
Community development:				
Housing	-	565,578	562,921	2,657
Property redevelopment	31,581,188	8,537,341	8,162,795	374,546
Economic development	108,200	181,518	95,882	85,636
Administration	12,121	19,651	11,052	8,599
Total community development	<u>31,701,509</u>	<u>9,304,088</u>	<u>8,832,650</u>	<u>471,438</u>
Contingency	<u>5,932,797</u>	<u>35,319,308</u>	<u>-</u>	<u>35,319,308</u>
Total expenditures	<u>37,634,306</u>	<u>44,623,396</u>	<u>8,832,650</u>	<u>35,790,746</u>
Excess (deficiency) of revenues over expenditures	<u>(37,072,915)</u>	<u>(43,503,429)</u>	<u>(7,700,524)</u>	<u>35,802,905</u>
OTHER FINANCING USES				
Internal service reimbursements	<u>(128,506)</u>	<u>(78,740)</u>	<u>(75,640)</u>	<u>3,100</u>
Net change in fund balance	(37,201,421)	(43,582,169)	(7,776,164)	35,806,005
FUND BALANCE - July 1, 2019	<u>37,201,421</u>	<u>43,582,169</u>	<u>43,582,169</u>	<u>-</u>
FUND BALANCE - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	35,806,005	<u>\$ 35,806,005</u>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			88,776	
Loan interest receivable			134	
Property held for sale			<u>9,033,499</u>	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			<u>\$ 44,928,414</u>	

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

NORTH MACADAM TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Rental income	\$ 361,516	\$ 220,224	\$ 238,748	\$ 18,524
Interest on investments	268,385	476,360	437,454	(38,906)
Tax increment debt proceeds				
(in lieu of tax increment revenue)	13,516,076	14,686,722	13,692,917	(993,805)
Total revenues	14,145,977	15,383,306	14,369,119	(1,014,187)
EXPENDITURES				
Current:				
Community development:				
Housing	4,732,018	3,682,018	184,562	3,497,456
Infrastructure	3,750,000	-	-	-
Property redevelopment	5,328,658	1,192,456	185,464	1,006,992
Economic development	-	245	80	165
Administration	15,337	24,615	22,936	1,679
Total community development	13,826,013	4,899,334	393,042	4,506,292
Contingency	18,363,975	28,660,996	-	28,660,996
Total expenditures	32,189,988	33,560,330	393,042	33,167,288
Excess (deficiency) of revenues over expenditures	(18,044,011)	(18,177,024)	13,976,077	32,153,101
OTHER FINANCING USES				
Internal service reimbursements	(1,989,180)	(1,868,968)	(1,794,270)	74,698
Net change in fund balance	(20,033,191)	(20,045,992)	12,181,807	32,227,799
FUND BALANCE - July 1, 2019	20,033,191	20,045,992	20,045,992	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	32,227,799	\$ 32,227,799
Adjustments to generally accepted accounting principles basis-				
Property held for sale			1,967,850	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 34,195,649	

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

RIVER DISTRICT TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues-				
Federal grants	\$ -	\$ 50,000.00	\$ 9,367	\$ (40,633)
Charges for services-				
Application fees and charges	3,380	3,380.00	2,483	(897)
Rental income	2,714,281	1,577,974.00	2,194,377	616,404
Loan collections-				
Principal	150,797	138,346.00	188,812	50,466
Interest	304,365	310,580.00	418,775	108,195
Interest on investments	1,047,215	1,901,620.00	1,925,605	23,985
Miscellaneous:				
Reimbursements	90,000	-	46,888	46,888
Other	-	90,000.00	13,687	(76,313)
Tax increment debt proceeds (in lieu of tax increment revenue)	12,987,000	12,987,000.00	12,993,049	6,049
Total revenues	17,297,038	17,058,900	17,793,043	734,144
EXPENDITURES				
Current:				
Community development:				
Housing	2,498,286	1,231,690	529,948	701,742
Infrastructure	-	405,517	97,796	307,721
Property redevelopment	25,958,428	17,727,363	7,674,292	10,053,071
Economic development	33,392	158,033	77,358	80,675
Administration	1,345,797	1,054,764	672,296	382,468
Total community development	29,835,903	20,577,367	9,051,690	11,525,677
Contingency	35,745,471	59,782,707	-	59,782,707
Total expenditures	65,581,374	80,360,074	9,051,690	71,308,384
Excess (deficiency) of revenues over expenditures	(48,284,336)	(63,301,174)	8,741,353	72,042,528
OTHER FINANCING SOURCES (USES)				
Internal service reimbursements	(4,603,839)	(4,881,370)	(4,686,042)	195,328
Net change in fund balance	(52,888,175)	(68,182,544)	4,055,311	72,237,856
FUND BALANCE - July 1, 2019	52,888,175	68,182,544	68,182,544	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	72,237,855	\$ 72,237,856
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			13,109,175	
Loan interest receivable			3,716	
Interfund advances			69,951,421	
Property held for sale			8,886,223	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 164,188,390	

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

SOUTH PARK BLOCKS TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 500	\$ 500	\$ 500	\$ -
Loan collections-				
Principal	31,146	28,361	29,074	713
Interest	12,356	12,102	12,110	8
Interest on investments	92,969	123,176	145,326	22,150
Tax increment debt proceeds (in lieu of tax increment revenue)	2,000,000	2,000,000	2,000,000	-
Total revenues	2,136,971	2,164,139	2,187,010	22,871
EXPENDITURES				
Current:				
Community development:				
Housing	-	441,981	296,925	145,056
Infrastructure	2,000,000	3,000,555	3,000,218	337
Property redevelopment	50,000	46,805	29,685	17,120
Economic development	210,000	-	-	-
Administration	7,821	12,051	8,224	3,827
Total community development	2,267,821	3,501,392	3,335,052	166,340
Contingency	5,330,411	5,116,346	-	5,116,346
Total expenditures	7,598,232	8,617,738	3,335,052	5,282,686
Excess (deficiency) of revenues over expenditures	(5,461,261)	(6,453,599)	(1,148,042)	5,305,557
OTHER FINANCING USES				
Internal service reimbursements	(481,332)	(320,297)	(307,550)	12,747
Net change in fund balance	(5,942,593)	(6,773,896)	(1,455,592)	5,318,304
FUND BALANCE - July 1, 2019	5,942,593	6,773,896	6,773,896	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	5,318,304	\$ 5,318,304
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			385,830	
Loan interest receivable			2,390	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 5,706,524	

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

CONVENTION CENTER TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 6,074	\$ 6,074	\$ 2,683	\$ (3,391)
Rental income	4,156,000	1,680,969	1,882,993	202,024
Loan collections-				
Principal	248,302	270,184	297,546	27,362
Interest	303,569	302,921	318,206	15,285
Interest on investments	342,612	181,472	229,864	48,392
Miscellaneous:				
Sale of personal property	-	319,274	319,274	-
Other	-	-	2,614	2,614
Total revenues	<u>5,056,557</u>	<u>2,760,894</u>	<u>3,053,180</u>	<u>292,286</u>
EXPENDITURES				
Current:				
Community development:				
Housing	549,653	592,031	275,458	316,573
Infrastructure	2,000,000	2,000,000	2,000,000	-
Property redevelopment	8,035,749	7,759,297	6,886,004	873,293
Economic development	166,899	6,103	1,304	4,799
Administration	12,121	19,651	11,052	8,599
Total community development	<u>10,764,422</u>	<u>10,377,082</u>	<u>9,173,818</u>	<u>1,203,264</u>
Contingency	<u>2,450,347</u>	<u>6,532,013</u>	<u>-</u>	<u>6,532,013</u>
Total expenditures	<u>13,214,769</u>	<u>16,909,095</u>	<u>9,173,818</u>	<u>7,735,277</u>
Excess (deficiency) of revenues over expenditures	<u>(8,158,212)</u>	<u>(14,148,201)</u>	<u>(6,120,638)</u>	<u>8,027,563</u>
OTHER FINANCING USES				
Internal service reimbursements	<u>(546,651)</u>	<u>(634,439)</u>	<u>(609,120)</u>	<u>25,319</u>
Total other financing uses	<u>(546,651)</u>	<u>(634,439)</u>	<u>(609,120)</u>	<u>25,319</u>
Net change in fund balance	<u>(8,704,863)</u>	<u>(14,782,640)</u>	<u>(6,729,758)</u>	<u>8,052,882</u>
FUND BALANCE - July 1, 2019	<u>8,704,863</u>	<u>14,782,640</u>	<u>14,782,640</u>	<u>-</u>
FUND BALANCE - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>8,052,882</u>	<u>\$ 8,052,882</u>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			6,472,076	
Loan interest receivable			4,325	
Property held for sale			<u>5,580,314</u>	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			<u>\$ 20,109,597</u>	

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

CENTRAL EASTSIDE TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 2,424	\$ 2,424.00	\$ 1,357	\$ (1,067)
Rental income	478,784	388,573.00	464,448	75,875
Loan collections-				
Principal	206,535	150,424.00	179,432	29,008
Interest	19,451	19,616.00	24,182	4,566
Interest on investments	370,902	605,855.00	686,710	80,855
Tax increment debt proceeds (in lieu of tax increment revenue)	6,693,300	6,693,300.00	6,696,542	3,242
Total revenues	7,771,396	7,860,192	8,052,671	192,479
EXPENDITURES				
Current:				
Community development:				
Housing	4,751,102	101,102.00	93,827	7,275
Infrastructure	1,985,000	1,985,755.00	736	1,985,019
Property redevelopment	5,578,973	7,709,186.00	478,078	7,231,108
Economic development	361,375	350,644.00	43,355	307,289
Administration	6,650	11,595.00	9,751	1,844
Total community development	12,683,100	10,158,282	625,747	9,532,535
Contingency	26,013,904	29,941,311.00	-	29,941,311
Total expenditures	38,697,004	40,099,593	625,747	39,473,846
Excess (deficiency) of revenues over expenditures	(30,925,608)	(32,239,401)	7,426,924	39,666,325
OTHER FINANCING USES				
Internal service reimbursements	(481,433)	(581,509)	(558,320)	23,189
Net change in fund balance	(31,407,041)	(32,820,910)	6,868,604	39,689,514
FUND BALANCE - July 1, 2019	31,407,041	32,820,910	32,820,910	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	39,689,514	\$ 39,689,514
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			800,438	
Loan interest receivable			1,375	
Property held for sale			2,901,699	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 43,393,026	

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

LENTS TOWN CENTER TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 3,120	\$ 3,120	\$ 11,544	\$ 8,424
Rental income	426,301	108,418	112,582	4,164
Contractual service charges	-	-	44,260	44,260
Loan collections-				
Principal	257,009	162,498	176,412	13,914
Interest	37,904	34,175	37,633	3,458
Interest on investments	152,644	506,111	131,472	(374,639)
Miscellaneous:				
Sale of personal property	4,400,000	2,445,640	2,445,640	-
Other	54,528	43,452	60,497	17,045
Tax increment debt proceeds (in lieu of tax increment revenue)	44,842,053	11,988,000	11,993,807	5,807
Total revenues	50,173,559	15,291,414	15,013,847	(277,567)
EXPENDITURES				
Current:				
Community development:				
Housing	4,482,575	4,583,993	4,003,345	580,648
Infrastructure	1,880,864	1,892,075	1,553,608	338,467
Property redevelopment	12,334,910	12,508,426	4,402,967	8,105,459
Economic development	783,442	797,261	201,366	595,895
Administration	38,243	78,096	56,976	21,120
Total community development	19,520,034	19,859,851	10,218,262	9,641,589
Contingency	31,118,692	360,588	-	360,588
Total expenditures	50,638,726	20,220,439	10,218,262	10,002,177
Excess (deficiency) of revenues over expenditures	(465,167)	(4,929,025)	4,795,585	9,724,610
OTHER FINANCING USES				
Internal service reimbursements	(2,289,654)	(2,361,040)	(2,266,660)	94,380
Net change in fund balance	(2,754,821)	(7,290,065)	2,528,925	9,818,990
FUND BALANCE - July 1, 2019	<u>2,754,821</u>	<u>7,290,065</u>	<u>7,290,065</u>	<u>-</u>
FUND BALANCE - June 30, 2020	\$ <u>-</u>	\$ <u>-</u>	9,818,990	\$ <u>9,818,990</u>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			13,083,415	
Loan interest receivable			10,789	
Property held for sale			<u>2,768,428</u>	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ <u>25,681,622</u>	

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

INTERSTATE CORRIDOR TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 2,128	\$ 2,128	\$ 6,844	\$ 4,716
Rental income	386,233	209,757	235,275	25,518
Loan collections-				
Principal	197,596	98,973	107,859	8,886
Interest	34,088	40,717	50,026	9,309
Interest on investments	507,694	829,001	725,076	(103,925)
Miscellaneous:				
Other	142,653	76,229	79,124	2,895
Tax increment debt proceeds (in lieu of tax increment revenue)	26,973,000	26,973,000	26,986,065	13,065
Total revenues	28,243,392	28,229,805	28,190,269	(39,536)
EXPENDITURES				
Current:				
Community development:				
Housing	27,049,021	31,910,524	30,141,980	1,768,544
Infrastructure	774,000	300,069	123,278	176,791
Property redevelopment	8,009,521	10,116,827	2,631,741	7,485,086
Economic development	363,102	406,788	298,452	108,336
Administration	32,610	45,441	39,301	6,140
Total community development	36,228,254	42,779,649	33,234,752	9,544,897
Contingency	14,553,211	30,992,395	-	30,992,395
Total expenditures	50,781,465	73,772,044	33,234,752	40,537,292
Excess (deficiency) of revenues over expenditures	(22,538,073)	(45,542,239)	(5,044,483)	40,497,756
OTHER FINANCING USES				
Internal service reimbursements	(2,250,116)	(2,519,602)	(2,418,880)	100,722
Net change in fund balance	(24,788,189)	(48,061,841)	(7,463,363)	40,598,478
FUND BALANCE - July 1, 2019	24,788,189	48,061,841	48,061,841	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	40,598,478	\$ 40,598,478
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			898,812	
Loan interest receivable			7,485	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 41,504,775	

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

GATEWAY REGIONAL CENTER TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 48	\$ 48	\$ 134,611	\$ 134,563
Rental income	63,600	63,203	51,404	(11,799)
Loan collections-				
Principal	-	186	279	93
Interest	187,267	2,814	4,221	1,407
Interest on investments	154,323	228,866	334,329	105,463
Tax increment debt proceeds				
(in lieu of tax increment revenue)	5,994,000	5,994,000	5,996,920	2,920
Total revenues	6,399,238	6,289,117	6,521,764	232,647
EXPENDITURES				
Current:				
Community development:				
Housing	4,709,702	6,953,553	6,444,535	509,018
Infrastructure	1,058,363	7,991	665	7,326
Property redevelopment	17,251,331	17,376,222	8,750,935	8,625,287
Economic development	350,200	356,882	78,234	278,648
Administration	5,589	12,803	10,969	1,834
Total community development	23,375,185	24,707,451	15,285,338	9,422,113
Contingency	403,671	355,693	-	355,693
Total expenditures	23,778,856	25,063,144	15,285,338	9,777,806
Excess (deficiency) of revenues over expenditures	(17,379,618)	(18,774,027)	(8,763,574)	10,010,453
OTHER FINANCING USES				
Internal service reimbursements	(327,255)	(454,036)	(435,940)	18,096
Total other financing uses	(327,255)	(454,036)	(435,940)	18,096
Net change in fund balance	(17,706,873)	(19,228,063)	(9,199,514)	10,028,549
FUND BALANCE - July 1, 2019	17,706,873	19,228,063	19,228,063	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	10,028,549	\$ 10,028,549
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			797,047	
Other receivable			469	
Property held for sale			4,108,319	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 4,934,885	

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

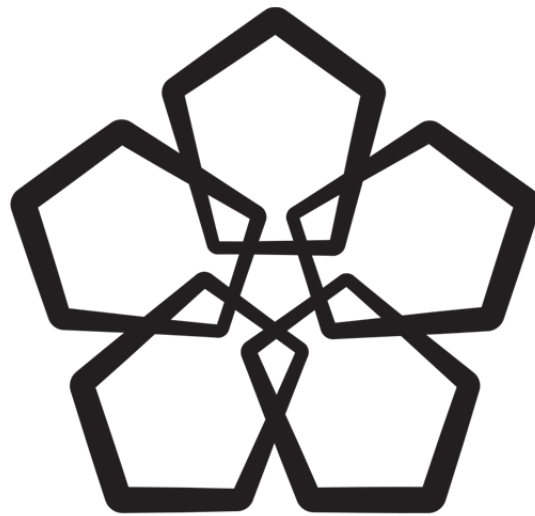
AIRPORT WAY TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Application fees and charges	\$ 362	\$ 362.00	\$ 3,580	\$ 3,218
Loan collections-				
Principal	54,464	57,586.00	77,690	20,104
Interest	15,852	18,886.00	25,627	6,741
Interest on investments	82,364	120,927.00	118,075	(2,852)
Total revenues	153,042	197,761	224,972	27,211
EXPENDITURES				
Current:				
Community development:				
Property redevelopment	234,665	185,928	120,516	65,412
Economic development	46,908	248,909	228,270	20,639
Administration	7,821	11,051	7,314	3,737
Total community development	289,394	445,888	356,100	89,788
Contingency	4,627,806	5,580,553	-	5,580,553
Total expenditures	4,917,200	6,026,441	356,100	5,670,341
Excess (deficiency) of revenues over expenditures	(4,764,158)	(5,828,680)	(131,128)	5,697,552
OTHER FINANCING USES				
Internal service reimbursements	(156,879)	(96,126)	(92,330)	3,796
Net change in fund balance	(4,921,037)	(5,924,806)	(223,458)	5,701,348
FUND BALANCE - July 1, 2019	4,921,037	5,924,806	5,924,806	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	5,701,348	\$ 5,701,348
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			1,859,263	
Other receivable			163,186	
Property held for sale			7,639,305	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 15,363,102	

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

WILLAMETTE INDUSTRIAL TAX INCREMENT FINANCING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ 62,628	\$ 88,842	\$ 86,895	\$ (1,947)
Total revenues	62,628	88,842	86,895	(1,947)
EXPENDITURES				
Current:				
Community development:				
Property redevelopment	20,000	60,618	32,369	28,249
Economic development	90,000	90,306	82	90,224
Total community development	110,000	150,924	32,451	118,473
Contingency	4,076,535	4,216,298	-	4,216,298
Total expenditures	4,186,535	4,367,222	32,451	4,334,771
Excess (deficiency) of revenues over expenditures	(4,123,907)	(4,278,380)	54,444	4,332,824
OTHER FINANCING SOURCES (USES)				
Internal service reimbursements	(33,528)	-	-	-
Net change in fund balance	(4,157,435)	(4,278,380)	54,444	4,332,824
FUND BALANCE - July 1, 2019	4,157,435	4,278,380	4,278,380	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	\$ 4,332,824	\$ 4,332,824



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, 2020

	Enterprise Loans Fund
ASSETS	
Current assets:	
Cash with City of Portland	
investment pool	\$ 4,082,691
Receivables:	
Internal balances	358,000
Loans, net	112,440
Interest	16,482
Other	3,148
	<hr/>
Total current assets	4,572,761
	<hr/>
Noncurrent assets:	
Loans receivable, net	773,882
	<hr/>
Total noncurrent assets	773,882
	<hr/>
Total assets	\$ 5,346,643
	<hr/> <hr/>
LIABILITIES AND NET POSITION	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 42,025
	<hr/>
Total current liabilities	42,025
	<hr/>
Total liabilities	42,025
	<hr/>
NET POSITION	
Unrestricted	5,304,618
	<hr/>
Total net position	5,304,618
	<hr/>
Total liabilities and net position	\$ 5,346,643
	<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, 2020

	Enterprise Loans Fund
OPERATING REVENUES:	
Charges for services	\$ 10,534
Interest on loans	31,336
Miscellaneous revenues	<u>101,786</u>
Total operating revenues	<u>143,656</u>
 OPERATING EXPENSES:	
Personal services	34,904
Professional services	43,369
Financial assistance	<u>154,289</u>
Total operating expenses	<u>232,562</u>
Operating income (loss)	<u>(88,906)</u>
 NON-OPERATING REVENUES (EXPENSE):	
Interest on investments	<u>88,944</u>
Total non-operating revenues (expense)	<u>88,944</u>
Income before transfers	<u>38</u>
Change in net position	<u>38</u>
 Net position - July 1, 2019	<u>5,304,580</u>
 Net position - June 30, 2020	<u><u>\$ 5,304,618</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, 2020

	<u>Non-Major Business-type Activities -</u>
	<u>Enterprise Loans Fund</u>
Cash flows from operating activities:	
Loan collections from borrowers	\$ 135,652
Interest on loans from borrowers	28,416
Loan fees from customers	10,534
Payments to employees	(9,374)
Payments to vendors	(1,341)
Payments for interfund services used	(25,530)
Loans to borrowers	(720,777)
Net cash provided/(used) by operating activities	<u>(582,420)</u>
Cash flows from noncapital financing activities:	
Repayment of interfund borrowing	660,000
Interfund borrowing	(298,000)
Net cash provided by noncapital financing activities	<u>362,000</u>
Cash flows from investing activities:	
Interest received from investing	<u>97,138</u>
Net cash increase (decrease) in cash and cash equivalents	(123,282)
Cash and cash equivalents-July 1, 2019	<u>4,205,973</u>
Cash and cash equivalents-June 30, 2020	<u>\$ 4,082,691</u>
Cash with City of Portland investment pool	<u>\$ 4,082,691</u>
Total	<u>\$ 4,082,691</u>
Reconciliation of operating income to net cash provided/(used) by operating activities:	
Net operating income(loss)	\$ (88,906)
Adjustments to reconcile net operating income to net cash provided/(used) by operating activities:	
Decrease in loans receivable	(532,619)
Decrease in due from other entities	(2,920)
Decrease in accounts payable	42,025
Total adjustments	<u>(493,514)</u>
Net cash provided/(used) by operating activities	<u>\$ (582,420)</u>

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, 2020

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Charges for services-				
Application fees and charges	\$ -	\$ -	\$ 10,534	\$ 10,534
Loan collections-				
Principal	243,014	33,301	135,652	102,351
Interest	5,804	20,503	28,416	7,913
Interest on investments	1,215	1,215	88,944	87,729
Total revenues	<u>250,033</u>	<u>55,019</u>	<u>263,546</u>	<u>208,527</u>
EXPENDITURES				
Current:				
Community development:				
Economic development	2,000,450	2,047,754	773,521	1,274,233
Total community development	<u>2,000,450</u>	<u>2,047,754</u>	<u>773,521</u>	<u>1,274,233</u>
Contingency	4,027,939	3,119,543	-	3,119,543
Total expenditures	<u>6,028,389</u>	<u>5,167,297</u>	<u>773,521</u>	<u>4,393,776</u>
Excess (deficiency) of revenues over expenditures	<u>(5,778,356)</u>	<u>(5,112,278)</u>	<u>(509,975)</u>	<u>4,602,303</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan	-	-	30,000	30,000
Transfers in:				
General Fund	30,000	248,116	-	(248,116)
Housing and Community Development Contract Fund	-	547,000	547,000	-
Neighborhood Prosperity Urban Renewal Fund		113,000	83,000	(30,000)
Total transfers in	<u>30,000</u>	<u>908,116</u>	<u>630,000</u>	<u>(278,116)</u>
Internal service reimbursements	(43,235)	(26,491)	(25,530)	961
Transfers out:				
Housing and Community Development Fund	-	-	(298,000)	(298,000)
Total transfers out	<u>-</u>	<u>-</u>	<u>(298,000)</u>	<u>(298,000)</u>
Total other financing sources (uses)	<u>(13,235)</u>	<u>881,625</u>	<u>336,470</u>	<u>(545,155)</u>
Net change in fund balance	(5,791,591)	(4,230,653)	(173,505)	4,057,148
FUND BALANCE - July 1, 2019	<u>5,791,591</u>	<u>4,230,653</u>	<u>4,230,653</u>	<u>-</u>
FUND BALANCE - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>4,057,148</u>	<u>\$ 4,057,148</u>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			886,322	
Loan interest receivable			3,148	
Interfund advances			<u>358,000</u>	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			<u>\$ 5,304,618</u>	

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, 2020

	Small Business Loan Fund	Business Development Loan Fund	Working Capital fund	NPI Opportunity Fund	Workforce Training/Hiring Fund	Total Enterprise Loans Fund
ASSETS						
Current assets:						
Cash with City of Portland						
Investment pool	\$ 640,513	\$ 1,398,520	\$ 1,174,049	\$ 750,064	\$ 119,545	\$ 4,082,691
Receivables:						
Due from other funds	250,000	108,000	-	-	-	358,000
Loans, net	7,894	104,546		-	-	112,440
Interest	2,715	5,096	4,672	3,523	476	16,482
Loan interest	2,546	242	360	-	-	3,148
Total current assets	<u>903,668</u>	<u>1,616,404</u>	<u>1,179,081</u>	<u>753,587</u>	<u>120,021</u>	<u>4,572,761</u>
Noncurrent assets:						
Loans receivable, net	551,774	(63,767)	100,625	185,250	-	773,882
Total noncurrent assets	<u>551,774</u>	<u>(63,767)</u>	<u>100,625</u>	<u>185,250</u>	<u>-</u>	<u>773,882</u>
Total assets	<u>1,455,442</u>	<u>1,552,637</u>	<u>1,279,706</u>	<u>938,837</u>	<u>120,021</u>	<u>5,346,643</u>
LIABILITIES AND NET POSITION						
Liabilities:						
Current liabilities:						
Accounts payable	-	-	-	-	42,025	42,025
Total current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,025</u>	<u>42,025</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,025</u>	<u>42,025</u>
Net Position:						
Unrestricted	<u>\$ 1,455,442</u>	<u>\$ 1,552,637</u>	<u>\$ 1,279,706</u>	<u>\$ 938,837</u>	<u>\$ 77,996</u>	<u>\$ 5,304,618</u>

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, 2020

	Small Business Loan Fund	Business Development Loan Fund	Working Capital Fund	NPI Opportunity Fund	Workforce Training/Hiring Fund	Total Enterprise Loans Fund
OPERATING REVENUES:						
Charges for services	\$ 3,914	\$ 5,797	\$ 823	\$ -	\$ -	\$ 10,534
Interest on loans	19,921	5,519	5,896	-	-	31,336
Miscellaneous revenues	-	-	101,786	-	-	101,786
Total operating revenues	<u>23,835</u>	<u>11,316</u>	<u>108,505</u>	<u>-</u>	<u>-</u>	<u>143,656</u>
OPERATING EXPENSES:						
Personal services	26,159	6,650	2,095	-	-	34,904
Professional services	294	867	140	43	42,025	43,369
Financial assistance	<u>27,544</u>	<u>116,995</u>	<u>-</u>	<u>9,750</u>	<u>-</u>	<u>154,289</u>
Total operating expenses	<u>53,997</u>	<u>124,512</u>	<u>2,235</u>	<u>9,793</u>	<u>42,025</u>	<u>232,562</u>
Operating income (loss)	<u>(30,162)</u>	<u>(113,196)</u>	<u>106,270</u>	<u>(9,793)</u>	<u>(42,025)</u>	<u>(88,906)</u>
NON-OPERATING REVENUES (EXPENSE):						
Interest on investment	<u>16,126</u>	<u>28,268</u>	<u>23,369</u>	<u>18,775</u>	<u>2,406</u>	<u>88,944</u>
Total non-operating revenues (expense)	<u>16,126</u>	<u>28,268</u>	<u>23,369</u>	<u>18,775</u>	<u>2,406</u>	<u>88,944</u>
Income (loss) before transfers	<u>(14,036)</u>	<u>(84,928)</u>	<u>129,639</u>	<u>8,982</u>	<u>(39,619)</u>	<u>38</u>
Change in net position	<u>(14,036)</u>	<u>(84,928)</u>	<u>129,639</u>	<u>8,982</u>	<u>(39,619)</u>	<u>38</u>
Net position - July 1, 2019	<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>
Net position - June 30, 2020	<u>\$ 1,455,442</u>	<u>\$ 1,552,637</u>	<u>\$ 1,279,706</u>	<u>\$ 938,837</u>	<u>\$ 77,996</u>	<u>\$ 5,304,618</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, 2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services-				
Rental income	\$ 490,232	\$ 1,131	\$ 151,545	\$ 150,414
Contractual service charges	-	-	50,000	50,000
Interest on investments	113,739	139,815	139,716	(99)
Miscellaneous:				
Reimbursements	30,000	15,000	4,880	(10,120)
Total revenues	633,971	155,946	346,141	190,195
Property redevelopment	676,238	5,363,976	569,713	4,794,263
Administration	-	494	116	378
Total community development	676,238	5,364,470	569,829	4,794,641
Contingency	5,662,898	3,906,962	-	3,906,962
Total expenditures	6,339,136	9,271,432	569,829	8,701,603
Excess (deficiency) of revenues over expenditures	(5,705,165)	(9,115,486)	(223,688)	8,891,798
OTHER FINANCING USES				
Transfers out:				
Housing and Community Development Fund	-	(42,779)	(42,779)	-
Total transfers out	-	(42,779)	(42,779)	-
Total other financing uses	-	(42,779)	(42,779)	-
Net change in fund balance	(5,705,165)	(9,158,265)	(266,467)	8,891,798
FUND BALANCE - July 1, 2019	5,705,165	9,158,265	9,158,265	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	8,891,798	\$ 8,891,798
Adjustments to generally accepted accounting principles basis-				
Interfund advances			(69,951,421)	
Property held for sale			71,167,180	
FUND BALANCE - June 30, 2020 (GAAP BASIS)			\$ 10,107,557	

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest on investments	\$ -	\$ -	\$ 2,783	\$ 2,783
Total revenues	-	-	2,783	2,783
EXPENDITURES				
Current:				
Community development:				
Administration	-	20,000	-	20,000
Total community development	-	20,000	-	20,000
Contingency	133,192	116,094	-	116,094
Total expenditures	133,192	136,094	-	136,094
Excess (deficiency) of revenues over expenditures	(133,192)	(136,094)	2,783	138,877
Net change in fund balance	(133,192)	(136,094)	2,783	138,877
FUND BALANCE - July 1, 2019	133,192	136,094	136,094	-
FUND BALANCE - June 30, 2020	\$ -	\$ -	\$ 138,877	\$ 138,877



PROSPER
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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, 2020

Governmental funds capital assets:		
Land	\$	14,126,571
Buildings and improvements		66,575,767
Leasehold improvements		3,849,501
Equipment		464,727
Intangible software, net		1,099,534
Work in process		2,019,162
Accumulated depreciation		(8,564,207)
	\$	<u>79,571,055</u>
Investment in governmental funds capital assets by source:		
General Fund	\$	1,564,261
Special Revenue Fund		14,397,208
Capital Projects Funds		72,173,793
Accumulated depreciation		(8,564,207)
	\$	<u>79,571,055</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, 2020

Function and Activity	Land	Buildings	Leasehold Improvements	Equipment	Software	Work in Process	Total
Community development Revitalization Administration	\$ 14,126,571 -	\$ 66,575,767 -	\$ 3,849,501 -	\$ 464,727 -	\$ 1,099,534 -	\$ 2,019,162 -	\$ 82,721,500 5,413,762
Total community development	14,126,571	66,575,767	3,849,501	464,727	1,099,534	2,019,162	88,135,262
Less: accumulated depreciation	-	(4,362,103)	(3,849,501)	(352,603)	-	-	(8,564,207)
Total governmental funds capital assets	\$ 14,126,571	\$ 62,213,664	\$ -	\$ 112,124	\$ 1,099,534	\$ 2,019,162	\$ 79,571,055

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, 2020

Function and Activity	Governmental Capital Assets July 1, 2019	Additions	Deductions	Governmental Capital Assets June 30, 2020
Community development				
Revitalization	\$ 81,687,482	\$ 4,720,953	\$ 3,686,935	\$ 82,721,500
Administration	5,618,933	-	205,171	5,413,762
Total community development	87,306,415	4,720,953	3,892,106	88,135,262
Less: accumulated depreciation	(7,682,982)	(881,225)	-	(8,564,207)
Total governmental funds capital assets	<u>\$ 79,623,433</u>	<u>\$ 3,839,728</u>	<u>\$ 3,892,106</u>	<u>\$ 79,571,055</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, 2020

Funding Source	Balance July 1, 2019	Additions	Sales/ Adjustment	Balance June 30, 2020
HELD FOR SALE ASSETS:				
General Fund (Urban Redevelopment Fund):				
Woodstock & Foster Rd-Dagel-LTC	100,000	-	-	100,000
9330 SE Harold St-Boys & Girls Club-LTC	46,754	-	-	46,754
Total	146,754	-	-	146,754
Downtown Waterfront Urban Renewal Fund:				
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)	77,500	-	15,500	62,000
Block 24	-	8,001,430	-	8,001,430
Total	1,047,569	8,001,430	15,500	9,033,499
North Macadam Urban Renewal Fund:				
Pascuzzi Site	28,246	46,898	-	75,144
South Waterfront Development	1,892,705	-	-	1,892,705
Total	1,920,951	46,898	-	1,967,849
River District Urban Renewal Fund:				
NW Naito Parkway	122,919	146,641	-	269,560
Block 25	-	20,933	-	20,933
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
Total	8,718,649	167,574	-	8,886,223
Convention Center Urban Renewal Fund:				
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
Total	5,580,314	-	-	5,580,314
Central Eastside Urban Renewal Fund:				
ODOT Blocks	2,845,000	-	-	2,845,000
** WIP Clinton Triangle	56,699	-	-	56,699
Total	2,901,699	-	-	2,901,699
Lents Town Center Urban Renewal Fund:				
9330 SE Harold St-Boys and Girls Club	1,251,909	29,032	-	1,280,941
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
Total	2,739,395	29,032	-	2,768,427
Gateway Regional Center Urban Renewal Fund:				
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
Total	4,108,319	-	-	4,108,319
Airport Way Urban Renewal Fund:				
Cascade Station Lease Rights	7,758,669	-	119,364	7,639,305
Total	7,758,669	-	119,364	7,639,305
Business Management Fund				
BLOCK 25-3RD/4TH & NW FLANDERS/GLISAN	965,788	-	-	965,788
US Postal Site-715 NW Hoyt St	70,201,392	-	-	70,201,392
Total	71,167,180	-	-	71,167,180
Total all HFS funds	106,089,499	8,244,934	134,864	114,199,569

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, 2020

Funding Source	Balance July 1, 2019	Additions	Sales/ Adjustment	Balance June 30, 2020
NOT HELD FOR SALE ASSETS (CAPITAL ASSETS):				
General Fund (Urban Redevelopment Fund):				
South Auditorium Park Block C	2	-	-	2
Total	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
9101 Foster LLC Fund:				
Lents Commons-9101 SE Foster RD	14,125,259	-	-	14,125,259
Lents Commons-9101 SE Foster RD	829,000	-	-	829,000
Lents Commons commercial space WIP	-	7,650	-	7,650
Total	<u>14,954,259</u>	<u>7,650</u>	<u>-</u>	<u>14,961,909</u>
Downtown Waterfront Urban Renewal Fund:				
Union Station Parcels-South of Union St	632,260	-	-	632,260
Total	<u>632,260</u>	<u>-</u>	<u>-</u>	<u>632,260</u>
North Macadam Urban Renewal Fund:				
1852 SW River Dr-River Place Garage	4,175,080	-	-	4,175,080
Total	<u>4,175,080</u>	<u>-</u>	<u>-</u>	<u>4,175,080</u>
River District Urban Renewal Fund:				
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
Total	<u>22,433,254</u>	<u>-</u>	<u>-</u>	<u>22,433,254</u>
Convention Center Urban Renewal Fund:				
Block 49 Parking Garage	26,926,166	2,701,791	-	29,627,957
1st/Multnomah /2nd/Holladay-Block 49	1,747,754	-	-	1,747,754
420 Holladay St-Inn @ Convention Center	3,900,000	-	-	3,900,000
Total	<u>32,573,920</u>	<u>2,701,791</u>	<u>-</u>	<u>35,275,711</u>
Central Eastside Urban Renewal Fund:				
240 NE MLK Blvd	157,556	-	-	157,556
Total	<u>157,556</u>	<u>-</u>	<u>-</u>	<u>157,556</u>
Lents Town Center Urban Renewal Fund:				
5716 SE 92nd Ave-Bakery Block	2,151,149	-	2,151,149	-
Total	<u>2,151,149</u>	<u>-</u>	<u>2,151,149</u>	<u>-</u>
Interstate Corridor Urban Renewal Fund:				
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
Total	<u>4,610,002</u>	<u>-</u>	<u>1,535,786</u>	<u>3,074,216</u>
Gateway Regional Center Urban Renewal Fund:				
106 & Halsey	-	2,011,512	-	2,011,512
Total	<u>-</u>	<u>2,011,512</u>	<u>-</u>	<u>2,011,512</u>
Total all NHFS funds	<u>81,687,482</u>	<u>4,720,953</u>	<u>3,686,935</u>	<u>82,721,500</u>
Total all real property assets	<u>187,776,981</u>	<u>12,965,887</u>	<u>3,821,799</u>	<u>196,921,069</u>
CAPITAL ASSETS:				
Add:				
Equipment	464,727	-	-	464,727
Leasehold improvements Mason/Ehrman Bldg	3,849,501	-	-	3,849,501
Intangible Software, net	1,304,705	(205,171)	-	1,099,534
Accumulated depreciation-NHFS	(7,682,982)	(881,225)	-	(8,564,207)
Total Capital Assets	<u>185,712,932</u>	<u>11,879,491</u>	<u>3,821,799</u>	<u>193,770,624</u>

** Represents work in process

Statistical
Section_____



PROSPER
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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.

Contents	Page
Financial Trends	123
<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	129
<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	131
<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	134
<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	145
<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)

	2010-11	2011-12 (as restated) ⁽¹⁾	2012-13	2013-14 (as restated) ⁽²⁾	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental activities										
Net investment in capital assets	\$ 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	\$ 79,571,055
Restricted	213,594,580	289,054,092	276,246,064	297,804,184	315,138,288	378,814,692	350,670,021	391,726,468	382,668,262	371,515,177
Unrestricted	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)	(23,510,361)
Total governmental activities net position	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	427,575,871
Business-type activities										
Restricted	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000
Unrestricted	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	12,412,175
Total business type activities net position	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	15,412,175
Total government										
Net investment in capital assets	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	79,571,055
Restricted	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	374,515,177
Unrestricted	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)	(11,098,186)
Total government net position	\$ 230,285,885	\$ 289,465,633	\$ 290,577,473	\$ 316,435,395	\$ 335,613,252	\$ 400,887,023	\$ 386,258,309	\$ 443,718,659	\$ 455,770,477	\$ 442,988,046

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

(2) 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)

	2010-11	2011-12 (as restated) ⁽¹⁾	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Expenses										
Governmental activities:										
Community development	\$ 156,412,909	\$ 99,713,038	\$ 101,248,381	\$ 64,855,696	\$ 68,554,886	\$ 68,101,385	\$ 149,834,069	\$ 121,245,646	\$ 123,737,081	\$ 122,350,894
Business-type activities:										
Enterprise loans	10,621,790	375,805	214,579	79,814	365,839	63,104	47,240	329,863	154,113	232,562
Enterprise management	985,671	1,015,468	958,743	1,052,367	1,203,460	1,177,944	537,901	589,648	601,153	569,828
Total expenses	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	123,153,284
Program Revenues										
Governmental activities:										
Charges for services	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	7,517,968
Operating grants and contributions	7,262,870	7,170,821	7,970,747	7,641,493	9,146,959	16,566,699	8,308,635	9,854,592	9,611,334	11,215,872
Total governmental activities program revenues	11,247,058	10,462,013	12,017,809	16,377,389	15,104,435	39,578,839	19,046,873	17,824,284	18,329,197	18,733,840
Business-type activities:										
Charges for services										
Enterprise Loans	1,126,578	240,514	95,055	163,255	333,883	13,562	5,021	2,602	1,674	10,534
Enterprise management	932,367	977,933	1,118,228	6,836,340	1,093,796	5,114,402	59,633	48,000	63,028	201,545
Operating grants and contributions	200,092	200,000	-	-	-	871,000	-	-	-	-
Total business-type activities program revenues	2,259,037	1,418,447	1,213,283	6,999,595	1,427,679	5,998,964	64,654	50,602	64,702	212,079
Total revenues	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	18,945,919
Net (expense)/revenue:										
Governmental activities	(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)	(103,617,054)
Business-type activities	(9,348,424)	27,174	39,961	5,867,414	(141,620)	4,757,916	(520,487)	(868,909)	(690,564)	(590,311)
Total net expenses	(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)	(104,207,365)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Tax-increment debt proceeds	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	80,975,700
(In lieu of tax-increment revenue)	-	-	-	-	-	-	17,372,202	-	9,499,409	-
City of portland debt proceeds for operations	664,618	525,565	675,546	838,080	1,076,076	1,711,929	2,246,957	3,350,550	6,108,557	5,818,369
Unrestricted investment income	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	4,264,203
Miscellaneous	-	-	-	5,800,000	-	-	-	-	-	-
Special Item - Historic Monument	-	-	-	2,227,027	(79,621)	(138,203)	(99,018)	-	-	-
Transfer 511 NW Broadway	50,000	(60,000)	-	74,550,210	72,653,750	88,609,487	126,382,430	147,263,350	117,602,393	42,779
Transfers	92,646,628	157,796,778	80,754,295	-	-	-	-	-	-	91,101,051
Total governmental activities										
Business-type activities:										
Unrestricted investment income	14,356	7,480	8,768	27,889	36,527	102,954	152,615	138,711	286,853	228,860
Miscellaneous	-	78,729	-	-	-	187,757	44,906	4,324,901	249,633	138,002
Transfers	(50,000)	60,000	-	(2,227,027)	79,621	138,203	99,018	-	31,387	(42,779)
Total business-type activities	(35,644)	146,209	8,768	(2,199,138)	116,148	428,914	296,539	4,463,612	547,873	323,883
Total	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	91,424,934
Changes in Net Position										
Governmental activities	(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	(12,516,003)
Business-type activities	(9,384,068)	173,383	48,729	3,668,276	(25,472)	5,186,830	(223,948)	3,594,703	(142,691)	(266,428)
Total	\$ (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	\$ (12,782,431)

(1) 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)

	2010-11	2011-12 (as restated) ⁽¹⁾	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General Fund										
Non-spendable	\$ 1,042,036	\$ 1,028,551	\$ 1,105,962	\$ 806,471	\$ 859,630	\$ 302,609	\$ 247,518	\$ 244,069	\$ 146,754	\$ 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	1,225,520
Unassigned	1,010,040	751,723	-	(19,680)	535,759	-	-	-	-	-
Total general fund	\$ 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	\$ 1,372,274
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750,000
Unreserved, report in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
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	386,718,887	429,364,897	425,304,911	421,676,131
Unassigned	-	-	-	-	-	-	(6,150,877)	(15,279,155)	(15,035,998)	(14,737,270)
Total all other government funds	\$ 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	\$ 407,688,861

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

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

	2010-11	2011-12 (as restated) ^(a)	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues										
Intergovernmental revenues	\$ 7,262,870	\$ 7,170,821	\$ 7,970,747	\$ 7,641,493	\$ 9,146,999	\$ 9,887,944	\$ 8,308,635	\$ 9,854,692	\$ 9,611,334	\$ 11,215,872
Charges for services	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	7,517,968
Loan collections	1,010,555	1,238,233	1,287,686	1,241,522	5,169,226	2,550,478	3,448,954	1,225,070	1,005,275	1,086,495
Interest on investments	662,945	523,907	674,321	836,822	1,074,653	1,710,068	2,267,507	3,348,717	6,105,655	5,815,586
City of Portland debt issued operations	-	-	-	-	-	6,878,755	17,372,202	-	9,499,409	-
Miscellaneous	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	3,194,090
Tax-increment debt proceeds	-	-	-	-	-	-	-	-	-	-
(in lieu of tax-increment revenue)	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	80,975,700
Total revenues	102,632,476	167,922,903	92,770,879	86,347,459	85,377,729	128,307,427	145,486,325	164,648,486	136,024,629	109,815,711
Expenditures										
Community development	63,899,297	61,122,362	52,585,334	32,577,253	41,931,774	39,872,743	73,538,917	63,600,619	75,764,645	71,229,908
Capital expenditures for urban renewal	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	10,557,905
Financial assistance	45,947,640	16,871,782	12,297,219	22,487,023	21,920,157	10,469,685	31,513,955	39,857,414	31,078,637	32,424,555
Debt service -	-	-	-	-	-	-	-	-	14,257	13,461
Capital Outlay	727,463	-	112,488	373,615	241,008	406,187	6,755,078	13,290,386	23,104,785	4,994,518
Total expenditures	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	119,222,347
Excess of revenues over (under) expenditures	(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)	(9,406,636)
Other financing sources (uses)										
Internal service reimbursements	-	-	-	-	-	-	-	-	-	-
Transfers in	50,000 ⁽¹⁾	135,000	-	2,783,306	306,267	-	-	-	-	122,070
Transfers out	-	(195,000)	-	(556,279)	(385,888)	(138,203)	(99,018)	-	(31,387)	(79,291)
Total other financing sources (uses)	50,000	(60,000)	-	2,227,027	(79,621)	(138,203)	(99,018)	-	(31,387)	42,779
Net change in fund balances	\$ (53,203,921)	\$ 72,701,942	\$ (6,754,638)	\$ 20,055,659	\$ 13,094,953	\$ 62,555,016	\$ 913,426	\$ 34,029,362	\$ (3,774,785)	\$ (9,363,857)

- (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)

Fiscal Year	Inter-Governmental Revenues	Charges for Services	Loan Collections ⁽¹⁾	Investment Income	Miscellaneous	Tax-increment Debt Proceeds (in lieu of tax-increment revenue)	Total
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 ⁽³⁾	14,989,913	1,774,970	12,019,278 ⁽²⁾	82,062,888	149,509,847
2016-17	8,308,635	10,760,230	23,822,421	2,862,402	43,643,995 ⁽⁴⁾	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
2019-20	11,215,872	6,972,572	2,914,261	6,047,029	3,158,456	80,975,700	111,283,890

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)

Fiscal Year	Personal Services	Materials and Services	Capital Outlay⁽¹⁾	Financial Assistance	Debt Service	Total
2010-11	17,904,488	49,598,814 ⁽²⁾	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 ⁽³⁾	24,370,157	-	85,555,353
2016-17	11,773,156	61,624,590	93,273,152 ⁽⁴⁾	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
2019-20	14,209,484	57,141,260	19,019,788	24,571,053	-	114,941,585

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) Increase due principally to reimbursement payments to Portland Housing Bureau.
- (3) 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.
- (4) 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 ⁽¹⁰⁾	City of Portland	Port of Portland	Metro Service District	Tri-County Metropolitan Transportation District ⁽⁹⁾	Multnomah County ESD	Subtotal	City of Portland Urban Renewal ⁽¹⁾
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
2019-20	4.3434	1.2100	7.2444	0.0701	0.0966	-	0.4576	13.4221	0.2108

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 ⁽²⁾	Parkrose School District #3 ⁽³⁾	Reynolds School District #7 ⁽⁴⁾	David Douglas School District #40 ⁽⁸⁾	East Multnomah County Soil & Water Conservation District ⁽⁵⁾	West Multnomah County Soil & Water Conservation District ⁽⁶⁾	Portland Community College ⁽²⁾	Mt. Hood Community College ⁽⁷⁾
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
4.7743	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, 2020
(Unaudited)

Fiscal Year	Downtown		Interstate		Interstate		Convention		River District		South Park		Lents Town		Central		North Macadam	
	Waterfront		Corridor		Urban		Center Urban		Urban Renewal		Blocks Urban		Center Urban		Eastside Urban		Urban Renewal	
	Bonds	2008	Bonds	2015	Bonds	2011	Bonds	2012	Bonds	2012	Bonds	2019	Bonds	2020	Bonds	2011	Bonds	2020
	Series A	Series A	Series A	Series A	Series A & B	Series A	Series A	Series A, B & C	Series A	Series A	Series A	Series A	Series A & B	Series A & B	Series A & B	Series A & B	Series A & B	Series A & B
2020-21	5,415,000	1,710,000	2,065,000	14,075,000	5,735,000	4,635,637	2,514,598	1,425,000	3,591,392									
2021-22	5,760,000	1,800,000	2,175,000	14,600,000	5,965,000	4,750,601	2,553,323	1,490,000	3,690,932									
2022-23	6,120,000	1,890,000	2,315,000	15,165,000	6,235,000	4,868,416	2,592,644	1,555,000	3,761,786									
2023-24	7,000,000	1,980,000	2,460,000	15,775,000	2,165,000	4,560,360	2,632,571	1,625,000	3,830,320									
2024-25	-	2,080,000	2,615,000	9,645,000	2,255,000	-	2,681,536	1,700,000	3,904,580									
2025-26	-	-	2,780,000	-	2,350,000	-	2,731,413	1,780,000	3,979,386									
2026-27	-	-	2,940,000	-	2,465,000	-	2,782,217	1,870,000	4,049,399									
2027-28	-	-	3,085,000	-	2,570,000	-	2,833,966	1,960,000	4,129,527									
2028-29	-	-	3,230,000	-	2,700,000	-	2,064,045	2,060,000	4,203,563									
2029-30	-	-	3,390,000	-	2,835,000	-	-	2,165,000	4,282,590									
2030-31	-	-	3,560,000	-	2,985,000	-	-	2,280,000	-									
2031-32	-	-	-	-	3,130,000	-	-	-	-									
Total	\$ 24,295,000	\$ 9,460,000	\$ 30,615,000	\$ 69,260,000	\$ 41,390,000	\$ 18,815,014	\$ 23,386,313	\$ 19,910,000	\$ 39,423,475									

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.

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

URBAN RENEWAL AND REDEVELOPMENT BONDS
FUTURE BOND INTEREST REQUIREMENTS
As of June 30, 2020
(Unaudited)

Fiscal Year	Downtown Waterfront		Interstate Corridor		Convention Center Urban		River District Urban		South Park Blocks Urban		Lents Town Center Urban		Central Eastside Urban		North Macadam Urban	
	Bonds	Renewal	Bonds	Renewal	Bonds	Renewal	Bonds	Renewal	Bonds	Renewal	Bonds	Renewal	Bonds	Renewal	Bonds	Renewal
	2008 Series A	2015 Series A	2011 Series A & B	2012 Series A	2012 Series A, B & C	2019 Series A	2020 Series A & B	2011 Series A & B	2020 Series A & B	2011 Series A & B	2020 Series A & B	2011 Series A & B	2020 Series A & B	2011 Series A & B	2020 Series A & B	2011 Series A & B
2020-21	1,530,585	473,000	1,670,815	2,774,802	1,878,047	466,612	410,472	978,671	774,820							
2021-22	1,189,440	387,500	1,560,874	2,250,790	1,653,858	351,649	371,747	912,125	671,632							
2022-23	826,560	297,500	1,423,980	1,685,332	1,380,069	233,834	332,426	848,800	604,254							
2023-24	441,000	203,000	1,278,274	1,075,244	1,089,535	113,097	292,499	780,769	533,532							
2024-25	-	104,000	1,123,441	416,953	1,000,121	-	243,533	705,613	461,522							
2025-26	-	-	958,853	-	903,607	-	193,657	624,863	388,116							
2026-27	-	-	802,538	-	788,700	-	142,852	535,863	313,303							
2027-28	-	-	655,538	-	677,950	-	91,103	442,362	237,175							
2028-29	-	-	509,000	-	549,450	-	38,391	344,362	159,540							
2029-30	-	-	347,500	-	414,450	-	-	236,212	80,513							
2030-31	-	-	178,000	-	272,700	-	-	122,550	-							
2031-32	-	-	-	-	125,200	-	-	-	-							
Total	\$ 3,987,585	\$ 1,465,000	\$ 10,508,813	\$ 8,203,122	\$ 10,733,687	\$ 1,165,191	\$ 2,116,679	\$ 6,532,190	\$ 4,224,406							

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.

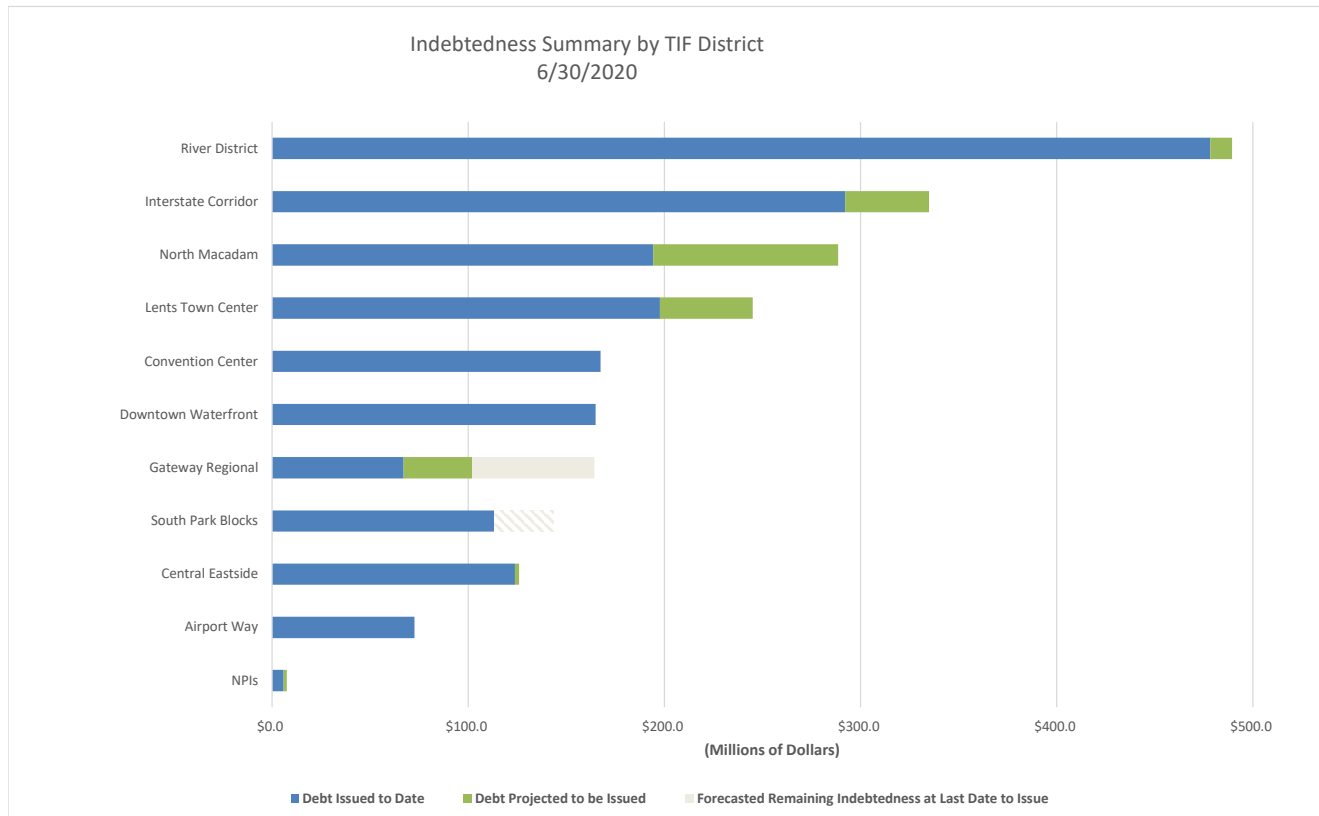
PROSPER PORTLAND
A COMPONENT UNIT OF THE CITY OF PORTLAND, OREGON

URBAN RENEWAL INDEBTEDNESS SUMMARY
As of June 30, 2020
In Millions
(Unaudited)

TIF District	Maximum Indebtedness	Indebtedness Issued as of 06/30/20	Indebtedness Remaining as of June 30, 2020	Projected Indebtedness to Be Issued	Projected Indebtedness Not Issued	Last Date to Issue Long Term Debt
Downtown Waterfront	\$ 165.0	\$ 165.0	\$ -	\$ -	\$ -	2008
South Park Blocks	\$ 143.6	\$ 113.5	\$ 30.1	\$ -	\$ 30.1	2008
Airport Way	\$ 72.6	\$ 72.6	\$ -	\$ -	\$ -	2011
Convention Center	\$ 167.5	\$ 167.5	\$ -	\$ -	\$ -	2013
Lents Town Center	\$ 245.0	\$ 197.8	\$ 47.2	\$ 47.2	\$ -	2020
River District	\$ 489.5	\$ 478.4	\$ 11.1	\$ 11.1	\$ -	2021
Gateway	\$ 164.2	\$ 67.0	\$ 97.2	\$ 34.9	\$ 62.3	2022
Central Eastside	\$ 126.0	\$ 123.8	\$ 2.2	\$ 2.2	\$ -	2023
North Macadam	\$ 288.6	\$ 194.4	\$ 94.2	\$ 94.2	\$ -	2025
Interstate Corridor	\$ 335.0	\$ 292.2	\$ 42.8	\$ 42.8	\$ -	N/A
Neighborhood Prosperity Initiative (6)	\$ 7.5	\$ 5.8	\$ 1.7	\$ 1.7	\$ -	N/A

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

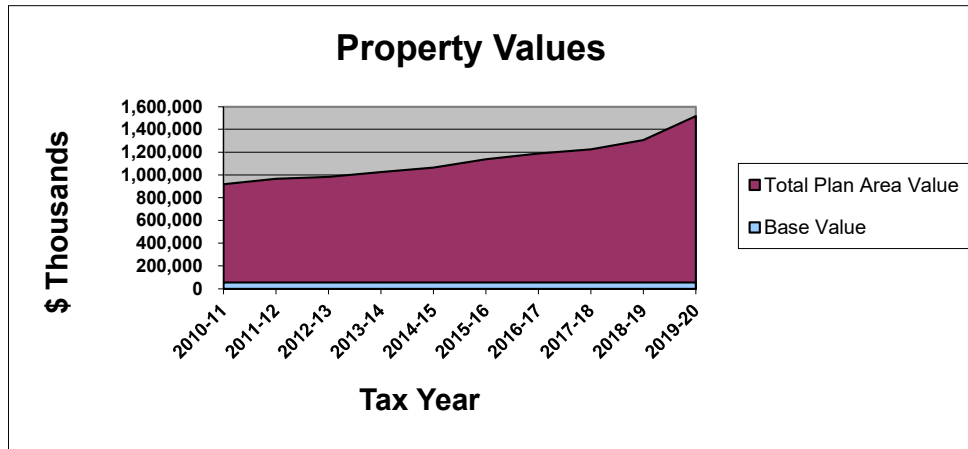
NEIGHBORHOOD PROSPERITY INITIATIVE URBAN RENEWAL FUND
PROPERTY VALUES, TAX INCREMENT
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)

	42nd Ave NPI District	82nd Ave NPI District	Cully Blvd NPI District	Division- Midway NPI District	Parkrose NPI District	Rosewood NPI District
<i>Frozen Base</i>						
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
2019-20	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
<i>Excess Value Used</i>						
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
2019-20	6,680,697	6,680,697	6,680,697	6,276,587	6,566,574	6,373,833
<i>Excess Value Not Used</i>						
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
2019-20	22,777,365	11,721,718	22,880,823	19,128,431	19,428,680	16,758,097
<i>Total Plan Area Value</i>						
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
2019-20	112,661,660	102,088,920	112,749,010	107,748,480	111,048,960	104,364,660
<i>Taxes Imposed</i>						
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
2019-20	102,551	104,441	102,551	102,551	104,682	102,135
<i>Measure 5 Loss</i>						
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
2019-20	4,887	4,887	4,887	4,248	7,374	4,287

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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	22.39	55,674,313	1,461,853,577	7,301,505

Source: Multnomah County Division of Assessment and Taxation

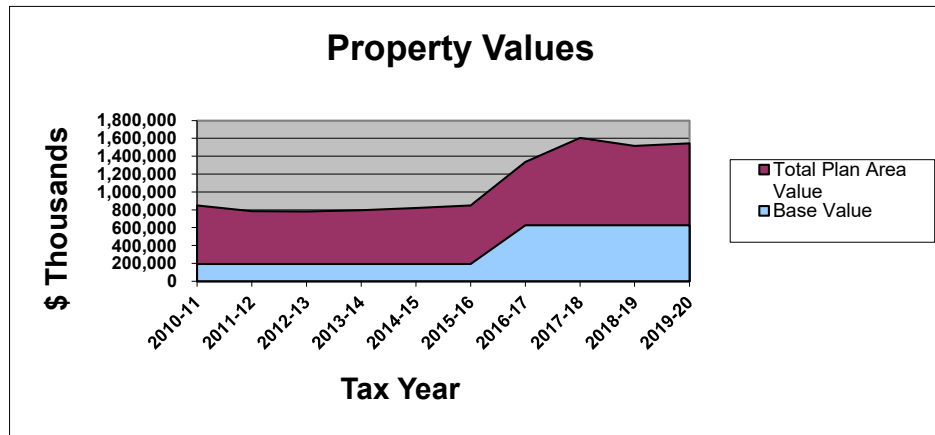
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	3,841	3,998	620,560	655,843
Per Capita Income	\$ 31,366	\$ 34,049	\$ 33,116	\$ 36,242
Total Housing Units	2,615	2,666	278,917	292,702
Owner Occupied Housing Units	309	325	130,533	136,985
Renter Occupied Housing Units	2,173	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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	22.48	628,094,444	915,380,706	19,646,889

Source: Multnomah County Division of Assessment and Taxation

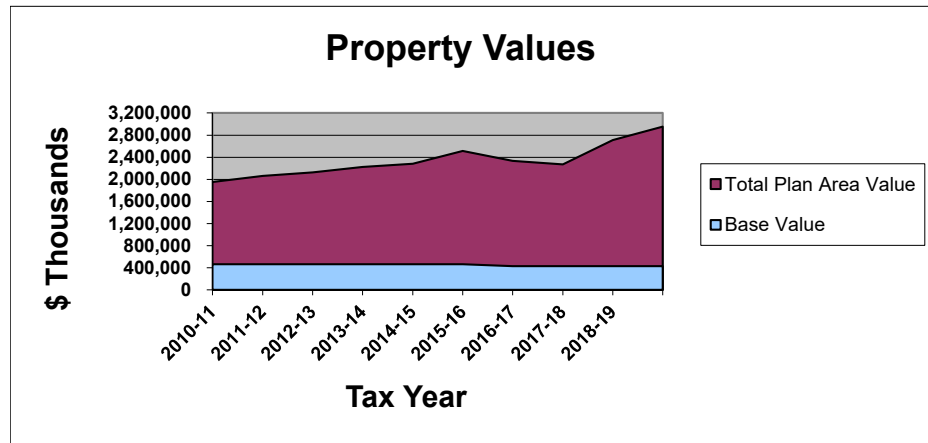
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	5,650	6,287	620,560	655,843
Per Capita Income	\$ 59,166	\$ 66,504	\$ 33,116	\$ 36,242
Total Housing Units	4,122	4,482	278,917	292,702
Owner Occupied Housing Units	1,035	1,143	130,533	136,985
Renter Occupied Housing Units	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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2018-19	21.48	432,292,135	2,518,882,445	46,643,845

Source: Multnomah County Division of Assessment and Taxation

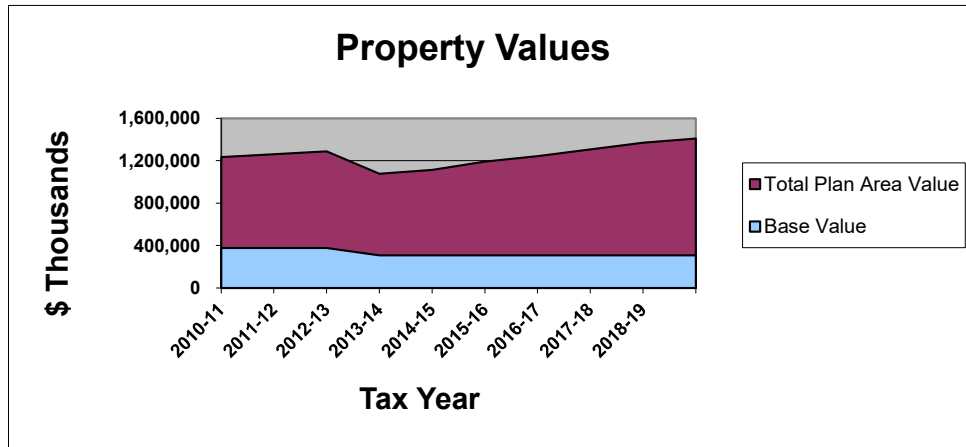
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	6,045	6,655	620,560	655,843
Per Capita Income	\$ 55,058	\$ 62,645	\$ 33,116	\$ 36,242
Total Housing Units	4,525	4,817	278,917	292,702
Owner Occupied Housing Units	932	968	130,533	136,985
Renter Occupied Housing Units	2,819	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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	22.32	305,692,884	1,104,310,256	5,343,828

Source: Multnomah County Division of Assessment and Taxation

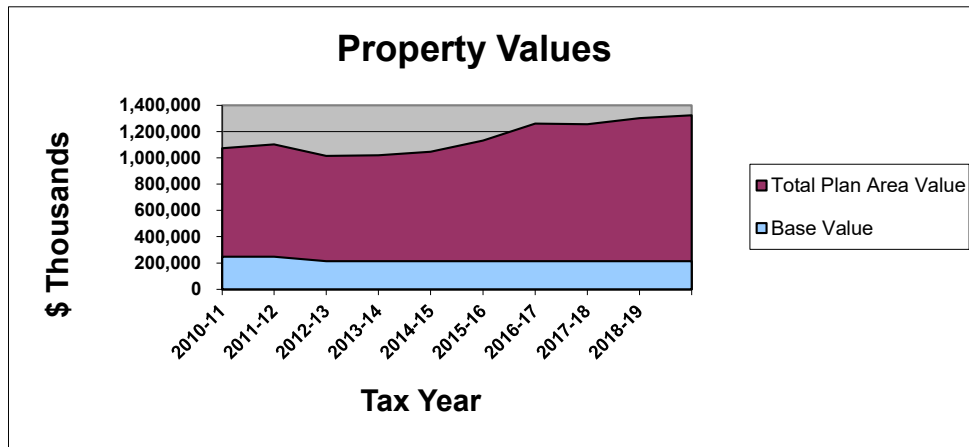
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	3,761	4,067	620,560	655,843
Per Capita Income	\$ 28,739	\$ 31,756	\$ 33,116	\$ 36,242
Total Housing Units	2,694	2,926	278,917	292,702
Owner Occupied Housing Units	248	269	130,533	136,985
Renter Occupied Housing Units	2,082	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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	22.36	214,100,689	1,110,928,481	5,423,332

Source: Multnomah County Division of Assessment and Taxation

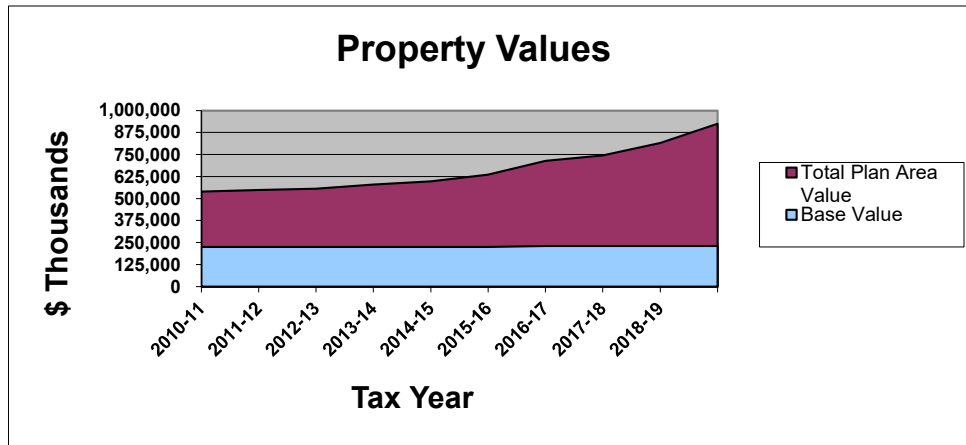
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	1,682	1,813	620,560	655,843
Per Capita Income	\$ 37,185	\$ 39,368	\$ 33,116	\$ 36,242
Total Housing Units	1,157	1,237	278,917	292,702
Owner Occupied Housing Units	154	165	130,533	136,985
Renter Occupied Housing Units	886	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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	18.50	230,541,190	561,016,722	9,907,248

Source: Multnomah County Division of Assessment and Taxation

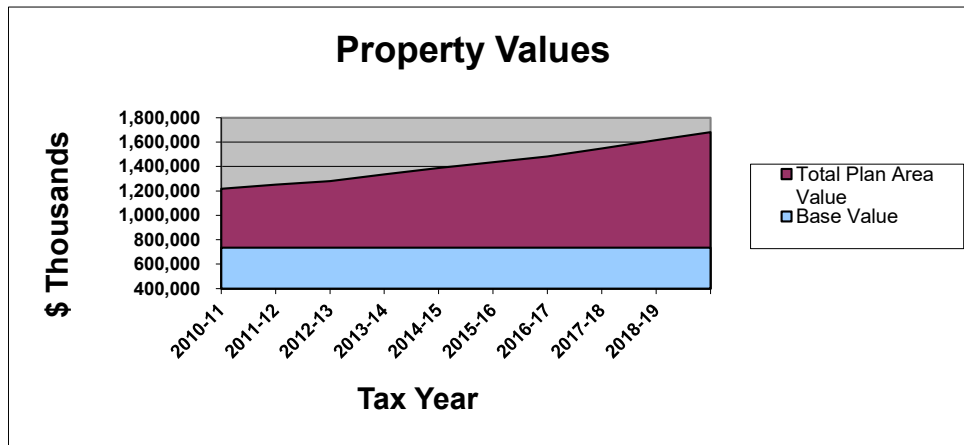
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	2,161	2,336	620,560	655,843
Per Capita Income	\$ 28,760	\$ 31,212	\$ 33,116	\$ 36,242
Total Housing Units	1,164	1,269	278,917	292,702
Owner Occupied Housing Units	90	96	130,533	136,985
Renter Occupied Housing Units	1,000	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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	21.98	736,224,033	946,816,977	19,897,906

Source: Multnomah County Division of Assessment and Taxation

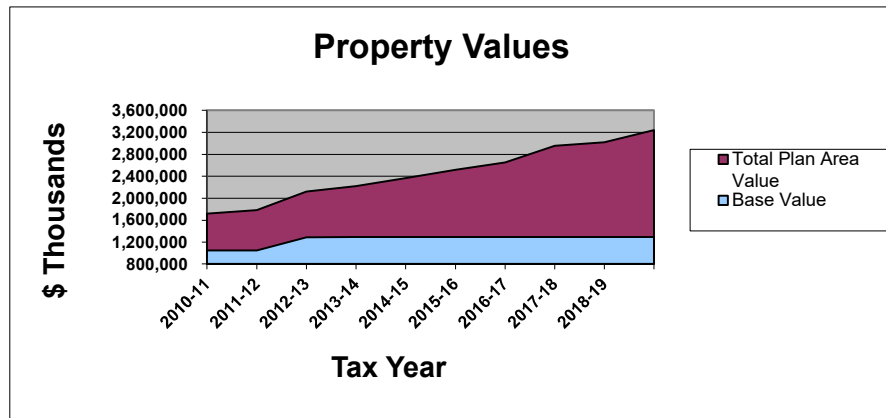
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	29,633	31,066	620,560	655,843
Per Capita Income	\$ 18,275	\$ 19,957	\$ 33,116	\$ 36,242
Total Housing Units	11,332	11,796	278,917	292,702
Owner Occupied Housing Units	5,111	5,379	130,533	136,985
Renter Occupied Housing 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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	22.51	1,293,460,097	1,947,841,353	41,864,209

Source: Multnomah County Division of Assessment and Taxation

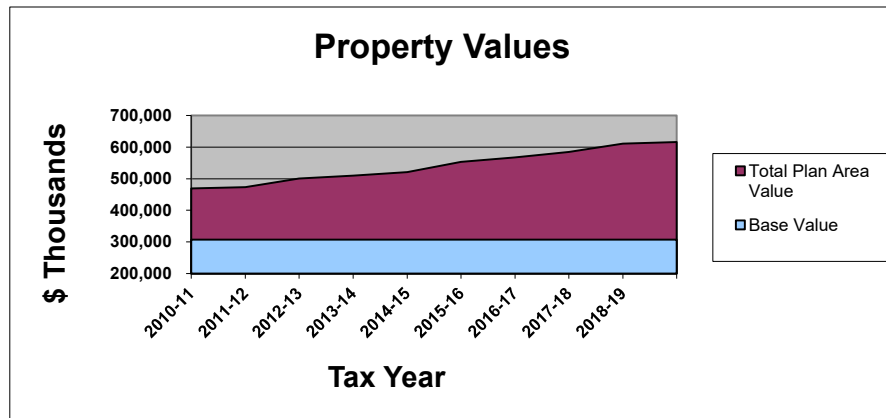
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	38,606	41,451	620,560	655,843
Per Capita Income	\$ 24,928	\$ 27,360	\$ 33,116	\$ 36,242
Total Housing Units	16,821	17,979	278,917	292,702
Owner Occupied Housing Units	7,435	7,857	130,533	136,985
Renter Occupied Housing 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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	20.67	307,174,681	308,744,919	6,113,222

Source: Multnomah County Division of Assessment and Taxation

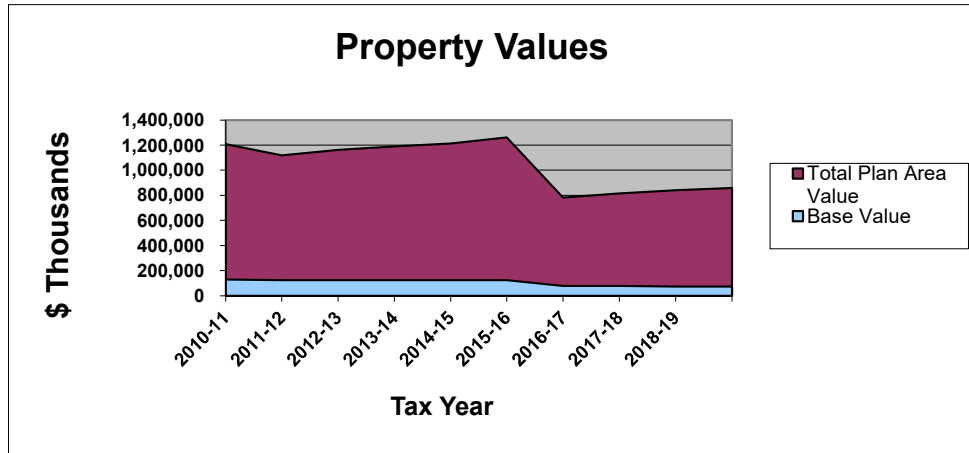
	URA		Portland	
	Current 2016	Projected 2021	Current 2016	Projected 2021
Population	6,006	6,347	620,560	655,843
Per Capita Income	\$ 22,821	\$ 24,695	\$ 33,116	\$ 36,242
Total Housing Units	3,100	3,251	278,917	292,702
Owner Occupied Housing Units	716	845	130,533	136,985
Renter Occupied Housing Units	2,058	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 TAX INCREMENT FINANCING FUND
PROPERTY VALUES, TAX INCREMENT, AND PROJECTED DEMOGRAPHICS
For The Last Ten Fiscal Years Or Since Inception
(Unaudited)



Tax Year	Tax Rate ⁽¹⁾	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt ⁽¹⁾
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
2019-20	20.50	73,942,075	784,161,985	2,328,718

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>
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
2019-20	187	24,547,960

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 (Millions)			Per Capita Income		
	Portland/ Vancouver/ Hillsboro MSA	Oregon	U.S. Total	Portland/ Vancouver/ Hillsboro MSA	Oregon	U.S. Total
2005	\$ 74,811	\$ 117,414	\$ 10,593,946	\$ 36,188	\$ 32,496	\$ 35,849
2006	81,819	128,145	11,372,589	38,903	34,909	38,114
2007	86,497	134,020	12,002,204	40,460	36,003	39,844
2008	90,943	139,696	12,438,527	41,854	37,067	40,904
2009	86,946	135,132	12,051,307	39,400	35,481	39,284
2010	89,154	138,618	12,541,995	39,940	36,122	40,547
2011	95,118	146,432	13,315,478	42,038	37,818	42,739
2012	101,587	154,409	13,998,383	44,389	39,602	44,605
2013	103,104	156,977	14,175,503	44,609	40,020	44,860
2014	110,947	168,409	14,982,715	47,321	42,493	47,071
2015	119,556	181,492	15,709,242	50,184	45,194	48,994
2016	125,457	190,241	16,111,636	51,683	46,514	49,890
2017	132,684	200,579	16,870,106	54,014	48,407	51,910
2018	141,270	213,070	17,813,035	56,991	50,951	54,526
2019	NA	223,276	18,599,062	NA	52,937	56,663

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Year	POPULATION TRENDS				UNEMPLOYMENT RATES	
	Portland ⁽¹⁾	Portland/ Vancouver/ Hillsboro MSA ⁽²⁾	Oregon ⁽²⁾	U.S. Total ⁽²⁾	Portland Unemployment % Rate ⁽³⁾	Oregon Unemployment % Rate ⁽³⁾
2005	533,467	2,067,325	3,613,202	295,516,599	6.0	6.2
2006	537,081	2,103,164	3,670,883	298,379,912	5.2	5.3
2007	568,380	2,137,828	3,722,417	301,231,207	4.9	5.2
2008	557,706	2,172,853	3,768,748	304,093,966	5.9	6.6
2009	582,130	2,206,737	3,808,600	306,771,529	10.6	11.3
2010	585,429	2,232,205	3,837,491	309,321,666	9.4	10.6
2011	595,325	2,262,637	3,872,036	311,556,874	8.1	9.5
2012	603,650	2,288,535	3,899,001	313,830,990	7.4	8.8
2013	611,134	2,311,294	3,922,468	315,993,715	6.5	7.9
2014	619,445	2,344,562	3,963,244	318,301,008	5.7	6.8
2015	632,187	2,382,370	4,015,792	320,635,163	4.7	5.6
2016	639,635	2,427,459	4,089,976	322,941,311	4.1	4.8
2017	648,121	2,456,462	4,143,625	324,985,539	3.6	4.1
2018	652,573	2,478,810	4,181,886	326,687,501	3.5	4.1
2019	654,741	NA	4,217,737	328,239,523	3.2	3.8

Source: ⁽¹⁾ U.S. Census Bureau

⁽²⁾ U.S. Department of Commerce, Bureau of Economic Analysis

⁽³⁾ U.S. Bureau of Labor Statistics

Note: NA = Information Not Available



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

MISCELLANEOUS STATISTICS
As of June 30, 2020
(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>FY2016-17</u>		<u>FY2017-18</u>		<u>FY2018-19</u>	<u>FY2019-20</u>	
	FTE	LTE	FTE	LTE	FTE	FTE	LTE
Executive	2.0	0.0	2.0	0.0	2.0	2.0	0.0
Finance & Business Operations	20.0	0.0	17.9	1.2	19.1	19.0	0.0
Equity, Governance & Communications	10.0	1.0	10.0	1.0	10.0	10.0	2.0
Legal	5.0	0.0	4.0	0.0	5.0	5.0	0.0
Human Resources	2.0	1.0	3.0	1.0	2.0	2.0	1.0
Development and Investment	23.0	0.0	23.0	1.0	23.0	28.0	3.0
Economic Development	22.0	1.0	21.0	2.0	20.0	17.0	2.0
Total	84.0	3.0	80.9	6.2	81.1	83.0	8.0

Urban Renewal District Land Area and Base Values
As of June 30, 2020

<u>District</u>	<u>Acres</u>	<u>Base Value</u>
Airport Way	871	73,942,075
Central Eastside	709	230,541,190
Downtown Waterfront	233	55,674,313
Gateway Regional Center	659	307,174,681
Interstate Corridor	3,995	1,293,460,097
Lents Town Center	2,846	736,224,033
North Macadam	447	628,094,444
Oregon Convention Center	410	214,100,689
River District	315	432,292,135
Neighborhood Prosperity Initiatives	804	498,707,491
South Park Blocks	98	305,692,884
Total URA Land Data	11,387	\$ 4,775,904,032
Total Assessed Value, City of Portland		63,268,838,150
Incremental Excess of Urban Renewal Areas		7,857,919,683
Incremental Value Not Used		4,087,546,845
Total Assessed Value of City Minus Incremental Excess		\$ 51,323,371,622
Total Acreage, City of Portland	92,768	



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Audit Comments and Disclosures_____



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Building an Equitable Economy

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 Portland 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, 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, 2020, and the related notes to the financial statements, which collectively comprise Prosper Portland's basic financial statements, and have issued our report thereon dated October 26, 2020.

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) as a basis for designing 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. However, material weaknesses may exist that have not been identified.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 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 *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
October 26, 2020

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, 2020 and have issued our report thereon dated October 26, 2020. 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 2020 and 2021.
- 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.



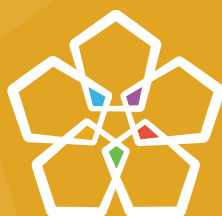
For Moss Adams LLP
Portland, Oregon
October 26, 2020



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