

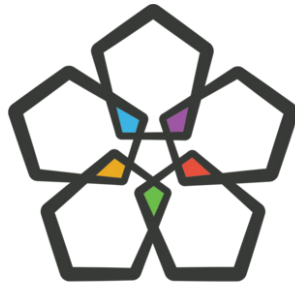


**PROSPER  
PORTLAND**

A Component Unit of the City of Portland, Oregon

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
June 30, 2021**



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

# Annual Comprehensive Financial Report

## **PROSPER PORTLAND**

A Component Unit of the City of Portland, Oregon

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

Kimberly Branam, Executive Director  
Adam Lane, Chief Financial Officer

For the fiscal year ended June 30, 2021





## 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 Annual Comprehensive Financial Report with accompanying report of independent auditor.



**Building an Equitable Economy**

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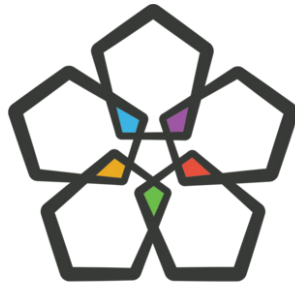
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# Introductory Section





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





October 25, 2021

**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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. 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 2020-21 financial statements. Based on the audit and review of the financial statements, Moss Adams LLP issued an unmodified opinion that Prosper Portland's financial statements for the fiscal year ended June 30, 2021, 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.

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 continue being 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 ACFR as a discretely presented component unit. Prosper Portland currently manages 17 tax increment districts (11 of which are still collecting tax increment revenues) 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.

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97209-3943

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503-823-3368 Fax  
503-823-3366 TTY

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 tax increment district. 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. Prosper Portland recently released the 2015-2020 Strategic Plan Final Report (<https://bit.ly/3oWAOOD>) that identifies achievements during the last five years on the Plan's goals and will be embarking on developing a new Economic Development Strategy in late 2021 and will conclude in late 2022 with Board and Council approval.

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 includes specific allocations of resources by funding source, business line, and project and programs. In accordance with Oregon Local Budget Law, the proposed annual budget is presented to the Portland City Council, acting as the Prosper Portland Budget Committee, for review and approval. Following budget committee approval, Prosper Portland submits the approved budget to the Tax Supervising and Conservation Commission for review and to the Prosper Portland Board of Commissioners for review, adoption, and subsequent amendment as necessary.

### Relevant Financial Policies

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

### 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 accounted 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. Women and people of color were also disproportionately impacted by the impact in leisure and hospitality industries. Through 2020 and 2021, the Portland metro area experienced unemployment as high as 11.2%. The Portland-Vancouver-Hillsboro MSA was 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. By July 2021, The Multnomah county seasonally adjusted unemployment rate was 5.1%, with large recoveries in construction and retail and less recovery in food services. However, disparate impacts continue, with people of color and businesses owned by people of color experiencing slower recovery.

### 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 to address a long-term approach to support continued economic development as existing TIF resources decline.

Tax-increment resources currently provide most of the funding as detailed in the five-year forecast and early years of the Ten-Year Financial Sustainability Plan.

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-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 tax increment financing (TIF) districts to a maximum of 15 percent of assessed value and 15 percent of acreage. The aggregate amount of certified assessed value in the 11 TIF districts that are still collecting tax increment revenues equals approximately 8 percent of the city of Portland's total overall assessed value and 11 percent of overall acreage for the city.

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. However, the impact of the pandemic alongside the changes in the level of investment or timing for major projects like Broadway Corridor requires the agency to rethink the model and approach. Staff are currently engaged on creating the Financial Sustainability Plan 2.0 that will include updated models for investment of remaining TIF district resources and revisit public funding approaches to support economic development in the longer term.

### 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 2022.

Prosper Portland's current budget includes \$8.3 million in City General Fund and Cannabis Tax resources as well as \$3.5 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 continues to be focused on stabilization as a result of the COVID pandemic and is now more critical than ever to help support economic recovery in the City of Portland. Additional economic development programming of \$7.4 million is being added by City Council this fiscal year from the American Rescue Plan Act funding to support small businesses, workforce development, and business corridors in the City of Portland.

Prosper Portland has budgeted approximately \$171 million across 17 TIF districts to support projects and programs. Included in the spending is \$4.5 million in Prosperity Investment and Community Livability Grants and \$9 million in commercial property and business lending programs. Major TIF district projects include: \$20 million in Old Town Action Plan, ongoing implementation of the \$32 million allocated towards the N/NE Action Plan, predevelopment for the former ODOT Blocks in Central Eastside, and \$23 million for demolition and other predevelopment activities related to the United States Post Office site and Broadway Corridor. Also, \$49 million is earmarked for the Housing Set Aside to support affordable housing projects and programs managed by the Portland Housing Bureau.

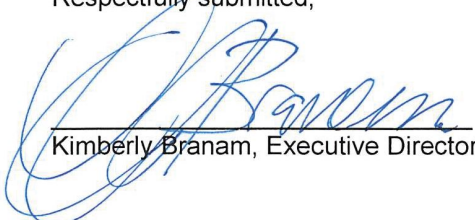
### Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Prosper Portland for its ACFR for the fiscal year ended June 30, 2020. Prosper Portland has received a Certificate of Achievement for the last 33 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 annual comprehensive financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and well organized ACFR 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 would not have been possible without the 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 ACFR. 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



## Governing Board (As of August 12, 2020)

## Term Expires



**Gustavo J. Cruz Jr., Chair**  
*Senior Counsel*  
 Farleigh Wada Witt  
 121 SW Morrison St., #600  
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[gacruz@fwwlaw.com](mailto:gacruz@fwwlaw.com)

June 30, 2024



**William Myers, Vice Chair**  
*Executive Secretary Treasurer*  
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June 30, 2024



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July 9, 2022



**Peter Platt**  
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August 2, 2023



**Francesca Gambetti**  
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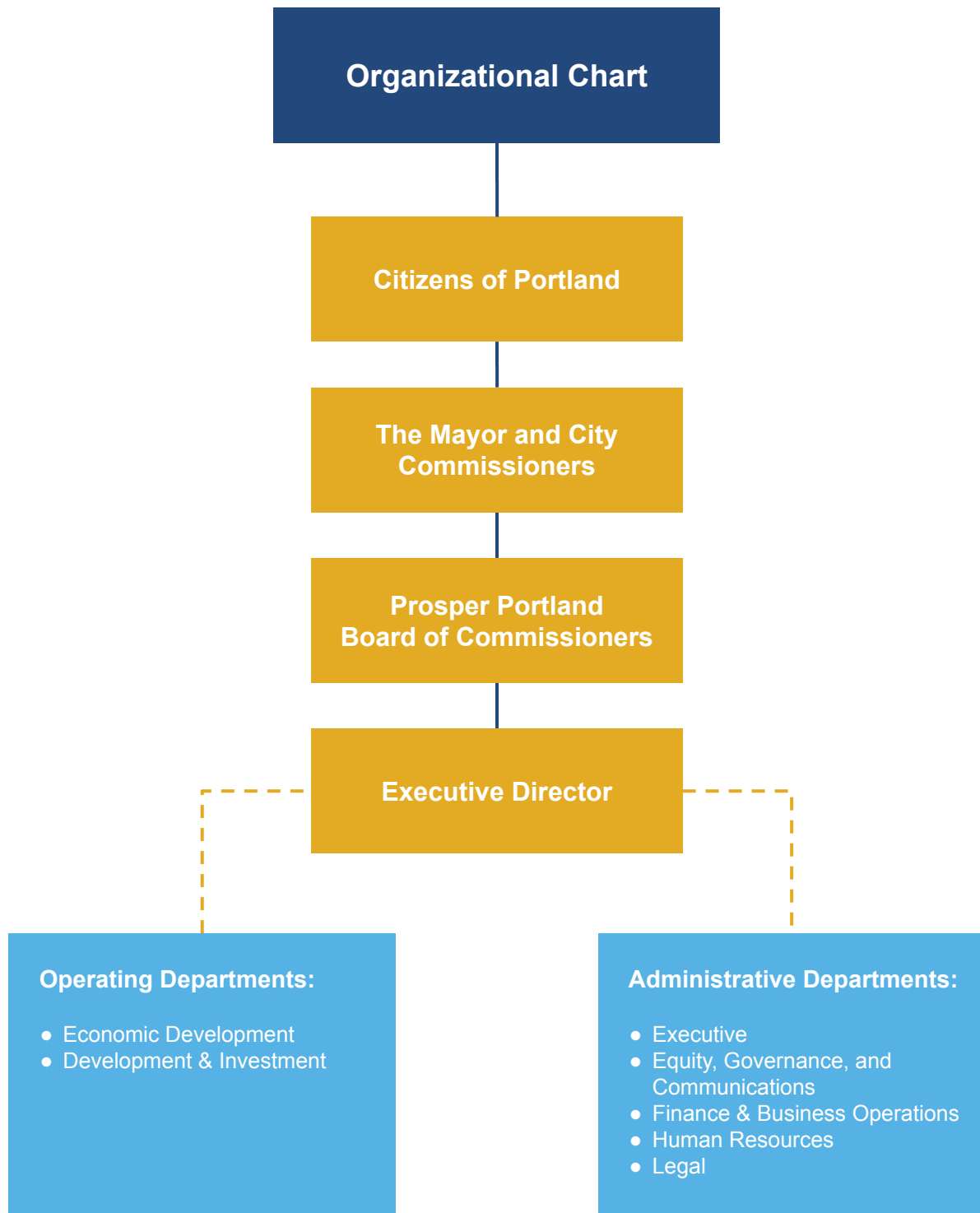
August 2, 2023

## Agency Executive



**Kimberly Branam**  
*Executive Director*  
 Prosper Portland  
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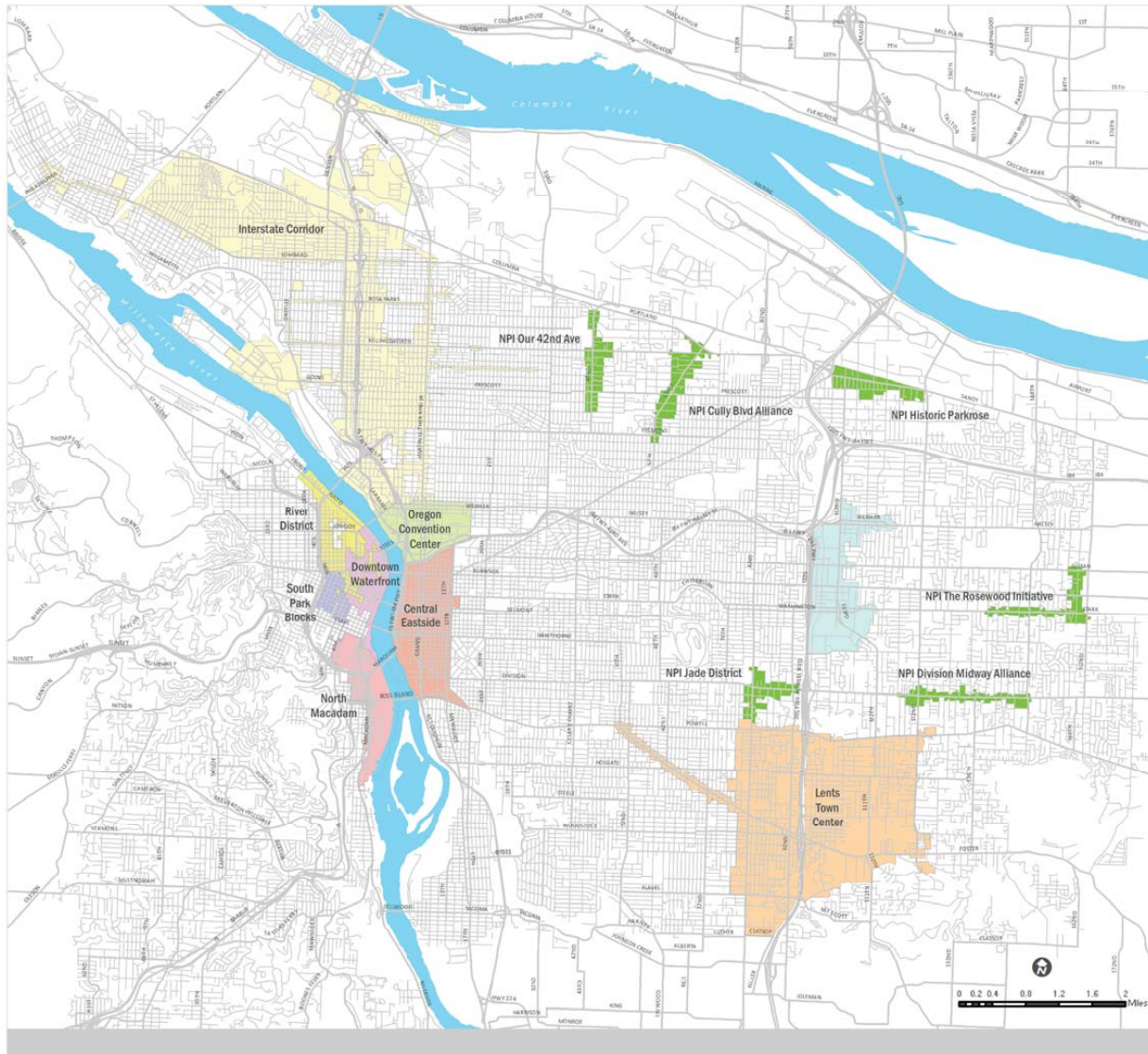
**Registered Agent**  
 None





## CITY OF PORTLAND

## Tax Increment Finance Districts



## Legend

<span style="display:inline-block; width:15px; height:15px; background-color:orange; border:1px solid black;"></span> Central Eastside	<span style="display:inline-block; width:15px; height:15px; background-color:orange; border:1px solid black;"></span> Lents Town Center	<span style="display:inline-block; width:15px; height:15px; background-color:lightgreen; border:1px solid black;"></span> Oregon Convention Center
<span style="display:inline-block; width:15px; height:15px; background-color:pink; border:1px solid black;"></span> Downtown Waterfront	<span style="display:inline-block; width:15px; height:15px; background-color:green; border:1px solid black;"></span> Neighborhood Prosperity Initiative (NPI)	<span style="display:inline-block; width:15px; height:15px; background-color:yellow; border:1px solid black;"></span> River District
<span style="display:inline-block; width:15px; height:15px; background-color:lightblue; border:1px solid black;"></span> Gateway Regional Center	<span style="display:inline-block; width:15px; height:15px; background-color:pink; border:1px solid black;"></span> North Macadam	<span style="display:inline-block; width:15px; height:15px; background-color:purple; border:1px solid black;"></span> South Park Blocks
<span style="display:inline-block; width:15px; height:15px; background-color:yellow; border:1px solid black;"></span> Interstate Corridor		

Footnote: Prosper Portland manages 17 total districts. Not shown on the map are the Willamette Industrial and Airport Way Tax Increment districts that still have active urban renewal plans, but stopped collecting tax increment revenues prior to June 30, 2020. Four of the six NPI districts shown (Our 42nd, Cully Blvd, Historic Parkrose, and Division Midway) stopped collecting tax increment revenues as of June 30, 2021. In total, 11 districts continue to collect tax increment revenues in FY 2021-22.





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

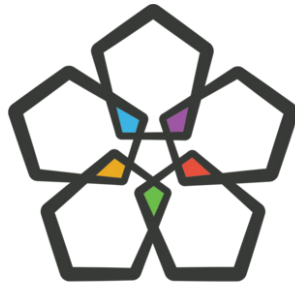
**Prosper Portland  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



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# Financial Section







**PROSPER**  
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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 statements for the General Fund and the CARES 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, 2021, 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, 2021, and the respective changes in financial position and the budgetary comparison statements for the General Fund and CARES Fund 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 4 through 15 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.

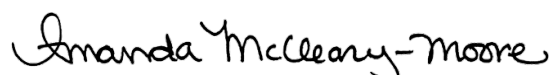
The supplementary data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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.

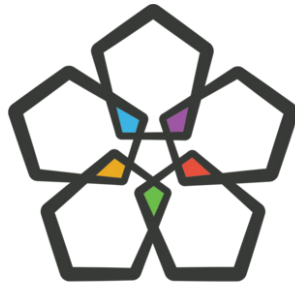


**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021 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.



For Moss Adams LLP  
Portland, Oregon  
October 25, 2021



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

# **Management's Discussion and Analysis**



**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, 2021. 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-vi of this report.

### Financial Highlights

- The assets plus deferred outflows of resources of Prosper Portland exceeded the liabilities plus deferred inflows of resources for the current year ended June 30, 2021 by \$454,992,108 (net position).
- Prosper Portland's total net position increased by \$12,004,062 or 2.7% (see page 11) when compared to the financial statements at June 30, 2020. In addition, Prosper Portland's governmental funds reported a combined ending fund balance of \$437,187,471 (see page 24) an increase of \$28,089,452 from the prior year. These increases in net position and ending fund balance are attributable to the ongoing receipt of tax increment debt proceeds and delayed and extended timelines on tax increment financing district projects.
- At the end of the 2020-21 fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$1,336,513, or 18.2% of total general fund expenditures (see page 24).
- Capital assets decreased from \$79,571,055 to \$70,706,755 due primarily to a \$11,626,617 write down on two properties: Oregon Convention Center garage and Lents Commons. These write-offs were offset by continuing investment in construction at SE Halsey and SE 106th of \$1,665,222 and the additional investment of \$2,715,118 in a leasehold and SW 10th and Yamhill.
- Gross loans receivable increased from \$91,482,490 to \$92,733,713 agency-wide, or 1.4%. The loan loss allowance increased from \$51,802,522 to \$54,573,527, an increase of 5.3% 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, in response 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. They 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 20 - 23 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, CARES Fund, 9101 Foster LLC (a blended component unit), and tax increment financing funds including Downtown Waterfront, North Macadam, River District, Lents Town Center, and Interstate Corridor. Data from the other governmental funds is elsewhere in the combining and individual fund statements and schedules section of this report and 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 the 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 24 -31 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 33 - 35 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 38 - 70 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Prosper Portland's progress in funding its obligation to provide post-employment benefits to its employees. Required supplementary information can be found on pages 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 83–123 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 plus deferred outflow of resources of Prosper Portland exceeded liabilities and deferred inflows of resources by \$454,992,108 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	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 449,014,853	\$ 425,163,328	\$ 16,799,028	\$ 15,459,838	\$ 465,813,881	\$ 440,623,166
Capital assets	70,706,755	79,571,055	-	-	70,706,755	79,571,055
<b>Total assets</b>	<b>519,721,608</b>	<b>504,734,383</b>	<b>16,799,028</b>	<b>15,459,838</b>	<b>536,520,636</b>	<b>520,194,221</b>
Deferred outflow of resources	6,172,418	4,814,936	-	-	6,172,418	4,814,936
<b>Liabilities</b>						
Current and other liabilities	19,575,631	27,320,909	30,000	47,663	19,605,631	27,368,572
Long-term liabilities	67,556,140	53,926,788	-	-	67,556,140	53,926,788
<b>Total liabilities</b>	<b>87,131,771</b>	<b>81,247,697</b>	<b>30,000</b>	<b>47,663</b>	<b>87,161,771</b>	<b>81,295,360</b>
Deferred inflow of resources	539,175	725,751	-	-	539,175	725,751
<b>Net position</b>						
Net investment in capital assets	70,706,755	79,571,055	-	-	70,706,755	79,571,055
Restricted	393,433,243	371,515,177	3,000,000	3,000,000	396,433,243	374,515,177
Unrestricted	(25,916,918)	(23,510,361)	13,769,028	12,412,175	(12,147,890)	(11,098,186)
<b>Total net position</b>	<b>\$ 438,223,080</b>	<b>\$ 427,575,871</b>	<b>\$ 16,769,028</b>	<b>\$ 15,412,175</b>	<b>\$ 454,992,108</b>	<b>\$ 442,988,046</b>

The largest portion of Prosper Portland's combined governmental and business-type total net position is \$396,433,243 of restricted net position. This accounts for 87.1% 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 increased 5.9% from fiscal year ended June 30, 2020.

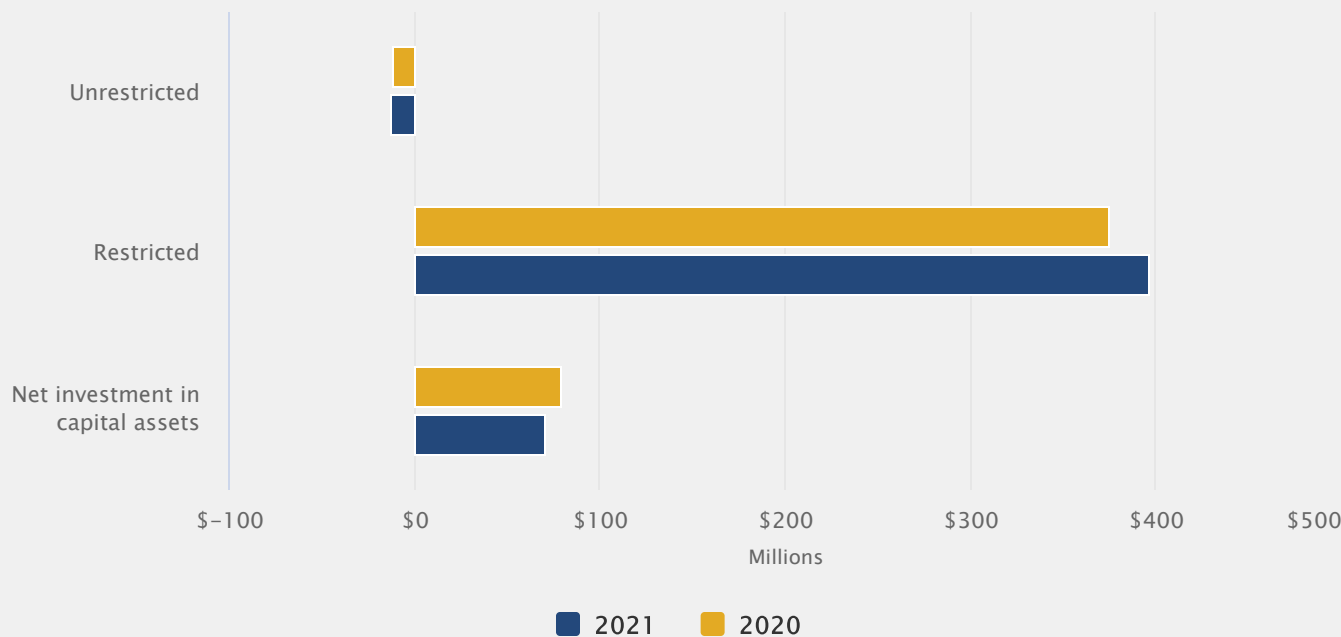
The next largest portion of Prosper Portland's combined governmental and business-type total net position is \$70,706,755 or 15.5% of the total and reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and software). These capital assets are used to provide services to citizens; consequently, these assets are *not* available for future spending. The investment in capital assets decreased (11.14%) from the previous year, mainly due to a write down on the value of the Convention Center garage.

Deferred outflow of resources increased \$1,357,482 or increased 28.2% due to increases in the actuarially determined components of Prosper Portland's participation in the Oregon Public Employees Retirement system.

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 (\$12,147,890). The unrestricted net position is negative largely due to non-current liabilities which are not expected to be funded by current assets. Government-wide liabilities including but not limited to pollution remediation and pension liabilities are expected to be funded from future resources or by resources restricted for urban renewal.

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.

### Community Development Program Expenses and General Revenues



Prosper Portland's overall net position increased \$12,004,062 from the prior fiscal year. The changes are discussed in the following sections for governmental activities and business-type activities.

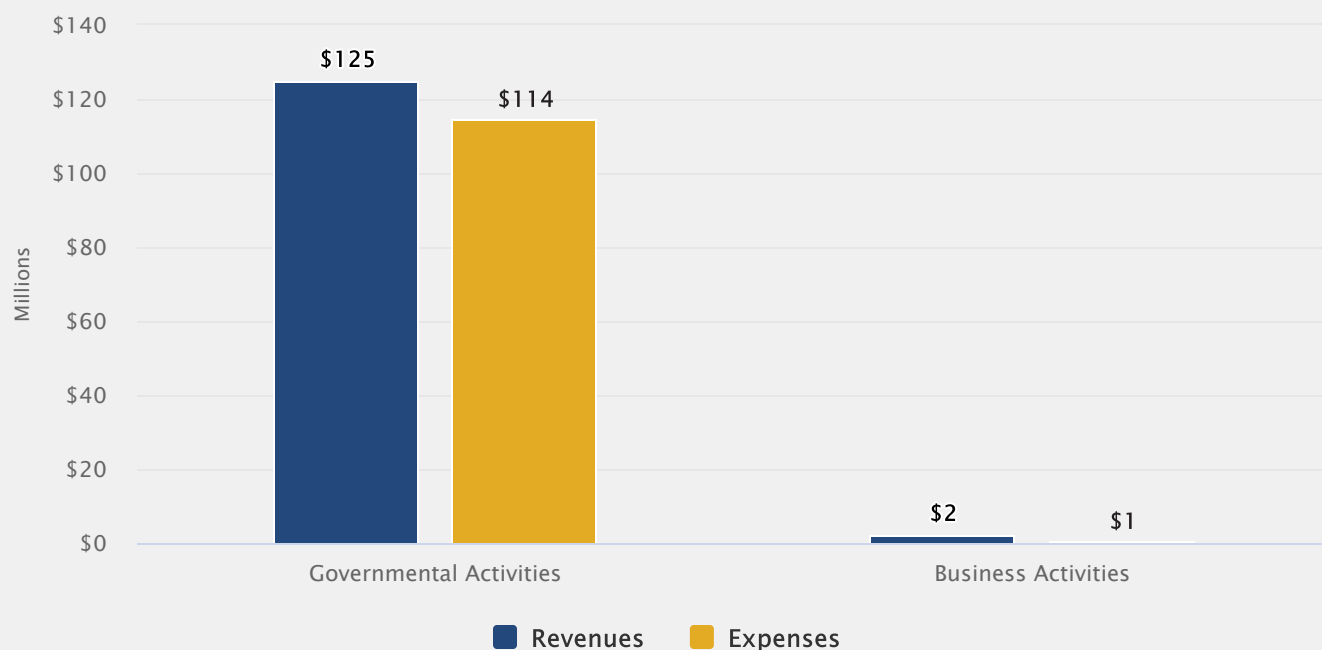
**Governmental Activities.** During the current fiscal year, net position for governmental activities increased \$10,647,209 from the prior fiscal year for an ending balance of \$438,223,080. The change in governmental activities is due primarily to continued, steady receipt of tax increment debt proceeds while many projects in tax increment districts were delayed or extended as demonstrated Community Development expenditures, which decreased 6.5% from the prior year. While there were higher grant expenditures due to the deployment of CARES Act funding, tax increment district capital project spending was low due to timing of project implementation and some project delays. A majority of the net position related to tax increment districts is anticipated to be spent on implementation of the Broadway Corridor/United States Post Office redevelopment, Old Town Action Plan, North/Northeast Community Development Initiative, Lents Town Center Phase II, and South Portal development and infrastructure in the North Macadam district in future years. While not contributing to a change in net position, Operating Grants and Contributions increased 133.7%, primarily due to receipt of \$15 million in CARES Act funding from the City of Portland to support economic recovery and stabilization grants to small businesses throughout the city.



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

	Governmental Activities		Business Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 6,836,028	\$ 7,517,968	\$ 1,531,650	\$ 212,079	\$ 8,367,678	\$ 7,730,047
Operating grants and contributions	26,207,856	11,215,872	-	-	26,207,856	11,215,872
General revenues	-	-	-	-	-	-
Tax-increment debt proceeds (in lieu of tax-increment revenue)	83,768,443	80,975,700	-	-	83,768,443	80,975,700
City of Portland debt proceeds for operations	-	-	-	-	-	-
Unrestricted investment income	2,785,059	5,818,369	109,009	228,660	2,894,068	6,047,029
Miscellaneous	5,458,579	4,264,203	278,691	138,002	5,737,270	4,402,205
<b>Total revenues</b>	<b>125,055,965</b>	<b>109,792,112</b>	<b>1,919,350</b>	<b>578,741</b>	<b>126,975,315</b>	<b>110,370,853</b>
<b>Expenses</b>						
Community development	114,408,756	122,350,894	-	-	114,408,756	122,350,894
Enterprise loans	-	-	277,245	569,828	277,245	569,828
Enterprise management	-	-	285,252	232,562	285,252	232,562
<b>Total expenses</b>	<b>114,408,756</b>	<b>122,350,894</b>	<b>562,497</b>	<b>802,390</b>	<b>114,971,253</b>	<b>123,153,284</b>
<b>Increase (Decrease) in net position before transfers</b>	<b>10,647,209</b>	<b>(12,558,782)</b>	<b>1,356,853</b>	<b>(223,649)</b>	<b>12,004,062</b>	<b>(12,782,431)</b>
Transfers	-	42,779	-	(42,779)	-	-
<b>Increase (Decrease) in net position</b>	<b>10,647,209</b>	<b>(12,516,003)</b>	<b>1,356,853</b>	<b>(266,428)</b>	<b>12,004,062</b>	<b>(12,782,431)</b>
<b>Beginning net position</b>	<b>427,575,871</b>	<b>440,091,874</b>	<b>15,412,175</b>	<b>15,678,603</b>	<b>442,988,046</b>	<b>455,770,477</b>
<b>Ending net position</b>	<b>\$ 438,223,080</b>	<b>\$ 427,575,871</b>	<b>\$ 16,769,028</b>	<b>\$ 15,412,175</b>	<b>\$ 454,992,108</b>	<b>\$ 442,988,046</b>

### Community Development Program Expenses and General Revenues



**Business-type Activities.** For Prosper Portland's business-type activities, overall net position increased \$1,356,853 or 8.80% for an ending balance of \$16,769,028. The increase in net position for business-type was driven by higher revenue in the Business Management Fund for property management activities. The majority of the Business Management Fund's activity is related to build-out of tenant improvements at the 10th and Yamhill garage ground floor commercial space. Prosper Portland received payments from the City of Portland, Bureau of Transportation to support ground floor commercial as part of the lease agreement.

### Changes in Business-type Activities Expenses For the Fiscal Years Ended June 30,

Expenses	2021	2020	Change
Personal services	\$ 26,231	\$ 41,795	\$ 15,564
Professional services	327,023	600,668	273,645
Financial assistance	185,250	154,289	(30,961)
Miscellaneous expenses	23,996	5,638	(18,358)
<b>Totals</b>	<b>\$ 562,500</b>	<b>\$ 802,390</b>	<b>\$ 239,890</b>

One major component of Prosper Portland's net position, in both governmental and business-type funds, is loans receivable from its customers. During the current fiscal year, Prosper Portland's gross portfolio increased \$1,251,223 or 1.4%. The loan loss allowance increased by 5.3% or \$2,771,005. 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 28.4% while the non-current portion dropped 5.1% or \$1,215,779.

## Loans Receivable

At June 30,

	2021	2020	Change	% Change
Gross loans receivable	\$ 92,733,713	\$ 91,482,490	\$ 1,251,223	1.4%
Allowance	(54,573,527)	(51,802,522)	(2,771,005)	5.3%
<b>Total, net</b>	<b>\$ 38,160,186</b>	<b>\$ 39,679,968</b>	<b>\$ (1,519,782)</b>	<b>-3.8%</b>
Current portion	\$ 959,100	\$ 1,338,702	\$ (379,602)	-28.4%
Non-current portion	22,841,289	24,057,068	(1,215,779)	-5.1%
<b>Total, net</b>	<b>\$ 23,800,389</b>	<b>\$ 25,395,770</b>	<b>\$ (1,595,381)</b>	<b>-6.3%</b>

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 \$14,379,667 in fiscal year 2021 and a balance of \$14,284,106 in fiscal year 2020.

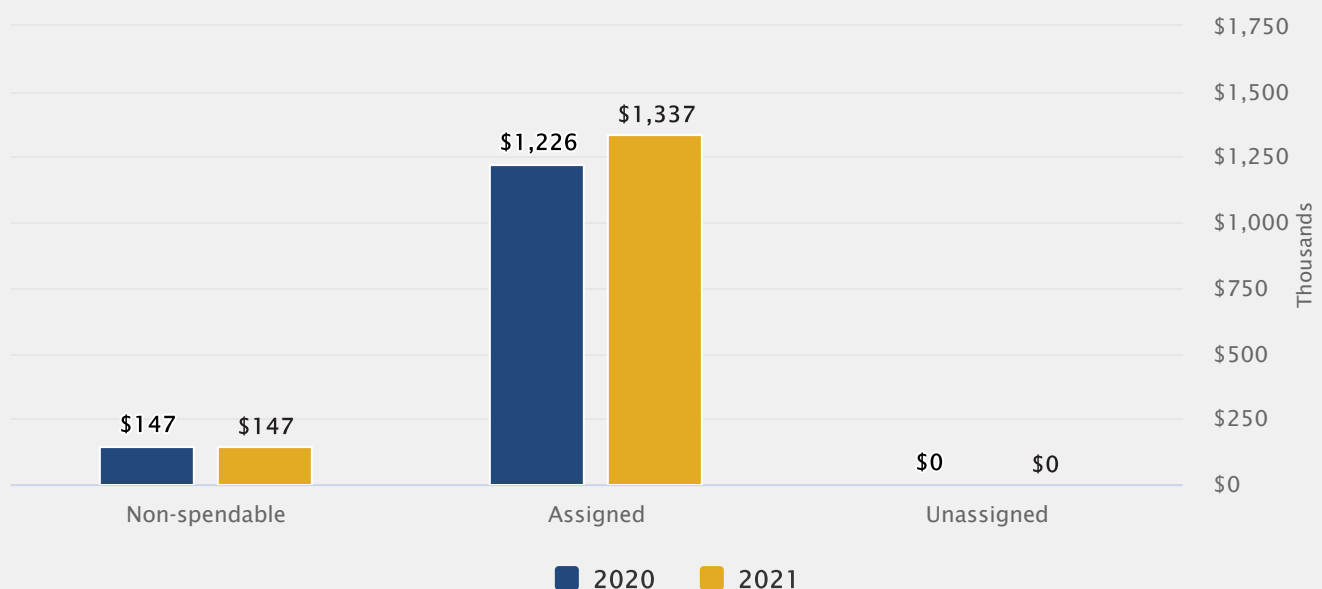
## Financial Analysis of Governmental Funds

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. 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 purposes designated by Prosper Portland's Board of Commissioners.

At June 30, 2021, Prosper Portland's governmental funds reported combined fund balances of \$437,187,471, an increase of \$19,394,896 in comparison with the prior year. Prosper Portland had unassigned fund balance of (14,807,811) the result of 9101 Foster LLC having a negative ending fund balance. The remainder of the fund balance is either *nonspendable, restricted, or assigned* to indicate that it is: 1) not in spendable form: \$146,754; 2) restricted for particular purposes: \$450,512,015; or assigned for particular purposes: \$1,336,513.

## Community Development Program Expenses and General Revenues



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 \$1,483,267. As a measure of the general fund's liquidity, the total fund balance represents approximately 18.2% of total 2021 fiscal year general fund expenditures.

The fund balance of Prosper Portland's general fund increased by \$110,993 during the current fiscal year ended June 30, 2021. Key factors include:

- > Revenues decreased by \$906,897 overall, primarily in intergovernmental revenues, due to reductions in funding from the City of Portland General Fund for economic development funding. Most of the decrease is related to higher one-time funding that was received in FY 2019-20 to support small businesses in the initial stages of the pandemic prior to federal funding and required cuts incorporated to the FY 2020-21 General Fund operating budget.
- > Community development expenditures, down by \$1,223,136 and financial assistance decrease of \$650,292 accounts for most of the decreased expenditures driven by lower funding from the City of Portland for economic development. Capital outlay increased \$585,603 related to Prosper Portland's move to 220 NW 2nd Avenue.

Tax-increment financing (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 2021 increased from the prior fiscal year but is below the five-year average. The five-year average increased by \$341,111 from \$92,873,784 in fiscal year 2020. The increase from the prior fiscal year tax-increment fund is due primarily to ongoing growth in taxable assessed value in several tax increment districts. The decrease from the five-year average is due to lack of new bonds or lines of credit issued to support specific projects as they were in prior fiscal years.

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

Year	Amount	Change	%	
2017	91,394,288	-	-%	5-Year Average
2018	116,187,078	24,792,790	27.1%	\$ 93,214,895
2019	93,748,968	(22,438,110)	-19.3%	
2020	80,975,700	(12,773,268)	-13.6%	
2021	83,768,443	2,792,743	3.4%	
	<b>\$ 466,074,477</b>			

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 Fund, South Park Blocks Tax Increment Financing Fund, and Airport Way Tax Increment Financing Fund have all reached their plan expiration dates, and the Oregon Convention Center Tax Increment Financing Fund has issued its last tax-increment debt. Further information on urban renewal indebtedness and the current life cycle status can be found on page 142 of the Statistical Section.



The following table shows the change in the fund balance for the six other major governmental funds.

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

Fund	2021	2020	Change	% Change
CARES Fund	\$ 1,304	\$ -	\$ 1,304	1.0%
9101 Foster LLC	(14,807,811)	(14,737,269)	(70,542)	0.5%
Downtown Waterfront Tax Increment Financing Fund	44,870,660	44,928,414	(57,754)	-0.1%
North Macadam Tax Increment Financing Fund	40,200,402	34,195,650	6,004,752	17.6%
River District Tax Increment Financing Fund	160,288,318	164,188,389	(3,900,071)	-2.4%
Lents Town Center Tax Increment Financing Fund	37,482,959	25,681,623	11,801,336	46.0%
Interstate Corridor Tax Increment Financing Fund	56,366,491	41,504,775	14,861,716	35.8%
<b>Total</b>	<b>\$ 324,402,323</b>	<b>\$ 295,761,582</b>	<b>\$ 28,640,741</b>	

The CARES Fund was created for receipt and expenditure of federal funds allocated to the City of Portland for the coronavirus relief act. \$15 million in grant resources were allocated to Prosper Portland by the City of Portland to provide relief grants to small businesses. The vast majority of resources were received and expended in the first half of the fiscal year, resulting in a minimal residual net position at year-end.

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 2021 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 North Macadam Tax Increment Financing Fund increased by \$6,004,752 or 17.6% in spite of the fact that community development expenses increased by \$12,477,612 over the prior year. This increase was primarily due to affordable housing development. This increase in fund balance is due to ongoing receipt of tax increment debt proceeds that exceeded the prior year as assessed value in the district continues to grow; and exceeded expenses for the year.

In the River District Tax Increment Financing area, there was a (\$3,900,071) or an 2.4% net decrease in fund balance in fiscal year 2021. The majority of the change is due to large capital outlays, including pre-development related to the United States Postal Service site, that were greater than tax increment debt proceeds for the year.

In the Lents Town Center Tax Increment Financing Fund, the fund balance increased by \$11,801,336 or 46.0%, due to ongoing receipt of tax increment debt proceeds that exceeded the prior year as assessed value in the district continues to grow. Growth in revenues along with a drop in financial assistance disbursements of \$2,503,120 and a decrease in community development expenses of \$415,513 (due to timing of housing projects) contributed to the increase in fund balance.

The Interstate Corridor Tax Increment Financing Fund ended the year with an increase in fund balance of \$14,861,716 or 35.8%. The increase is substantially due to ongoing receipt of tax increment debt proceeds and lower community development expenditures. Community development expenditures decreasing by \$20,413,425 or -60.4%. The decrease in community development expenditures was related to timing of housing project expenditures as the housing bureau completed major projects in the previous fiscal year. Expenditures for financial assistance also decreased \$8,693,628. The decrease in financial assistance was related to lower commercial property and business lending, and prosperity investment program grant activity when compared to the previous fiscal year.

**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 increased by \$1,320,075 or 13.1%. While revenue increased slightly from the prior year, the level of expenditures and transfers continued in the fund. Expenditures were a modest \$285,255 and transfers included the repayments related to a 10-year interfund

loan between the Business Management Fund and the River District Fund and transfers out to support cash flow needs in select governmental funds used for economic development.

### General Fund Budgetary Highlights

The differences between the original and final amended budget was a \$708,310 increase in expenditure appropriations. The major differences are summarized as follows:

	Change in Original Budget to Final Budget	Comments
<b>Revenue increase</b>	<b>\$719,295</b>	<b>Largest components of variance are:</b> <ul style="list-style-type: none"> <li>▪ \$531,000 increase in intergovernmental revenue for City General Funds to assist small businesses struggling during the novel coronavirus pandemic"</li> <li>▪ \$15,879 increase in charges for services for C-PACE loan activity</li> </ul>
<b>Expenditure increase</b>	<b>\$708,310</b>	<b>Components of variance are:</b> <ul style="list-style-type: none"> <li>▪ \$688,379 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</li> <li>▪ \$977,124 increase in property redevelopment due to small business repair grant activity</li> <li>▪ \$957,193 decrease in administration costs due to savings in Prosper Portland's overhead expenditures</li> </ul>

Differences between the final amended budget and actual revenues and expenditures amounted to a \$110,993 increase in fund balance. The major differences are summarized as follows:

	Final Budget to Actual	Comments
<b>Revenue variance</b>	<b>\$(253,855)</b>	<b>Largest component of variance:</b> <ul style="list-style-type: none"> <li>▪ (\$54,912) variance in state and local revenue, as this was budgeted under contractual service revenue</li> <li>▪ (\$83,606) variance in contractual service revenue, as this was actually received as state and local revenue</li> <li>▪ \$92,184 variance of other miscellaneous revenue</li> </ul>
<b>Expenditure variance</b>	<b>\$565,273</b>	<b>Largest component of variance:</b> <ul style="list-style-type: none"> <li>▪ \$302,798 variance in property redevelopment due to decreased spending in general city-wide redevelopment efforts</li> <li>▪ \$43,614 variance in administration expenditures due to savings associated with Prosper Portland's overhead</li> </ul>

- Budgeted contingency funds of \$1,282,606 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, 2021, capital assets amounted to \$70,706,755 (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, 2021 was \$8,864,300 or (11.14%). The majority of the decrease in total capital assets was related to a write-down of the value of the Convention Center Parking garage based on real market value.

**Prosper Portland's Capital Assets**  
**(net of accumulated depreciation)**

At June 30,

Asset type	Governmental activities		
	2021	2020	Change
Land	\$ 14,126,571	\$ 14,126,571	\$ -
Work in progress	3,676,734	2,019,162	1,657,572
Buildings	49,194,405	62,213,664	(13,019,259)
Leasehold improvements	2,715,118	-	2,715,118
Equipment	54,922	112,124	(57,202)
Intangible software	939,005	1,099,534	(160,529)
<b>Total asset</b>	<b>\$ 70,706,755</b>	<b>\$ 79,571,055</b>	<b>\$ (8,864,300)</b>

Additional information on Prosper Portland's capital assets can be found in note F. on page 55 of this report, and in the Supplementary Data on pages 121-123.

**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, 2021.

**Prosper Portland's**  
**Real Property Held for Sale**  
**For the Fiscal Year Ended June 30, 2021**

Funding Source	Balance July 1, 2020	Additions	Disposals/ Adjustments	Balance June 30, 2021
General Fund	\$ 146,754	\$ -	\$ -	\$ 146,754
Downtown Waterfront Tax Increment Financing Fund	9,033,499	-	-	9,033,499
North Macadam Tax Increment Financing Fund	1,967,849	-	-	1,967,849
River District Tax Increment Financing Fund	8,886,223	70,260,369	-	79,146,592
Lents Town Center Tax Increment Financing Fund	2,768,427	-	-	2,768,427
Other Governmental Funds	20,229,638	(119,365)	-	20,110,273
<b>Subtotal Governmental Funds</b>	<b>43,032,390</b>	<b>70,141,004</b>	<b>-</b>	<b>113,173,394</b>
Business-type funds	71,167,180	-	70,201,392	965,788
<b>Total Property Held for Sale</b>	<b>\$ 114,199,570</b>	<b>\$ 70,141,004</b>	<b>\$ 70,201,392</b>	<b>\$ 114,139,182</b>

The primary change in Property Held for Sale was the movement of the United States Post Office site from the Business Management Fund to the River District Tax Increment Financing Fund in exchange for relieving an interfund loan.

Additional information on Prosper Portland's real property held for sale can be found in note E. on pages 54-55 of this report, and in the Supplementary Data on pages 121-123.

**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 2021 was 5.1% compared to 11% in 2020 and 3.6% in 2019. The unemployment rate for the United States as a whole for July 2021 is 5.4%. Meanwhile, job growth in the Portland metro area was 5.4% year over year, with the Portland metro area adding jobs in the information, leisure and hospitality and professional and business services sectors.
- The Portland area office vacancy was 14.5% during the second quarter of fiscal year 2021 with net absorption of 1.9 million square feet (sf). The vacancy rate was 9.67% the prior year. Currently there is a total of 664,000 sf of office space under construction in the Portland area.
- In the industrial market the average vacancy rate was 5.9% at the end of the second quarter of 2021 with around 453,000 sf absorbed. The vacancy rate was 4.65% the prior year. Projects totaling 428,000 sf are currently under construction.
- Inflation, as calculated by the State of Oregon Employment Department rose to 6% in July 2021 from July 2020.
- Prosper Portland recognized a significant impact to program revenues as a result of the pandemic, mainly around loans, leases, and parking revenue beginning with the final quarter of FY 2019-20. As the pandemic continued into FY 2020-21, lease and parking revenue continued to be substantially impacted. Overall, actual property income was recorded at 50% of the amount recorded in FY 2018-19 (the last full year prior to the pandemic). Staff project modest recovery in property related operating increase through FY 2021-22 and FY 2022-23.
- There were no major, immediate impacts in the FY 2020-21 project and program budgets due to sufficient TIF resources in most TIF districts. However, the decline in program revenue in FY 2020-21 combined with the reduction in FY 2020-21 required expenditure reductions in the FY 2021-22 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. Furloughs and management pay decreases ended as of July 1, 2021. Planning and pre-development and ongoing development continue on a number of projects including Broadway Corridor/USPS site, multiple projects associated with the Old Town Action Plan, Centennial Mills, South Portal of North Macadam, 106 and Halsey in Gateway, and Lents Town Center Phase II in Lents.
- Prosper Portland adopted the Financial Sustainability Plan in 2018 that included a new business model to support the long-term effort of building an equitable economy in Portland in the face of declining tax increment resources. Some elements of the plan, such as return on certain loans has been successful, however, the impact of the pandemic alongside the changes in the level of investment or timing for major projects like Broadway Corridor requires the agency to rethink the model and approach. Staff are currently engaged on creating the Financial Sustainability Plan 2.0 that will include updated models for investment of final TIF district resources and revisit public funding approaches for economic development in the longer term.

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, 2022.

## 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, Suite 200, Portland, Oregon 97209.



# Basic Financial Statements

**Prosper Portland**  
**A Component Unit Of The City Of Portland, Oregon**  
**Statement Of Net Position**  
**June 30, 2021**

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 301,641,202	\$ 12,695,775	\$ 314,336,977
Receivables:			
Due from City of Portland	4,126,916	56,475	4,183,391
Accounts	2,261,912	5,905	2,267,817
Internal balances	408,000	(408,000)	-
Loans, net	927,354	31,746	959,100
Interest	710,805	30,978	741,783
Loan interest	1,827,145	4,758	1,831,903
Prepays and other	1,450,548	-	1,450,548
Property held for sale	113,173,395	965,788	114,139,183
<b>Total current assets</b>	<b>426,527,277</b>	<b>13,383,425</b>	<b>439,910,702</b>
<b>Non-current assets:</b>			
Loans receivable, net	22,457,432	415,603	22,873,035
Net other post-employment benefits assets	30,144	-	30,144
Escrow deposit	-	3,000,000	3,000,000
Capital assets not being depreciated:			
Land	14,126,571	-	14,126,571
Work in progress	3,676,734	-	3,676,734
Capital assets net of accumulated depreciation:			
Buildings and improvements	49,194,405	-	49,194,405
Equipment	54,922	-	54,922
Leasehold	2,715,118	-	2,715,118
Intangible software	939,005	-	939,005
<b>Total non-current assets</b>	<b>93,194,331</b>	<b>3,415,603</b>	<b>96,609,934</b>
<b>Deferred Outflow Of Resources</b>			
Deferred outflow related to other post-employment benefits	60,356	-	60,356
Deferred outflow related to pensions	6,112,062	-	6,112,062
<b>Total deferred outflow of resources</b>	<b>6,172,418</b>	<b>-</b>	<b>6,172,418</b>
<b>Total assets and deferred outflow of resources</b>	<b>\$ 525,894,026</b>	<b>\$ 16,799,028</b>	<b>\$ 542,693,054</b>

	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 1,987,832	\$ 30,000	\$ 2,017,832
Accrued liabilities	494,997	-	494,997
Due to City of Portland	3,666,524	-	3,666,524
Due to other entities	291,097	-	291,097
Unearned revenue	152,693	-	152,693
Long-term liabilities due within one year:			
Pollution remediation	12,774,897	-	12,774,897
Note payable	31,969	-	31,969
Vacation accrual	175,622	-	175,622
<b>Total long-term liabilities due within one year</b>	<b>12,982,488</b>	<b>-</b>	<b>12,982,488</b>
<b>Total current liabilities</b>	<b>19,575,631</b>	<b>30,000</b>	<b>19,605,631</b>
<b>Non-current liabilities:</b>			
Long-term liabilities:			
Note payable	5,032,012	-	5,032,012
Total other post-employment benefits liability	254,609	-	254,609
Net pension liability	17,050,280	-	17,050,280
Pollution remediation	44,450,629	-	44,450,629
Vacation accrual	768,610	-	768,610
<b>Total non-current liabilities</b>	<b>67,556,140</b>	<b>-</b>	<b>67,556,140</b>
<b>Total liabilities</b>	<b>87,131,771</b>	<b>30,000</b>	<b>87,161,771</b>
<b>Deferred Inflow Of Resources</b>			
Deferred inflow related to other post-employment benefits	70,792	-	70,792
Deferred inflow related to pensions	468,383	-	468,383
<b>Total deferred inflow of resources</b>	<b>539,175</b>	<b>-</b>	<b>539,175</b>
<b>Net Position</b>			
Net investment in capital assets	70,706,755	-	70,706,755
Restricted for:			
Urban renewal	384,946,436	-	384,946,436
Property clean up	-	3,000,000	3,000,000
Other	8,486,807	-	8,486,807
Unrestricted	(25,916,918)	13,769,028	(12,147,890)
<b>Total net position</b>	<b>438,223,080</b>	<b>16,769,028</b>	<b>454,992,108</b>
<b>Total liabilities and net position</b>	<b>\$ 525,894,026</b>	<b>\$ 16,799,028</b>	<b>\$ 542,693,054</b>

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



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

**Statement Of Activities**  
**For the Fiscal Year Ended June 30, 2021**

	Program Revenues			Net Expense and Changes in Net Position			Total
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities		
Functions/Programs							
Governmental activities:							
Community development	\$ 114,408,750	\$ 6,836,028	\$ 26,207,856	\$ (81,364,866)	\$ -	\$ (81,364,866)	
Business-type activities:							
Enterprise loans	277,245	9,840	-	-	(267,405)	(267,405)	
Business management	285,252	1,521,810	-	-	1,236,558	1,236,558	
Total	\$ 114,971,247	\$ 8,367,678	\$ 26,207,856	(81,364,866)	969,153	(80,395,713)	

**General Revenues:**

Tax-increment debt proceeds (in lieu of tax-increment revenue) -			
intergovernmental revenues, unrestricted	83,768,443	-	83,768,443
Unrestricted investment income	2,785,059	109,009	2,894,068
Miscellaneous revenues	5,458,573	278,691	5,737,264
Total general revenues and transfers	92,012,075	387,700	92,399,775
Change in net position	10,647,209	1,356,853	12,004,062
Net position - July 1, 2020	427,575,871	15,412,175	442,988,046
Net position - June 30, 2021	<b>\$ 438,223,080</b>	<b>\$ 16,769,028</b>	<b>\$ 454,992,108</b>

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

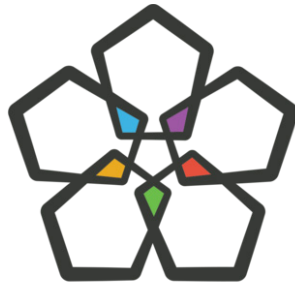


**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds			Capital Projects Funds	
	General Fund	CARES Fund	Component Unit 9101 Foster LLC	Downtown Waterfront Tax Increment Financing Fund	North Macadam Tax Increment Financing Fund
<b>Assets</b>					
Cash and cash equivalents	\$ 392	\$ -	\$ 585,644	\$ -	\$ -
Cash with City of Portland					
investment pool	81,261	1,500	-	38,750,075	39,387,741
Receivables:					
Due from City of Portland	1,277,798	-	-	2,015	-
Accounts	1,748,405	-	100,460	22,307	7,337
Internal balances	-	-	-	937,000	-
Loans, net	-	-	-	60,396	-
Interest	631	(196)	-	97,847	93,210
Loan interest	-	-	-	84	-
Property held for sale	146,754	-	-	9,033,499	1,967,850
Other	3,061	-	58,729	-	435,969
<b>Total Assets</b>	<b>3,258,302</b>	<b>1,304</b>	<b>744,833</b>	<b>48,903,223</b>	<b>41,892,107</b>
<b>Liabilities And Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 941,924	\$ -	\$ 100,189	\$ 32,338	\$ 11,806
Accrued liabilities	494,997	-	-	-	-
Notes Payable other	-	-	15,392,032	4,000,000	-
Due to City of Portland	312,793	-	-	-	1,679,899
Due to other entities	25,321	-	60,423	225	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total Liabilities</b>	<b>1,775,035</b>	<b>-</b>	<b>15,552,644</b>	<b>4,032,563</b>	<b>1,691,705</b>
<b>Fund Balances</b>					
Non-spendable					
Property held for sale	146,754	-	-	-	-
Restricted					
Loans receivable	-	-	-	60,396	-
Property held for sale	-	-	-	-	-
Urban renewal	-	-	-	44,810,264	40,200,402
Contractual obligations	-	1,304	-	-	-
Assigned					
Subsequent year's expenditures	1,336,513	-	-	-	-
Unassigned					
Ending fund balance	-	-	(14,807,811)	-	-
<b>Total Fund Balances</b>	<b>1,483,267</b>	<b>1,304</b>	<b>(14,807,811)</b>	<b>44,870,660</b>	<b>40,200,402</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,258,302</b>	<b>\$ 1,304</b>	<b>\$ 744,833</b>	<b>\$ 48,903,223</b>	<b>\$ 41,892,107</b>

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

River District Tax Increment Financing Fund	Lents Town Center Tax Increment Financing Fund	Interstate Corridor Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	586,036
65,042,934	21,006,632	55,130,801	81,514,461	300,915,405
1,161,514	-	-	1,685,589	4,126,916
82,119	57,250	10,920	247,617	2,276,415
-	-	-	-	937,000
15,110,052	13,799,420	513,847	8,229,122	37,712,837
158,321	35,749	119,787	205,106	710,455
46,380	14,238	1,514,743	251,699	1,827,144
79,146,592	2,768,428	-	20,110,273	113,173,396
67,646	-	104,911	780,231	1,450,547
<b>160,815,558</b>	<b>37,681,717</b>	<b>57,395,009</b>	<b>113,024,098</b>	<b>463,716,151</b>
\$ 128,038	\$ 43,736	\$ 41,663	\$ 702,643	2,002,337
-	-	-	-	494,997
-	-	-	-	19,392,032
385,424	152,322	821,787	314,299	3,666,524
13,778	2,700	12,375	176,275	291,097
-	-	152,693	-	152,693
-	-	-	529,000	529,000
<b>527,240</b>	<b>198,758</b>	<b>1,028,518</b>	<b>1,722,217</b>	<b>26,528,680</b>
-	-	-	-	146,754
15,110,052	13,799,420	513,847	7,338,334	36,822,049
-	-	-	-	-
145,178,266	23,683,539	55,852,644	95,624,798	405,349,913
-	-	-	8,338,749	8,340,053
-	-	-	-	1,336,513
-	-	-	-	(14,807,811)
<b>160,288,318</b>	<b>37,482,959</b>	<b>56,366,491</b>	<b>111,301,881</b>	<b>437,187,471</b>
<b>\$ 160,815,558</b>	<b>\$ 37,681,717</b>	<b>\$ 57,395,009</b>	<b>\$ 113,024,098</b>	<b>\$ 463,716,151</b>



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**Reconciliation Of The Governmental Funds Balance Sheet  
To The Statement Of Net Position  
June 30, 2021**

<b>Fund balances - total governmental funds</b>	<b>\$ 437,187,471</b>
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	70,706,755
The following liabilities are not due and payable in the current period and, therefore are not reported in the funds:	
<b>Other post-employment benefits</b>	
Post-employment benefit PERS Retirement Health Insurance Account asset	30,144
Deferred outflow of resources	60,356
Post-employment benefit health insurance continuation liability	(254,609)
Deferred inflow of resources	(70,792)
<b>Total other post-employment benefits</b>	<b>(234,901)</b>
Net vacation accrual obligation reported on the Statement of Net Position	(944,243)
Pollution remediation liability	(57,225,526)
<b>Pension</b>	
Deferred outflow of resources	6,112,062
Net pension liability	(17,050,280)
Deferred inflow of resources	(468,383)
<b>Total pension</b>	<b>(11,406,601)</b>
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	140,114
<b>Net position of governmental activities</b>	<b>\$ 438,223,069</b>

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

**Statement Of Revenues, Expenditures, And Changes In Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**

	Special Revenue Funds			Capital Projects Fund	
	General Fund	CARES Fund	Component Unit 9101 Foster LLC	Downtown Waterfront Tax Increment Financing Fund	North Macadam Tax Increment Financing Fund
<b>Revenues</b>					
Intergovernmental revenues	\$ 7,118,629	\$ 15,000,000	\$ -	\$ 6,045	\$ -
Charges for services	142,563	-	623,054	23,680	96,415
Loan collections	-	-	-	1,394	-
Interest on investments	3,503	1,227	-	348,635	315,446
Miscellaneous	203,155	-	68,870	64,761	1,250,333
Tax-increment debt proceeds (in lieu of tax-increment revenue)	-	-	-	-	18,940,982
<b>Total revenues</b>	<b>7,467,850</b>	<b>15,001,227</b>	<b>691,924</b>	<b>444,515</b>	<b>20,603,176</b>
<b>Expenditures</b>					
Current:					
Community development	1,787,753	322,952	747,578	309,276	14,598,423
Capital expenditures for urban renewal	-	-	-	465	-
Financial assistance	4,759,690	14,678,471	1	192,528	-
Debt service	-	-	14,886	-	-
Capital Outlay	807,914	-	-	-	-
<b>Total expenditures</b>	<b>7,355,357</b>	<b>15,001,423</b>	<b>762,465</b>	<b>502,269</b>	<b>14,598,423</b>
Excess (deficiency) of revenues over (under) expenditures	112,493	(196)	(70,541)	(57,754)	6,004,753
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	1,500	-	-	-
Transfers out	(1,500)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,500)</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	110,993	1,304	(70,541)	(57,754)	6,004,753
<b>Fund Balances - July 1, 2020</b>	<b>1,372,274</b>	<b>-</b>	<b>(14,737,270)</b>	<b>44,928,414</b>	<b>34,195,649</b>
<b>Fund Balances (Deficit) - June 30, 2021</b>	<b>\$ 1,483,267</b>	<b>\$ 1,304</b>	<b>\$ (14,807,811)</b>	<b>\$ 44,870,660</b>	<b>\$ 40,200,402</b>

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



Capital Projects Fund (continued)				
River District Tax Increment Financing District	Lents Town Center Tax Increment Financing Fund	Interstate Corridor Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
\$ 425,192	\$ -	\$ -	3,657,991	\$ 26,207,857
1,718,616	23,697	131,287	4,076,716	6,836,028
453,927	262,873	1,585,884	337,175	2,641,253
881,786	96,029	379,834	757,255	2,783,715
35,297	508,666	227,372	462,792	2,821,246
11,085,240	18,024,802	26,985,979	-	75,037,003
<b>14,600,058</b>	<b>18,916,067</b>	<b>29,310,356</b>	<b>9,291,929</b>	<b>116,327,102</b>
11,853,782	6,312,142	13,408,920	6,183,531	55,524,357
6,450,271	340,106	-	4,053,489	10,844,331
196,077	462,482	1,039,720	8,411,749	29,740,718
-	-	-	-	14,886
-	-	-	-	807,914
<b>18,500,130</b>	<b>7,114,730</b>	<b>14,448,640</b>	<b>18,648,769</b>	<b>96,932,206</b>
(3,900,072)	11,801,337	14,861,716	(9,356,840)	19,394,896
-	-	-	63,500	65,000
-	-	-	(63,500)	(65,000)
-	-	-	-	-
(3,900,072)	11,801,337	14,861,716	(9,356,840)	19,394,896
<b>164,188,390</b>	<b>25,681,622</b>	<b>41,504,775</b>	<b>111,927,281</b>	<b>409,061,135</b>
<b>\$ 160,288,318</b>	<b>\$ 37,482,959</b>	<b>\$ 56,366,491</b>	<b>\$ 102,570,441</b>	<b>\$ 428,456,031</b>

**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, 2021**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 19,394,896</b>
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	4,464,151
Less current year depreciation	(1,658,605)
Capital asset dispositions (sales and disposals)	(15,606,921)
Accumulated depreciation related capital asset dispositions	3,937,075
	(8,864,300)
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	(2,350,819)
Current year change in net pension liability	(3,880,419)
Current year deferred outflow for expected vs actual experience	33,543
Current year deferred outflow for change assumptions	(802,366)
Current year deferred outflow for projected vs actual earnings	1,905,593
Current year deferred outflow for changes in proportionate share	194,776
Current year deferred outflow for employer contributions and employer's proportionate share	(1,736)
Current year deferred inflow for differences between expected and actual experience	(30,473)
Current year deferred outflow for change in assumptions	341,160
Current year deferred outflow for change proportionate share	26,161
Current year deferred inflow for contribution vs proportionate share of contribution	(148,821)
Prior year deferred outflow reversed for amount paid to OPERS	1,503,122
Current year deferred outflow for amount paid to OPERS	(1,491,359)
Current year adjustment for change in net other post-employment benefits payable in the Statement of Net Position	(15,837)
Current year adjustment for change in vacation accrual	(181,590)
Current year adjustment for change in pollution remediation	(6,067,818)
The internal service fund is used by management to charge insurance costs to individual funds. The change in net position is reported with governmental activities.	
Interest on investment	1,343
<b>Change in net position of governmental activities</b>	<b>\$ 1,915,875</b>

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

**General Fund**  
**Statement Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues-				
Federal grants	\$ 63,000	\$ 120,416	\$ 15,912	\$ (104,504)
State and local	-	115,000	60,088	(54,912)
City of Portland, General Fund	6,689,120	7,220,120	7,042,629	(177,491)
Charges for services-				
Contractual service charges	190,000	205,879	122,273	(83,606)
Interest on investments	-	-	3,503	3,503
Miscellaneous:				
Reimbursements	-	-	69,102	69,102
Sale of personal property	-	-	1,869	1,869
Other	40,000	40,000	132,184	92,184
Total revenues	6,982,120	7,701,415	7,447,560	(253,855)
Expenditures				
Current:				
Community development:				
Property redevelopment	696,136	1,673,260	1,370,462	302,798
Economic development	6,343,774	7,032,153	6,813,292	218,861
Administration	13,220,920	12,263,727	12,220,113	43,614
Total community development	20,260,830	20,969,140	20,403,867	565,273
Contingency	1,572,691	1,282,606	-	1,282,606
Total expenditures	21,833,521	22,251,746	20,403,867	1,847,879
Excess (deficiency) of revenues over expenditures	(14,851,401)	(14,550,331)	(12,956,307)	1,594,024
Other Financing Sources (Uses)				
Internal service reimbursements in	13,778,772	13,790,218	13,316,560	(473,658)
Transfers in-				
COEP Fund	50,000	16,359	-	(16,359)
Total transfers in	50,000	16,359	-	(16,359)
Internal service reimbursements out	(256,192)	(256,192)	(247,760)	8,432
Transfers out:				
CARES Fund	-	(1,500)	(1,500)	-
Enterprise Loans Fund	-	(224,075)	-	224,075
Total transfers out	-	(225,575)	(1,500)	224,075
Total other financing sources (uses)	13,572,580	13,324,810	13,067,300	(257,510)
Net change in fund balance	(1,278,821)	(1,225,521)	110,993	1,336,514
Fund Balance - July 1, 2020	1,278,821	1,225,521	1,225,520	(1)
Fund Balance - June 30, 2021	\$ -	\$ -	1,336,513	\$ 1,336,513
Adjustments to generally accepted accounting principles basis-				
Property held for sale			146,754	
Fund Balance - June 30, 2021 (GAAP Basis)			\$ 1,483,267	

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

**CARES Fund**  
**Statement Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues-				
Federal grants	\$	15,000,000	\$ 15,000,000	\$ -
Interest on investments	-	1,500	1,227	(273)
<b>Total revenues</b>	-	<b>15,001,500</b>	<b>15,001,227</b>	<b>(273)</b>
Expenditures				
Current:				
Community development:				
Economic development	-	15,001,500	15,001,423	77
<b>Total community development</b>	-	<b>15,001,500</b>	<b>15,001,423</b>	<b>77</b>
Contingency	-	1,500	-	1,500
<b>Total expenditures</b>	-	<b>15,003,000</b>	<b>15,001,423</b>	<b>1,577</b>
Excess (deficiency) of revenues				
over expenditures	-	(1,500)	(196)	1,304
Other Financing Souces				
Transfers in-				
General Fund	-	1,500	1,500	-
<b>Total transfers in</b>	-	<b>1,500</b>	<b>1,500</b>	<b>-</b>
<b>Total other financing sources</b>	-	<b>1,500</b>	<b>1,500</b>	<b>-</b>
Net change in fund balance	-	-	1,304	1,304
<b>Fund Balances - July 1, 2020</b>	-	-	-	-
<b>Fund Balances - June 30, 2021</b>	\$ -	\$ -	\$ 1,304	\$ 1,304

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

**Statement Of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	Total Non-Major Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Assets</b>		
Current assets:		
Cash with City of Portland		
investment pool	\$ 12,695,774	\$ 139,762
Receivables:		
Due from City of Portland	56,475	-
Accounts	5,905	-
Internal balances	529,000	-
Loans, net	31,746	-
Interest	30,977	352
Loans interest	4,758	-
Property held for sale	965,788	-
Other	3,000,000	-
<b>Total current assets</b>	<b>17,320,423</b>	<b>140,114</b>
Noncurrent assets:		
Loans receivable, net	415,603	-
<b>Total noncurrent assets</b>	<b>415,603</b>	<b>-</b>
<b>Total assets</b>	<b>\$ 17,736,026</b>	<b>\$ 140,114</b>
<b>Liabilities And Net Position</b>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ 30,000	-
Advance from other funds	937,000	-
<b>Total current liabilities</b>	<b>967,000</b>	<b>-</b>
<b>Total liabilities</b>	<b>967,000</b>	<b>-</b>
<b>Net Position</b>		
Unrestricted	16,769,025	140,114
<b>Total net position</b>	<b>16,769,025</b>	<b>140,114</b>
<b>Total liabilities and net position</b>	<b>\$ 17,736,025</b>	<b>\$ 140,114</b>

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

**Statement Of Revenues, Expenses, And Changes In Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

	Total Non-Major Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Operating Revenues:</b>		
Charges for services	\$ 1,531,649	\$ -
Interest on loans	53,117	-
Miscellaneous revenues	225,575	-
<b>Total operating revenues</b>	<b>1,810,341</b>	<b>-</b>
<b>Operating Expenses:</b>		
Personal services	26,231	106
Professional servicers	327,023	-
Financial assistance	185,250	-
Miscellaneous expenses	23,996	-
<b>Total operating expenses</b>	<b>562,500</b>	<b>106</b>
Operating income (loss)	1,247,841	(106)
<b>Non-Operating Revenues (Expense):</b>		
Interest on investments	109,009	1,343
<b>Total non-operating revenues (expense)</b>	<b>109,009</b>	<b>1,343</b>
Income before transfers	1,356,850	1,237
Change in net position	1,356,850	1,237
<b>Net position - July 1, 2020</b>	<b>15,412,175</b>	<b>138,877</b>
<b>Net position - June 30, 2021</b>	<b>\$ 16,769,025</b>	<b>\$ 140,114</b>

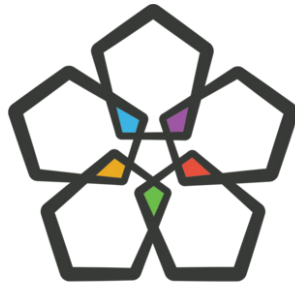
The accompanying notes are an integral part of the basic financial statements.



**Statement Of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**

	Total Enterprise Funds	Governmental Activities - Internal Service Fund
<b>Cash flows from operating activities:</b>		
Loan collections from borrowers	\$ 928,252	\$ -
Interest on loans from borrowers	51,506	-
Loan fees from customers	9,840	-
Rent income	1,509,309	-
Increase in accounts receivable	148,525	-
Payments to employees	(5,941)	(106)
Payments to vendors	(344,685)	-
Payments for interfund services used	(20,290)	-
Loans to borrowers	(456,454)	-
Miscellaneous reimbursements (payments)	(3,996)	-
<b>Net cash provided/(used) by operating activities</b>	<b>1,816,066</b>	<b>(106)</b>
<b>Cash flows from noncapital financing activities:</b>		
Repayment of interfund borrowing	70,559,392	-
Interfund borrowing	(529,000)	-
<b>Net cash provided by noncapital financing activities</b>	<b>70,030,392</b>	<b>-</b>
<b>Cash flows from capital and related financing activities:</b>		
Transfer of property held for sale	(69,951,421)	-
<b>Cash flows from investing activities:</b>		
Interest received from investing	121,326	1,542
<b>Net cash increase (decrease) in cash and cash equivalents</b>	<b>2,016,363</b>	<b>1,436</b>
<b>Cash and cash equivalents-July 1, 2020</b>	<b>10,679,411</b>	<b>138,326</b>
<b>Cash and cash equivalents-June 30, 2021</b>	<b>\$ 12,695,774</b>	<b>\$ 139,762</b>
<b>Cash with City of Portland investment pool from the Statement of Net Position</b>	<b>\$ 12,695,774</b>	<b>\$ 139,762</b>
<b>Reconciliation of operating income to net cash provided/(used) by operating activities:</b>		
Net operating income(loss)	\$ 1,247,841	\$ (106)
<b>Adjustments to reconcile net operating income to net cash provided/(used) by operating activities:</b>		
Increase in due to City of Portland	98,525	-
Increase in loans receivable	438,977	-
Increase in due from other entities	48,387	-
Increase in accounts payable	(17,664)	-
<b>Total adjustments</b>	<b>568,225</b>	<b>-</b>
<b>Net cash provided/(used) by operating activities</b>	<b>\$ 1,816,066</b>	<b>\$ (106)</b>

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



**PROSPER**  
PORTLAND

**Building an Equitable Economy**

# Notes to the Financial Statements

## 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 (the Commission) 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 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 are two major special revenue funds:

*Coronavirus Aid, Security and Economic Relief Fund* –this special revenue fund accounts for federal resources used for economic stability and recovery during fiscal year 2020-2021.

*9101 Foster LLC* was established to account for the operation and management of the Lents Commons Property – a blended commercial/residential building. The revenue source for this fund is rental revenue.

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/Chinatown 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.

*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.

Prosper Portland reports the following non-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.

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

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

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are overhead charges allocated by the General Fund to the Enterprise Loans Fund in the amount of \$20,290. 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.

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 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 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, 2021 was \$175,622.

## 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 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 a net position 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 a 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, 2021, 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. 87, *Leases*, was issued in May of 2017 and is effective for fiscal years beginning after December 15, 2021. 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 2022.

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, 2020. This Statement requires that interest costs 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 costs 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 was subject to implementation this fiscal year as the City of Portland adopted it, but it was not applicable to us.

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019 and is effective for fiscal years beginning after December 15, 2021. This Statement clarifies the definition of conduit debt and establishes standards for reporting and accounting. Prosper Portland will implement this in fiscal year 2022.

GASB Statement No 92, *Omnibus 2020*, was issued in January 2020 and is effective for fiscal years beginning after June 15, 2021. It 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 defined benefit pension or OPEB plan. If applicable, Prosper Portland will implement those portions effective immediately; other provisions will be implemented in fiscal year 2022.

GASB Statement No 93, *Replacement of Interbank Offered Rates*, was issued in March 2020 and portions except for paragraphs 11b, 13, and 14 are effective for periods after June 15, 2020, the remainder effective for periods after June 15, 2021. This 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.

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. 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 2022.

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 principle (GAAP) basis of accounting. The 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	\$	7,447,560
Internal services revenues from business-type funds		20,290
Revenues—GAAP basis	\$	7,467,850
Expenditures—budgetary basis	\$	20,403,867
Internal service reimbursements between governmental funds		(13,048,210)
Expenditures—GAAP basis	\$	7,355,657

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. On June 30, 2021 the 9101 Foster LLC Fund, a component unit of Prosper Portland had a deficit balance of (\$14,807,811). This is due to the loans used to acquire and construct the Lents Commons facility, a residential multifamily unit with retail 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, 2021 is \$13,297,570, 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 the 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 matrices, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures.

### Fair Value Hierarchy

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

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

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

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

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

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

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has recorded its investments at fair value, and primarily uses the Market Approach to attribute a value to each security. The City applies fair 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.

Prosper Portland's cash balance as of June 30, 2021 is composed of the following:

Cash type	Total
Cash and cash equivalents	
Cash on Hand	\$ 392
Deposits with Financial Institutions	585,643
Cash with City of Portland investment pool	313,750,941
<b>Total</b>	<b>\$ 314,336,976</b>

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

	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 586,035	\$ -	\$ 586,035
Cash with City of Portland investment pool	301,055,167	12,695,774	313,750,941
<b>Total</b>	<b>\$ 301,641,202</b>	<b>\$ 12,695,774</b>	<b>\$ 314,336,976</b>



### 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, 2021, the City had no investments that were held by either the 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 \$586,036 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.

As of June 30, 2021, the weighted average maturity of the City's investment portfolio was 1.9 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, 2021, 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, 2021, 90.1 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://bit.ly/3ImSP5X>.

**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 fair 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 fair 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.

**B. Internal Balances and Transfers**

The composition of internal balances is as follows:

Payable Fund	Receivable Fund			Total
	Major Governmental Fund			
	Downtown Waterfront TIF	Non-major Business-type funds		
Governmental Funds				
Non-major Governmental Funds	\$	-	\$ (529,000)	\$ (529,000)
Total Governmental Funds liabilities		-	(529,000)	(529,000)
Business-type Funds				
Non-major Business-type funds		937,000	(408,000)	529,000
Total Business-type Funds liabilities		937,000	(408,000)	529,000
Total interfund payables	\$	937,000	\$ (937,000)	\$ -

Total interfund liability sits at \$529,000 in the non-major business-type funds for fiscal year 2021. 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 repaid this loan this fiscal year. The Business Management Fund owes the Downtown Waterfront TIF Fund \$937,000 payable when Block 25 is sold or developed.

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

Transfer out fund	Transfer in Fund				Total Transfers Out
	Governmental Funds			Business-type Funds	
	CARES fund	River District Tax Increment Financing Fund	Non-major Governmental Funds	Non-major Enterprise Fund	
<b>Governmental funds</b>					
General fund	\$ (1,500)	\$ -	\$ 63,500	\$ -	\$ 62,000
River district tax increment financing fund	-	-	-	69,951,421	69,951,421
Non-major governmental funds	-	-	467,000	-	467,000
<b>Business-type funds</b>					
Non-major enterprise fund	-	(69,951,421)	(529,000)	-	(70,480,421)
<b>Total Transfers In</b>	<b>\$ (69,951,421)</b>	<b>\$ 1,500</b>	<b>\$ 69,951,421</b>	<b>\$ -</b>	<b>\$ -</b>

**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
<b>Major Funds</b>				
<b>Downtown Waterfront Tax Increment Financing Fund:</b>				
Amortized loans	20 yrs	1% to 3% \$	63,575 \$	3,180
<b>Total Gross Downtown Waterfront Tax Increment Financing Fund</b>			<b>63,575</b>	<b>3,180</b>
<b>Total Net Downtown Waterfront Tax Increment Financing Fund</b>				<b>60,395</b>
<b>River District Tax Increment Financing Fund:</b>				
Amortized loans	23 yrs	1% to 12%	9,506,633	475,332
Deferred payment loans	17 yrs	0%	8,105,000	2,026,250
<b>Total Gross River District Tax Increment Financing Fund</b>			<b>17,611,633</b>	<b>2,501,582</b>
<b>Total Net River District Tax Increment Financing Fund</b>				<b>15,110,051</b>
<b>Lents Town Center Tax Increment Financing Fund:</b>				
Amortized loans	20 yrs	2% to 8%	3,831,520	392,772
Cash flow loans	40 yrs	0% to 3.25%	36,591,238	26,230,565
<b>Total Gross Lents Town Center Tax Increment Financing Fund</b>			<b>40,422,758</b>	<b>26,623,337</b>
<b>Total Net Lents Town Center Tax Increment Financing Fund</b>				<b>13,799,421</b>

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance And Discount
<b>Interstate Corridor Tax Increment Financing Fund:</b>				
Amortized loans	21 yrs	2% to 8%	9,065,473	8,662,951
Deferred payment loans	16 yrs	2% to 5.5%	148,433	37,108
<b>Total Gross Interstate Corridor Tax Increment Financing Fund</b>			<b>9,213,906</b>	<b>8,700,059</b>
<b>Total Net Interstate Corridor Tax Increment Financing Fund</b>				<b>513,847</b>
<b>Total Gross Major Funds</b>			<b>\$ 67,311,872</b>	<b>\$ 37,828,158</b>
<b>Total Net Major Funds</b>				<b>\$ 29,483,714</b>
<b>Other Governmental Funds:</b>				
<b>Other Federal Grants Fund (EDA):</b>				
Amortized Loans	11 yrs	2.76% to 11.05%	\$ 1,269,735	\$ 378,947
<b>Total Gross Other Federal Grants Fund</b>			<b>1,269,735</b>	<b>378,947</b>
<b>Total Net Other Federal Grants Fund</b>				<b>890,788</b>
<b>Ezone WFBD Fund:</b>				
Amortized loans	3 yrs	0% to 8%	889,406	44,470
<b>Total Gross Ezone WFBD Fund</b>			<b>889,406</b>	<b>44,470</b>
<b>Total Net Ezone WFBD Fund</b>				<b>844,936</b>
<b>South Park Blocks Tax Increment Financing Fund:</b>				
Amortized loans	11 yrs	3.25%	447,325	22,366
<b>Total Gross South Park Blocks Tax Increment Financing Fund</b>			<b>447,325</b>	<b>22,366</b>
<b>Total Net South Park Blocks Tax Increment Financing Fund</b>				<b>424,959</b>

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance And Discount
<b>Convention Center Tax Increment Financing Fund:</b>				
Amortized loans	21 yrs	0.41% to 6%	10,293,048	7,516,460
Cash flow loans	43 yrs	0.5% to 9%	2,960,655	2,960,655
<b>Total Gross Convention Center Tax Increment Financing Fund</b>			<b>13,253,703</b>	<b>10,477,115</b>
<b>Total Net Convention Center Tax Increment Financing Fund</b>				<b>2,776,588</b>
<b>Central Eastside Tax Increment Financing Fund:</b>				
Amortized loans	20 yrs	1% to 8.5%	991,170	343,223
<b>Total Gross Central Eastside Tax Increment Financing Fund</b>			<b>991,170</b>	<b>343,223</b>
<b>Total Net Central Eastside Tax Increment Financing Fund</b>				<b>647,947</b>
<b>Gateway Regional Tax Increment Financing Fund:</b>				
Amortized loans	7 yrs	0% to 4%	1,681,200	1,596,520
Cash flow loans	40 yrs	2.50%	4,044,737	3,253,759
<b>Total Gross Gateway Regional Tax Increment Financing Fund</b>			<b>\$ 5,725,937</b>	<b>\$ 4,850,279</b>
<b>Total Net Gateway Regional Tax Increment Financing Fund</b>				<b>\$ 875,658</b>

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance And Discount
<b>Airport Way Tax Increment Financing Fund:</b>				
Amortized loans	22 yrs	2% to 8.5%	1,078,155	53,908
Deferred payment loans	22 yrs	2.00%	992,000	248,000
<b>Total Gross Airport Way Tax Increment Financing Fund</b>			<b>2,070,155</b>	<b>301,908</b>
<b>Total Net Airport Way Tax Increment Financing Fund</b>				<b>1,768,247</b>
<b>Total Gross Other Governmental Funds</b>			<b>24,647,431</b>	<b>16,418,308</b>
<b>Total Net Other Governmental Funds</b>				<b>8,229,123</b>
<b>Total Gross Governmental Funds</b>			<b>91,959,303</b>	<b>54,246,466</b>
<b>Total Net Governmental Funds</b>				<b>37,712,837</b>
<b>Business-type Funds:</b>				
Enterprise Loans Fund:				
Amortized loans	15 yrs	2.5% to 11%	774,410	327,061
<b>Total Gross Enterprise Loans Fund</b>			<b>\$ 774,410</b>	<b>\$ 327,061</b>
<b>Total Net Enterprise Loans Fund</b>				<b>\$ 447,349</b>
<b>Total Gross All Funds</b>			<b>\$ 92,733,713</b>	<b>\$ 54,573,527</b>
<b>Total Net All Funds</b>				<b>\$ 38,160,186</b>

**The combined loan portfolio is composed of the following:**

<b>Fund and Program</b>	<b>Current Year Gross Loan Percentages</b>	<b>Gross Loans Receivable</b>	<b>Allowance And Discount</b>
<b>Urban Development:</b>			
Amortized loans	42.98%	\$ 39,857,354	\$ 19,782,894
Cash flow loans	47.01%	43,596,630	32,444,979
Deferred payment loans	10.01%	9,279,729	2,345,654
<b>Urban development totals</b>	<b>100%</b>	<b>92,733,713</b>	<b>54,573,527</b>
<b>Total Gross Loans</b>	<b>100%</b>	<b>\$ 92,733,713</b>	<b>\$ 54,573,527</b>
<b>Total Net Loans</b>			<b>\$ 38,160,186</b>
<b>Summary Loans Receivable Aging:</b>			
Current loans receivable, net		\$ 959,100	
Noncurrent loans receivable, net		22,841,289	
<b>Total Net Loans</b>		<b>\$ 23,800,389</b>	

The Summary Loans Receivable, as shown above and on the Government-Wide Statement of Net Position, reflects the elimination of interfund activity between the agency and its component unit for the \$14,328,051 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:

<b>Restricted by:</b>	
Enabling legislation:	
Urban renewal	\$ 384,946,436
Contributors:	
Property Clean up	3,000,000
Public-private partnership agreement	8,486,807
<b>Total</b>	<b>\$ 396,433,243</b>



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

<b>Governmental activities:</b>	
<b>General Fund</b>	\$ 146,754
Downtown Waterfront Tax Increment Financing Fund	9,033,499
North Macadam Tax Increment Financing Fund	1,967,849
River District Tax Increment Financing Fund	79,146,592
Lents Town Center Tax Increment Financing Fund	5,580,314
Other governmental funds	17,298,386
<b>Total governmental activities</b>	<b>113,173,394</b>
<b>Business-type Activities:</b>	
Non-major business type funds	965,788
<b>Total property held for sale</b>	<b>\$ 114,139,182</b>

## 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	Ending Balance
<b>Capital assets, not being depreciated:</b>				
Land	\$ 14,126,571	\$ -	\$ -	14,126,571
Work in progress-Commercial space Lents Commons	7,650	-	7,650	-
Work in progress-Halsey 106 Comm. Condo	2,011,512	1,665,222	-	3,676,734
<b>Total Capital assets, not being depreciated:</b>	<b>16,145,733</b>	<b>1,665,222</b>	<b>7,650</b>	<b>17,803,305</b>
<b>Capital assets, being depreciated or amortized:</b>				
Buildings and improvements	66,575,767	-	11,626,617	54,949,150
Leasehold improvements	3,849,501	2,715,118	3,849,501	2,715,118
Equipment	464,727	35,705	123,153	377,279
Intangible software	2,051,715	48,106	-	2,099,821
<b>Total capital assets, being depreciated or amortized</b>	<b>72,941,710</b>	<b>2,798,929</b>	<b>15,599,271</b>	<b>60,141,368</b>
<b>Total capital assets before depreciation</b>	<b>89,087,443</b>	<b>4,464,151</b>	<b>15,606,921</b>	<b>77,944,673</b>
<b>Less accumulated depreciation or amortization for:</b>				
Buildings and improvements	(4,362,103)	(1,392,642)	-	(5,754,745)
Leasehold improvements	(3,849,501)	-	(3,849,501)	-
Equipment	(352,603)	(57,328)	(87,574)	(322,357)
Intangible software	(952,181)	(208,635)	-	(1,160,816)
<b>Total accumulated depreciation or amortization</b>	<b>(9,516,388)</b>	<b>(1,658,605)</b>	<b>(3,937,075)</b>	<b>(7,237,918)</b>
<b>Total capital assets, being depreciated or amortized, net</b>	<b>63,425,322</b>	<b>1,140,324</b>	<b>11,662,196</b>	<b>52,903,450</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 79,571,055</b>	<b>\$ 2,805,546</b>	<b>\$ 11,669,846</b>	<b>\$ 70,706,755</b>

**G. Operating Leases****As Lessee**

Prosper Portland leases office space and land under operating leases. Rental expenditures and payments for landlord-paid expenses include a share of the custodial services contract costs. Allowable insurance, elevator and other repair expenses allowed under the lease amounted to approximately \$69,000. Future minimum lease payments under Prosper Portland's operating leases are projected at \$800,000 for FY 2022.

Fiscal Year Ending	Minimum Lease Payments
2022	849,913
2023	874,819
2024	900,180
2025	916,723
2026	943,235
2027-2031	5,154,057
2032	32,881
<b>Total</b>	<b>9,671,808</b>

**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, 2021, Prosper Portland's investment in operating leases is as follows:

	Basis Value	Accumulated Depreciation	Net Book Value
Land and improvements	\$ 99,413,212	\$ -	\$ 99,413,212
Buildings	61,007,070	(3,026,796)	57,980,274
<b>Total</b>	<b>\$ 160,420,282</b>	<b>\$ (3,026,796)</b>	<b>\$ 157,393,486</b>

Rental revenue amounted to approximately \$3,747,183 for the fiscal year. The minimum future operating non-cancelable lease revenues are as follows:

Fiscal Year Ending	Minimum Revenue Total
2022	\$ 794,922
2023	467,712
2024	291,792
2025	173,792
2026	173,792
<b>Total</b>	<b>\$ 1,902,010</b>

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

Governmental activities	Beginning Balance	Additions	Payments/ Reductions	Ending Balances	Long-term Portion	Due within One year
Notes payable	\$ 1,094,251	\$ 4,000,000	\$ 30,270	\$ 5,063,981	\$ 5,032,012	\$ 31,969
Other post-employment benefits	290,002	40,431	40,433	290,000	290,000	-
Net pension liability	13,169,861	3,880,419	-	17,050,280	17,050,280	-
Pollution remediation	51,157,708	6,067,818	-	57,225,526	44,450,629	12,774,897
Vacation accrual	762,642	624,021	442,431	944,232	768,610	175,622
<b>Total</b>	<b>\$ 66,474,464</b>	<b>\$ 14,612,689</b>	<b>\$ 513,134</b>	<b>\$ 80,574,019</b>	<b>\$ 67,591,531</b>	<b>\$ 12,982,488</b>

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, 2021, are as follows:

Year Ending, June 30,	Principal	Interest
2022	\$ 31,969	\$ 15,741
2023	4,032,452	175,258
2024	32,942	14,768
2025	33,439	14,270
2026	33,944	13,765
2027-2031	177,569	60,978
2032-2036	191,389	47,156
2037-2041	206,286	32,260
2042-2046	222,343	16,204
2047-2051	101,648	1,725
<b>Total</b>	<b>\$ 5,063,981</b>	<b>\$ 392,125</b>

## I. Amounts Due From and Due to the City of Portland

The City of Portland owes Prosper Portland \$4,183,391 for various intergovernmental funding agreements. Amounts due to the City of Portland consist principally of accounts payable for various interagency work. Balances due to the City of Portland by fund as of June 30, 2021 are as follows:

	Accounts Payable
General Fund	\$ 312,793
North Macadam Tax Increment Financing Fund	1,679,899
River District Tax Increment Financing Fund	385,424
Lents Town Center Tax Increment Financing Fund	152,322
Interstate Corridor Tax Increment Financing Fund	821,787
Other governmental funds	314,299
<b>Total</b>	<b>\$ 3,666,524</b>

## 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:

Governmental funds	Land/ Personal Property Sales	Reimbursement	Other	Total
General Fund	\$ 1,869	\$ 69,102	\$ 132,184	203,155
Component Unit 9101 Foster LLC	-	15,724	53,146	68,870
Downtown Waterfront Tax Increment Financing Fund	63,267	-	-	63,267
North Macadam Tax Increment Financing Fund	-	1,250,333	-	1,250,333
River District Tax Increment Financing Fund	-	7,853	27,444	35,297
Lents Town Center Tax Increment Financing Fund	-	57,250	451,416	508,666
Interstate Corridor Tax Increment Financing Fund	-	24,706	202,666	227,372
Other Non-Major Governmental Funds	3,000	9,000	450,512	462,512
Other governmental funds	-	-	-	-
<b>Total governmental funds</b>	<b>68,136</b>	<b>1,433,968</b>	<b>1,317,368</b>	<b>2,819,472</b>
<b>Business-type funds</b>				
Non-major business-type funds	-	-	225,575	225,575
<b>Total business-type funds</b>	<b>-</b>	<b>-</b>	<b>225,575</b>	<b>225,575</b>
<b>Total</b>	<b>\$ 68,136</b>	<b>\$ 1,433,968</b>	<b>\$ 1,542,943</b>	<b>3,045,047</b>

## IV. Other Information

### A. Pension Plans

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

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

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

OPERS prepares their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds.

Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plan. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. OPERS issues a publicly available financial report that can be obtained at: <https://bit.ly/3IIEx9>

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account 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 they have had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General Service employees may retire after reaching age 55, Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

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

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

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

#### **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, 2021 were \$1,503,123, excluding amounts to fund employer specific liabilities. The contribution rates on subject salary in effect for the fiscal year ended June 30, 2021 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, 2021, Prosper Portland reported a liability for its proportionate share of the pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the pension liability was determined by an actuarial valuation as of December 31, 2018 and rolled forward to June 30, 2020. 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, 2021, the City's proportionate share of OPERS pension liability was 4.25335580% and Prosper Portland's portion of the City's OPERS pension liability was 1.7459%.

For the year ended June 30, 2021, Prosper Portland recognized pension expense of \$2,350,819. At June 30, 2021, 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	\$	733,546	\$ -	\$ 733,546
Net difference between projected and actual earnings on investments		1,905,592	396,189	1,509,403
Change in assumptions		1,177,091	-	1,177,091
Differences between employer contributions and employer proportionate share		3,711	30,474	(26,763)
Changes in proportionate share		788,999	41,721	747,278
		4,608,939	468,384	4,140,555
Contributions made subsequent to the measurement dates		1,503,123	-	1,503,123
<b>Total</b>	<b>\$</b>	<b>6,112,062</b>	<b>\$ 468,384</b>	<b>\$ 5,643,678</b>



Prosper Portland deferred \$1,503,123 for contributions made after the measurement date of June 30, 2020 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	Difference Between Projected and Actual Earnings on Investments	Changes in Proportionate Share	Differences between Employer Contributions and Proportionate Share of Contributions	Total
2022	\$ 252,035	\$ 657,498	\$ 57,024	\$ 220,315	\$ 1,687	1,188,559
2023	202,828	432,994	521,588	220,143	1,687	1,379,240
2024	178,886	86,599	728,146	220,143	337	1,214,111
2025	82,218	-	598,834	105,388	-	786,440
2026	17,579	-	-	23,010	-	40,589
<b>Total</b>	<b>\$ 733,546</b>	<b>\$ 1,177,091</b>	<b>\$ 1,905,592</b>	<b>\$ 788,999</b>	<b>\$ 3,711</b>	<b>4,608,939</b>

Deferred Inflow of Resources				
Fiscal Year Ending June 30,	Change in Proportionate Share	Changes or Assumptions	Net Difference between Employer Contributions and Proportionate Share	Total Deferred Inflows of Resources
2022	\$ 27,164	\$ 7,087	\$ 107,529	141,780
2023	13,133	7,087	102,491	122,711
2024	1,424	7,087	101,349	109,860
2025	-	7,087	67,215	74,302
2026	-	2,126	17,605	19,731
<b>Total</b>	<b>\$ 41,721</b>	<b>\$ 30,474</b>	<b>\$ 396,189</b>	<b>468,384</b>

Net Deferred Outflow/Inflow of Resources			
Fiscal Year Ending June 30,	Total Deferred Outflows	Total Deferred Inflows	Total
2022	\$ 1,188,559	\$ 141,780	1,046,779
2023	1,379,240	122,711	1,256,529
2024	1,214,111	109,860	1,104,251
2025	786,440	74,302	712,138
2026	40,589	19,731	20,858
<b>Total</b>	<b>\$ 4,608,939</b>	<b>\$ 468,384</b>	<b>4,140,555</b>

#### 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation date:	December 31, 2018
Measurement date:	June 30, 2020
Experience study:	2018, published July 24, 2018
Actuarial cost method:	Entry age normal
Actuarial assumptions:	
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	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 Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation</p> <p>Disabled Retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation</p>

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

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

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

#### Assumed Asset Allocation

Asset Class	OIC Target
Cash	0.0 %
Debt Securities	20.0
Public equity	32.5
Private equity	17.5
Real estate	12.5
Alternatives portfolio	15.0
Risk Parity	2.5
<b>Total</b>	<b>100.0 %</b>

**Long-Term Expected Rate of Return.** To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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.

Asset Class	Target Allocation	Compound Annual Return (Geometric)
Core Fixed Income	9.60%	4.10%
Short-Term Bonds	9.60	3.70
Bank/Leveraged Bonds	3.60	5.20
High Yield Bonds	1.20	5.70
Large/Mid Cap US Equities	16.20	6.30
Small Cap US Equities	1.40	6.70
Micro Cap US Equities	1.40	6.80
Developed Foreign Equities	13.50	6.90
Emerging Market Equities	4.20	7.70
Non-US Small Cap Equities	1.90	7.30
Private Equity	17.50	8.30
Real Estate (Property)	10.00	5.60
Real Estate (REITS)	2.50	6.70
Hedge Fund of Funds - Diversified	1.50	4.10
Hedge Fund - Event-driven	0.40	5.60
Timber	1.10	5.60
Farmland	1.10	6.10
Infrastructure	2.30	6.70
Commodities	1.10	3.80
Assumed Inflation - Mean		2.50

**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)	\$ 24,064,296	\$ 17,050,280	\$ 9,616,113

**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://bit.ly/3BzGvEU>

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

#### **Changes in Economic Assumptions:**

- The administrative expense assumptions were updated to \$32.5 million per year for Tier 1/Tier 2 and \$8.0 million per year for OPSRP. Previously, these were assumed to be 37.5 million per year and \$6.5 million per year, respectively.

#### **Changes in Demographic Assumptions:**

- The healthy annuitant mortality base tables were updated to Pub-2010 generational Healthy Retiree mortality tables with group-specific job category and setback adjustments. Previously they were based on RP2014 generational Healthy Annuitant mortality tables with group-specific class and setback adjustments..
- The disabled mortality base tables were updated to Pub-2010 generational disabled Retiree mortality tables with group-specified job category and setback adjustments. Previously they were based on RP-2014 generation Disables Retiree mortality tables..
- Non-annuitant mortality base tables were updated to Pub-2010 generational mortality tables with the same group-specific job category and setback adjustments as for healthy annuitants, and with an additional scaling factor adjustment for certain subgroups. Previously they were based on RP-2014 generational Employee mortality tables with the same group-specific collar and setback adjustments as for healthy annuitants.

#### **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 2021 Prosper Portland paid \$418,529.

*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.

#### **Total OPEB liability**

Prosper Portland's total HIC liability of \$254,609 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Valuation date	July 1, 2020
Measurement date	June 30, 2020
Inflation	2.50%
Salary increases	3.50%
Actuarial cost method	Entry Age Normal
Discount rate	2.21%
Healthy mortality	

- Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

#### 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, 2019 Oregon PERS valuation

The results of the July 1, 2019 valuation are used to calculate the changes in the total OPEB Liability for the fiscal year ending June 30, 2021.

#### Changes in Total OPEB Liability

<b>Balance as of June 30, 2020</b>	<b>\$</b>	<b>290,002</b>
Changes for the year:		
Service cost		18,703
<b>Interest on total OPEB liability</b>		<b>10,231</b>
Effect of economic/demographic gains or losses		(12,643)
Effect of assumptions changes or inputs		(18,636)
Benefit payments		(33,048)
<b>Balance as of June 30, 2021</b>	<b>\$</b>	<b>254,609</b>

#### 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. The effects of COVID-19 were not clear and have not been included. It is possible there will be a material impact on projected costs.
Mortality, Withdrawal, and Retirement Rates	Updated to reflect assumptions used in the Oregon PERS December 31, 2019 actuarial valuation.

#### Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the discount rate of 2.21%, 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 (1.21%) or one percentage point higher (3.21%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
<b>Total OPEB liability</b>	<b>\$ 273,916</b>	<b>\$ 254,609</b>	<b>\$ 235,867</b>

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	\$ 224,019	\$ 254,609	\$ 290,251

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2021, Prosper Portland recognized an OPEB expense of \$22,889. At June 30, 2021, 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	-	(18,657)	(18,657)
Changes of assumptions or inputs	5,972	(46,657)	(40,685)
	5,972	(65,314)	(59,342)
Benefit payments	\$ 14,066	-	14,066
<b>Total</b>	<b>\$ 20,038</b>	<b>(65,314)</b>	<b>(45,276)</b>

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
2022	\$ (13,676)
2023	(13,676)
2024	(13,555)
2025	(11,009)
2026	(3,345)
Thereafter	(4,081)
<b>Total</b>	<b>\$ (59,342)</b>

#### 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: [bit.ly/3BzGvEU](http://bit.ly/3BzGvEU)

*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, 2021, 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 \$1,424 for the year ended June 30, 2021. 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:

On June 30, 2021, Prosper Portland reported an asset of \$30,144 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation date as of December 31, 2018. 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, 2020 was 1.2534%.

For the year ended June 30, 2021, Prosper Portland recognized an OPEB expense of \$14,645. At June 30, 2021, 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	\$ 3,400	\$ -	\$ 3,400
Change of Assumptions	-	(1,521)	(1,521)
Difference between expected and actual experience	-	(591)	(591)
Changes in proportionate share	35,494	(3,366)	32,128
<b>Total (prior to post-measurement date contributions)</b>	<b>38,894</b>	<b>(5,478)</b>	<b>33,416</b>
Contributions made subsequent to measurement date	1,424	-	1,424
Net deferred outflow/(inflows) of resources	\$ 40,318	\$ (5,478)	\$ 34,840

Deferred outflows of resources resulting from contributions subsequent to the measurement date of \$1,424 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. 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 Outflows/(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	
2022	\$ 173	\$ (804)	\$ (447)	\$ 16,590	\$ 15,512	
2023	898	(717)	(144)	15,538	15,575	
2024	1,257	-	-	-	1,257	
2025	1,072	-	-	-	1,072	
2026	-	-	-	-	-	
<b>Total</b>	<b>\$ 3,400</b>	<b>\$ (1,521)</b>	<b>\$ (591)</b>	<b>\$ 32,128</b>	<b>\$ 33,416</b>	



**Actuarial Methods & Assumptions:**

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation date	July 1, 2018
Measurement date	June 30, 2020
Experience study	2017, published July 26, 2018
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	2.21%
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 described 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, 2020 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 payments 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.

**Assumed Asset Allocation**

Asset Class/Strategy	OIC Target
Cash	0.0 %
Debt securities	20.0
Public equity	32.5
Private equity	17.5
Real estate	12.5
Alternatives portfolio	15.0
Risk parity	2.5
<b>Total</b>	<b>100.0 %</b>

*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 2019 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.

Asset Class	Target Allocation	Compound Annual Return (Geometric)
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

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% Increase (8.20%)
Proportionate share of the net OPEB liability (asset)	\$ (24,682)	\$ (30,144)	\$ (35,608)

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, 2021:

	Deferred Outflow/ (Inflow) of Resources - OPEB	Net OPEB Liability/ (Asset)	OPEB Expense
RHIA	\$ 34,840	\$ (30,144)	\$ 14,645
HIC	(45,276)	254,609	(45,276)
<b>Total</b>	<b>\$ (10,436)</b>	<b>\$ 224,465</b>	<b>\$ (30,631)</b>

#### D. Commitments

Contractual and other commitments for subsequent years' expenditures amounting to \$86,340,834 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
General fund	\$ -	\$ 1,336,513	\$ 1,336,513
9101 Foster	-	572,872	572,872
Downtown Waterfront TIF District	425,162	-	425,162
North Macadam TIF District	14,439,329	-	14,439,329
River District TIF District	11,545,237	-	11,545,237
Lents Town Center TIF District	2,811,732	-	2,811,732
Interstate TIF District	37,799,332	-	37,799,332
Other governmental funds	16,108,960	1,301,697	17,410,657
<b>Total</b>	<b>\$ 83,129,752</b>	<b>\$ 3,211,082</b>	<b>\$ 86,340,834</b>

#### 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, 2021, 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, 2021 of \$3,060,000. These amounts may differ from actual amounts reported in the City ACFR 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 purchases a variety of commercial insurance policies to protect itself against the risk of 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 not covered under the City of Portland's self-insurance program.

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 Liberty Mutual, for general liability in the amount of \$2 million per occurrence, \$2 million general aggregate. Insurance for public officials and employment practices liability is in the same amounts. Prosper Portland insures 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 approximately \$100 million, is insured by Lloyd's of London for the TIV with a sublimit of \$35 million for earth movement and \$50 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.

Prosper Portland has an aggressive risk management practice of transferring liability to contractors, lessees, event sponsors, and other entities through standardized indemnification and insurance requirements in contracts and agreements. Prosper Portland currently has one open insurance claim. 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 \$140,114 to meet insurance policy deductible amounts and other amounts not fully reimbursed from insurance proceeds, as necessary.

### 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 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 \$6,067,818. At June 30, 2021, Prosper Portland had a total outstanding pollution remediation liability of \$57,225,526. The estimated current portion is \$12,774,897.

### 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 2021 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 and FY2021-22 budget. While budgets include 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 as part of the annual budget process, based on decisions made by City Council.

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

On July 28, 2021, Portland City Council passed Ordinance No. 190525, which amended the City of Portland FY 2021-22 adopted budget and appropriated \$63,591,652 in American Rescue Plan Act Local Fiscal Recovery Funds, and delegated authority to the Program Bureau Directors to execute contracts and agreements funding under the program. Council appropriated \$7,395,931 of American Rescue Plan Act funds to Prosper Portland to implement ongoing relief and stabilization activities to support Portland's small businesses, community-based providers and workforce development services for residents.

# **Required Supplementary Information**

**Schedule Of Required Supplementary Information**  
**Schedule Of Proportionate Share Of Net Pension Liability (Asset)**  
**Last Ten Fiscal Years Or Since Inception<sup>(2)</sup>**

	2021	2020	2019	2018	2017	2016	2015	2014
Prosper Portland's proportion of the net pension liability <sup>(1)</sup>	0.0742%	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)	\$ 17,050,280	\$ 13,169,861	\$ 10,867,461	\$ 9,878,065	\$ 11,045,372	\$ 4,139,065	\$ (2,021,851)	\$ 4,551,875
Covered payroll	6,975,483	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	244.4315%	181.0148%	150.8421%	122.6967%	134.1333%	48.1553%	-24.1748%	45.9953%
<b>Plan fiduciary net position as a percentage of total pension liability</b>	<b>75.79%</b>	<b>82.07%</b>	<b>82.07%</b>	<b>83.10%</b>	<b>80.50%</b>	<b>91.90%</b>	<b>103.59%</b>	<b>92.00%</b>

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

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



**Schedule Of Required Supplementary Information**  
**Schedule Of Contributions To Oregon Public Retirement System**  
**Last Ten Fiscal Years or Since Inception<sup>(1)</sup>**

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,503,123	\$ 1,491,359	\$ 941,781	\$ 915,327	\$ 673,628	\$ 736,024	\$ 596,226	\$ 669,619
Contributions in relation to the actuarially determined contribution	1,503,123	1,491,359	941,781	915,327	673,628	736,024	596,226	669,619
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 7,337,744	\$ 6,975,483	\$ 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	20.48%	21.38%	12.94%	12.70%	8.37%	8.94%	6.94%	8.01%

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

**Schedule Of Changes In Total Other Post-Employment  
Benefits Liability And Related Ratios  
Last Ten Fiscal Years or Since Inception<sup>(1)</sup>**

	2021	2020	2019	2018
Health Insurance Continuation				
<b>Total OPEB liability, beginning</b>	<b>290,002</b>	<b>280,843</b>	<b>336,842</b>	<b>359,090</b>
Service Cost	\$ 18,703	\$ 16,758	\$ 21,045	\$ 21,990
Interest on total OPEB liability	10,231	11,000	12,182	10,351
Effect of change to benefit terms	-	-	-	-
Effect of economic/demographic gains or (losses)	(12,643)	-	(13,729)	-
Effect of assumption changes or inputs	(18,636)	8,362	(39,972)	(18,548)
Benefit payments	(33,048)	(26,961)	(35,525)	(36,041)
<b>Net change in total OPEB liability</b>	<b>(35,393)</b>	<b>9,159</b>	<b>(55,999)</b>	<b>(22,248)</b>
<b>Total OPEB liability, ending</b>	<b>254,609</b>	<b>290,002</b>	<b>280,843</b>	<b>336,842</b>
Covered employee payroll	6,975,483	7,275,570	8,405,438	7,851,891
<b>Total OPEB liability as a % of covered payroll*</b>	<b>3.6501%</b>	<b>3.9860%</b>	<b>3.3412%</b>	<b>4.2899%</b>

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

Notes to Required Schedule

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

## Schedules Of Required Supplementary Information

## Schedule Of The Proportionate Share Of The Net Opeb Liability (Asset)

Last Ten Fiscal Years Or Since Inception<sup>(1)</sup>

	2021	2020	2019	2018	2017
<b>OPERS Retirement Health Insurance Account</b>					
Proportion of the OPEB Liability	0.0150%	0.0495%	0.0472%	0.0435%	0.0443%
Proportionate share of the net OPEB liability (asset)	\$ (30,144)	\$ (95,832)	\$ (52,218)	\$ (18,170)	\$ 12,021
Covered payroll	\$ 6,975,483	\$ 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	-0.4321%	-1.3172%	-0.7248%	-0.2257%	0.1460%
<b>Plan net position as a percentage of the total OPEB liability</b>	<b>150.10%</b>	<b>144.40%</b>	<b>124.00%</b>	<b>108.90%</b>	<b>94.20%</b>

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

## Schedule Of Contributions To OPERS Retirement Health Insurance Account

Last Ten Fiscal Years or Since Inception<sup>(1)</sup>

	2021	2020	2019	2018	2016
Actuarially determined contribution	\$ 1,424	\$ 4,232	\$ 31,449	\$ 33,160	\$ 34,512
Contributions in relation to the actuarially determined contribution	1,424	4,232	31,449	33,160	34,512
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-employee payroll	\$ 7,337,744	\$ 6,975,483	\$ 7,275,570	\$ 7,204,530	\$ 8,050,801
Contributions as a percentage of covered payroll	0.02%	0.06%	0.43%	0.46%	0.43%

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

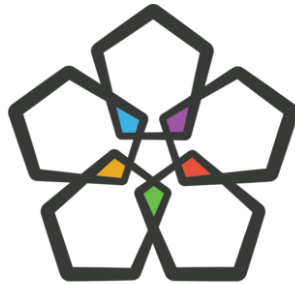


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# Supplementary Data

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



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## 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.

*Affordable Commercial Tenanting Fund* — accounts for program revenues and expenditures that Prosper Portland will receive that must be spent according to the City of Portland's Council approved program guidelines. The program allows for commercial space developers to request additional bonus floor area ratio to pay in-lieu of fees to Prosper Portland, who in turn is charged with using the resources to fund affordable commercial tenanting programming.

*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 Tax Increment Fund* — accounts for resources used in the six small URAs dedicated to neighborhood improvements.

*South Park Blocks Tax Increment Fund* — accounts for resources used in the development and improvement of the south park blocks.

*Convention Center Tax Increment 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 Fund* — accounts for resources used in the development and improvement of the central eastside while maintaining a good environment for existing businesses by making improvements and developing the Eastbank Riverfront park.

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

*Airport Way Tax Increment 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 Tax Increment Fund* — accounts for resources used to attract new industrial, high-technology, manufacturing, and distributing businesses to the currently vacant or unused parcels of land.



**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash with City of Portland			
investment pool	\$ 6,687,360	\$ 74,827,101	\$ 81,514,461
Receivables:			
Due from City of Portland	832,854	852,735	1,685,589
Accounts	179,089	68,528	247,617
Loans, net	1,735,723	6,493,399	8,229,122
Interest	16,724	188,382	205,106
Loan interest	3,410	248,289	251,699
Property held for sale	-	20,110,273	20,110,273
Other	-	780,231	780,231
<b>Total assets</b>	<b>\$ 9,455,160</b>	<b>\$ 103,568,938</b>	<b>\$ 113,024,098</b>
<b>Liabilities And Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 587,411	\$ 115,232	\$ 702,643
Due to City of Portland	-	314,299	314,299
Due to other entities	-	176,275	176,275
Due to other funds	529,000	-	529,000
<b>Total liabilities</b>	<b>1,116,411</b>	<b>605,806</b>	<b>1,722,217</b>
<b>Fund Balances</b>			
Non-spendable			
Restricted			
Loans receivable	-	7,338,334	7,338,334
Urban renewal	-	95,624,798	95,624,798
Contractual obligations	8,338,749	-	8,338,749
<b>Total fund balances</b>	<b>8,338,749</b>	<b>102,963,132</b>	<b>111,301,881</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,455,160</b>	<b>\$ 103,568,938</b>	<b>\$ 113,024,098</b>

**Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances**  
**Nonmajor Governmental Funds**  
**For The Fiscal Year Ended June 30, 2021**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental revenues	\$ 2,858,191	\$ 799,800	\$ 3,657,991
Charges for services	2,646,517	1,430,199	4,076,716
Loan collections	34,921	302,254	337,175
Interest on investments	53,071	704,184	757,255
Miscellaneous	205,530	257,262	462,792
(in lieu of tax-increment revenue)	-	8,731,440	8,731,440
<b>Total revenues</b>	<b>5,798,230</b>	<b>12,225,139</b>	<b>18,023,369</b>
<b>Expenditures</b>			
Current:			
Community development	370,372	5,813,159	6,183,531
Capital expenditures for urban renewal	-	4,053,489	4,053,489
Financial assistance	3,676,324	4,735,425	8,411,749
<b>Total expenditures</b>	<b>4,046,696</b>	<b>14,602,073</b>	<b>18,648,769</b>
Excess (deficiency) of revenues over expenditures	1,751,534	(2,376,934)	(625,400)
<b>Other Financing Sources (Uses)</b>			
Transfers in	63,500	-	63,500
Transfers out	(63,500)	-	(63,500)
Net change in fund balances	1,751,534	(2,376,934)	(625,400)
<b>Fund Balances - July 1, 2020</b>	<b>6,587,215</b>	<b>105,340,066</b>	<b>111,927,281</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ 8,338,749</b>	<b>\$ 102,963,132</b>	<b>\$ 111,301,881</b>

**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2021**

	Housing and Community Development Contract Fund	COEP Fund	Affordable Commercial Tenanting Fund	Other Federal Grants Fund	Enterprise Zone Fund	Ambassador Program Fund	Total
<b>Assets</b>							
Cash with City of Portland							
investment pool	\$ 918	\$ 373	\$ 488,934	\$ 1,840,821	\$ 4,343,412	\$ 12,902	\$ 6,687,360
Receivables:							
Due from City of Portland	572,226	260,628	-	-	-	-	832,854
Accounts	-	-	-	150,492	28,597	-	179,089
Loans, net	-	-	-	890,788	844,935	-	1,735,723
Interest	-	-	1,234	4,940	10,517	33	16,724
Loan interest	-	-	-	3,410	-	-	3,410
<b>Total assets</b>	<b>573,144</b>	<b>261,001</b>	<b>490,168</b>	<b>2,890,451</b>	<b>5,227,461</b>	<b>12,935</b>	<b>9,455,160</b>
<b>Total assets</b>	<b>\$ 573,144</b>	<b>\$ 261,001</b>	<b>\$ 490,168</b>	<b>\$ 2,890,451</b>	<b>\$ 5,227,461</b>	<b>\$ 12,935</b>	<b>\$ 9,455,160</b>
<b>Liabilities</b>							
Liabilities:							
Accounts payable	280,144	5,743	-	13,623	287,901	-	587,411
Internal balances	293,000	236,000	-	-	-	-	529,000
<b>Total liabilities</b>	<b>573,144</b>	<b>241,743</b>	<b>-</b>	<b>13,623</b>	<b>287,901</b>	<b>-</b>	<b>1,116,411</b>
Restricted							
Contractual obligations	-	19,258	490,168	2,876,828	4,939,560	12,935	8,338,749
<b>Total fund balances</b>	<b>-</b>	<b>19,258</b>	<b>490,168</b>	<b>2,876,828</b>	<b>4,939,560</b>	<b>12,935</b>	<b>8,338,749</b>
<b>Total liabilities and fund balances</b>	<b>\$ 573,144</b>	<b>\$ 261,001</b>	<b>\$ 490,168</b>	<b>\$ 2,890,451</b>	<b>\$ 5,227,461</b>	<b>\$ 12,935</b>	<b>\$ 9,455,160</b>

## Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances

## Nonmajor Governmental Funds

## Nonmajor Special Revenue Funds

For The Fiscal Year Ended June 30, 2021

	Housing and Community Development Contract Fund	COEP Fund	Affordable Commercial Tenanting Fund	Other Federal Grants Fund	Enterprise Zone Fund	Ambassador Program Fund	Total
<b>Revenues</b>							
Intergovernmental revenues	\$ 2,322,826	\$ -	\$ -	\$ 535,365	\$ -	\$ -	2,858,191
Charges for services	-	772,882	488,934	12,943	1,371,758	-	2,646,517
Loan collections	-	-	-	34,921	-	-	34,921
Interest on investments	-	4	1,234	17,199	34,510	124	53,071
Miscellaneous	-	-	-	-	205,530	-	205,530
<b>Total revenues</b>	<b>2,322,826</b>	<b>772,886</b>	<b>490,168</b>	<b>600,428</b>	<b>1,611,798</b>	<b>124</b>	<b>5,798,230</b>
<b>Expenditures</b>							
Current:							
Community development	-	33,709	-	66,473	270,190	-	370,372
Financial assistance	2,322,826	736,278	-	58,826	558,394	-	3,676,324
<b>Total expenditures</b>	<b>2,322,826</b>	<b>769,987</b>	<b>-</b>	<b>125,299</b>	<b>828,584</b>	<b>-</b>	<b>4,046,696</b>
<b>Excess (deficiency) of revenues</b>							
over (under) expenditures	-	2,899	490,168	475,129	783,214	124	1,751,534
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	63,500	-	-	63,500
Transfers out	-	-	-	-	(63,500)	-	(63,500)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,500</b>	<b>(63,500)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	2,899	490,168	538,629	719,714	124	1,751,534
<b>Fund Balances - July 1, 2020</b>	<b>-</b>	<b>16,359</b>	<b>-</b>	<b>2,338,199</b>	<b>4,219,846</b>	<b>12,811</b>	<b>6,587,215</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ 19,258</b>	<b>\$ 490,168</b>	<b>\$ 2,876,828</b>	<b>\$ 4,939,560</b>	<b>\$ 12,935</b>	<b>\$ 8,338,749</b>



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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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenues-				
Housing and Community				
Development contract	\$ 3,633,887	\$ 2,499,067	\$ 2,322,826	\$ (176,241)
<b>Total revenues</b>	<b>3,633,887</b>	<b>2,499,067</b>	<b>2,322,826</b>	<b>(176,241)</b>
<b>Expenditures</b>				
Current:				
Community development:				
Economic development	3,633,887	2,499,067	2,322,826	176,241
<b>Total community development</b>	<b>3,633,887</b>	<b>2,499,067</b>	<b>2,322,826</b>	<b>176,241</b>
<b>Total expenditures</b>	<b>3,633,887</b>	<b>2,499,067</b>	<b>2,322,826</b>	<b>176,241</b>
Other Financing Sources (Uses)				
Transfers in:				
Enterprise Loans Fund	-	-	293,000	293,000
<b>Total transfers in</b>	<b>-</b>	<b>-</b>	<b>293,000</b>	<b>293,000</b>
Transfers out:				
Enterprise Loans Fund	-	(298,000)	(298,000)	-
<b>Total transfers out</b>	<b>-</b>	<b>(298,000)</b>	<b>(298,000)</b>	<b>-</b>
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(298,000)</b>	<b>(5,000)</b>	<b>293,000</b>
Net change in fund balance	-	(298,000)	(5,000)	293,000
<b>Fund Balances - July 1, 2020</b>	<b>-</b>	<b>298,000</b>	<b>298,000</b>	<b>-</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>293,000</b>	<b>\$ 293,000</b>
Adjustments to generally accepted accounting principles basis-				
Interfund advances			(293,000)	
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		<b>\$ -</b>		

**COEP**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services-				
Contractual service charges	\$ 996,786	\$ 1,017,347	\$ 772,882	(244,465)
Interest on investments	-	-	4	4
<b>Total revenues</b>	<b>996,786</b>	<b>1,017,347</b>	<b>772,886</b>	<b>(244,461)</b>
<b>Expenditures</b>				
Current:				
Community development:				
Economic development	996,786	1,017,347	769,987	247,360
<b>Total community development</b>	<b>996,786</b>	<b>1,017,347</b>	<b>769,987</b>	<b>247,360</b>
<b>Total expenditures</b>	<b>996,786</b>	<b>1,017,347</b>	<b>769,987</b>	<b>247,360</b>
Excess (deficiency) of revenues over expenditures	-	-	2,899	2,899
Other Financing Sources (Uses)				
Transfers in-				
Business Management Fund	-	-	236,000	236,000
<b>Total transfers in</b>	<b>-</b>	<b>-</b>	<b>236,000</b>	<b>236,000</b>
Transfers out-				
General Fund	-	(16,359)	-	16,359
<b>Total transfers out</b>	<b>-</b>	<b>(16,359)</b>	<b>-</b>	<b>16,359</b>
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(16,359)</b>	<b>236,000</b>	<b>252,359</b>
Net change in fund balance	-	(16,359)	238,899	255,258
<b>Fund Balances - July 1, 2020</b>	<b>-</b>	<b>16,359</b>	<b>16,359</b>	<b>-</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>255,258</b>	<b>\$ 255,258</b>
Adjustments to generally accepted accounting principles basis-				
Interfund advances			(236,000)	
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		<b>\$</b>	<b>19,258</b>	



**Affordable Commercial Tenanting Fund**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services-				
Application fees and charges	\$	- \$	488,934 \$	488,934 \$
Contractual service charges		-	-	-
Interest on investments		-	1,234	1,234
<b>Total revenues</b>		-	<b>488,934</b>	<b>490,168</b>
Expenditures				
Current:				
Community development:				
Economic development		-	-	-
<b>Total community development</b>		-	-	-
Contingency		-	488,934	-
<b>Total expenditures</b>		-	<b>488,934</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures		-	-	490,168
Net change in fund balance		-	-	490,168
<b>Fund Balances - July 1, 2020</b>		-	-	-
<b>Fund Balances - June 30, 2021</b>	\$	- \$	- \$	<b>490,168 \$</b>

**Other Federal Grants Fund**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues-				
Federal grants	\$ -	\$ 1,116,858	\$ 535,365	\$ (581,493)
Charges for services-				
Application fees and charges	500	500	12,943	12,443
Loan collections-				
Principal	28,407	105,733	162,783	57,050
Interest	6,290	33,746	32,331	(1,415)
Interest on investments	-	-	17,199	17,199
<b>Total revenues</b>	<b>35,197</b>	<b>1,256,837</b>	<b>760,621</b>	<b>(496,216)</b>
Expenditures				
Current:				
Community development:				
Economic development	534,958	1,640,370	619,336	1,021,034
<b>Total community development</b>	<b>534,958</b>	<b>1,640,370</b>	<b>619,336</b>	<b>1,021,034</b>
Contingency	744,476	1,457,086	-	1,457,086
<b>Total expenditures</b>	<b>1,279,434</b>	<b>3,097,456</b>	<b>619,336</b>	<b>2,478,120</b>
Excess (deficiency) of revenues over expenditures	(1,244,237)	(1,840,619)	141,285	1,981,904
Other Financing Sources (Uses)				
Transfers in-				
Enterprise Zone Fund	-	63,500	63,500	-
Total transfers in	-	63,500	63,500	-
Internal service reimbursements	-	(11,446)	(10,720)	726
Net change in fund balance	(1,244,237)	(1,788,565)	194,065	1,982,630
<b>Fund Balances - July 1, 2020</b>	<b>1,244,237</b>	<b>1,788,565</b>	<b>1,788,565</b>	<b>1,788,565</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,982,630</b>	<b>\$ 3,771,195</b>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			890,788	
Loan interest receivable			3,410	
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		<b>\$</b>	<b>2,876,828</b>	

**Enterprise Zone Fund**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget
	Original	Final			
Revenues					
Charges for services-					
Application fees and charges	\$ 15,000	\$ 15,000	\$ 1,510	\$	(13,490)
Contractual service charges	1,044,968	1,194,968	1,370,248		175,280
Loan collections-					
Principal	-	-	110,594		110,594
Interest on investments	-	-	34,510		34,510
Miscellaneous:					
<b>Total revenues</b>	<b>1,059,968</b>	<b>1,209,968</b>	<b>1,516,862</b>		<b>306,894</b>
Expenditures					
Current:					
Community development:					
Economic development	1,415,124	1,463,124	785,923		677,201
<b>Total community development</b>	<b>1,415,124</b>	<b>1,463,124</b>	<b>785,923</b>		<b>677,201</b>
Contingency	2,117,781	3,109,069	-		3,109,069
<b>Total expenditures</b>	<b>3,532,905</b>	<b>4,572,193</b>	<b>785,923</b>		<b>3,786,270</b>
Excess (deficiency) of revenues over expenditures	(2,472,937)	(3,362,225)	730,939		4,093,164
Other Financing Uses					
Internal service reimbursements	(44,121)	(44,121)	(42,660)		1,461
Transfers out-					
Other Federal Grants Fund	-	(63,500)	(63,500)		-
<b>Total transfers out</b>	<b>-</b>	<b>(63,500)</b>	<b>(63,500)</b>		<b>-</b>
<b>Total other financing uses</b>	<b>(44,121)</b>	<b>(107,621)</b>	<b>(106,160)</b>		<b>1,461</b>
Net change in fund balance	(2,517,058)	(3,469,846)	624,779		4,094,625
<b>Fund Balances - July 1, 2020</b>	<b>2,517,058</b>	<b>3,469,846</b>	<b>3,469,846</b>		<b>-</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,094,625</b>	<b>\$</b>	<b>4,094,625</b>
Adjustments to generally accepted accounting principles basis-					
Loans receivable, net			844,935		
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		<b>\$</b>	<b>4,939,560</b>		

**Ambassador Program Fund**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest on investments	\$ -	\$ -	124	124
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>124</b>
Expenditures				
Current:				
Community development:				
Economic development	4,795	4,795	-	4,795
<b>Total community development</b>	<b>4,795</b>	<b>4,795</b>	<b>-</b>	<b>4,795</b>
Contingency	-	8,016	-	8,016
<b>Total expenditures</b>	<b>4,795</b>	<b>12,811</b>	<b>-</b>	<b>12,811</b>
Excess (deficiency) of revenues over expenditures	(4,795)	(12,811)	124	12,935
Net change in fund balance	(4,795)	(12,811)	124	12,935
<b>Fund Balances - July 1, 2020</b>	<b>4,795</b>	<b>12,811</b>	<b>12,811</b>	<b>-</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>12,935</b>	<b>12,935</b>

**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Nonmajor Capital Projects Funds**  
**June 30, 2021**

	Neighborhood Prosperity Initiative Tax Increment Financing Fund	South Park Blocks Tax Increment Financing Fund	Convention Center Tax Increment Finance Fund	Central Eastside Tax Increment Financing Fund	Gateway Regional Center Tax Increment Financing Fund	Airport Way Tax Increment Financing Fund	Willamette Industrial Tax Increment Financing Fund	Total
<b>Assets</b>								
Cash with City of Portland								
investment pool	\$ 1,201,843	\$ 5,138,449	\$ 4,155,379	\$ 40,767,420	\$ 13,460,556	\$ 5,754,351	\$ 4,349,103	\$ 74,827,101
Receivables:								
Due from City of Portland	846,690	2,015	2,015	2,015	-	-	-	852,735
Accounts	-	56,959	421	11,148	-	-	-	68,528
Loans, net	-	424,959	2,776,588	647,947	875,658	1,768,247	-	6,493,399
Interest	3,595	12,965	15,918	101,302	29,090	14,543	10,969	188,382
Loan interest	-	956	40,673	22,036	380	184,244	-	248,289
Property held for sale	-	-	5,580,314	2,901,699	4,108,319	7,519,941	-	20,110,273
Other	-	-	444,231	336,000	-	-	-	780,231
<b>Total Assets</b>	<b>2,052,128</b>	<b>5,636,303</b>	<b>13,015,539</b>	<b>44,789,567</b>	<b>18,474,003</b>	<b>15,241,326</b>	<b>4,360,072</b>	<b>103,568,938</b>
<b>Liabilities And Fund Balances</b>								
Liabilities:								
Accounts payable	-	2,393	86,836	6,763	7,352	11,888	-	115,232
Due to City of Portland	-	-	300,801	4,398	9,100	-	-	314,299
Due to other entities	-	-	172,004	-	4,271	-	-	176,275
<b>Total liabilities</b>	<b>-</b>	<b>2,393</b>	<b>559,641</b>	<b>11,161</b>	<b>20,723</b>	<b>11,888</b>	<b>-</b>	<b>605,806</b>
<b>Fund Balances</b>								
Restricted								
Loans receivable	844,935	424,959	2,776,588	647,947	875,658	1,768,247	-	7,338,334
Urban renewal	1,207,193	5,208,951	9,679,310	44,130,459	17,577,622	13,461,191	4,360,072	95,624,798
<b>Total fund balances</b>	<b>2,052,128</b>	<b>5,633,910</b>	<b>12,455,898</b>	<b>44,778,406</b>	<b>18,453,280</b>	<b>15,229,438</b>	<b>4,360,072</b>	<b>102,963,132</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,052,128</b>	<b>\$ 5,636,303</b>	<b>\$ 13,015,539</b>	<b>\$ 44,789,567</b>	<b>\$ 18,474,003</b>	<b>\$ 15,241,326</b>	<b>\$ 4,360,072</b>	<b>\$ 103,568,938</b>

## Combining Statement Of Revenues, Expenditures, And Changes In Fund Balances

## Nonmajor Governmental Funds

## Nonmajor Capital Projects Funds

For The Fiscal Year Ended June 30, 2021

	Neighborhood Prosperity Initiative Tax Increment Financing Fund	South Park Blocks Tax Increment Financing Fund	Convention Center Tax Increment Finance Fund	Central Eastside Tax Increment Financing Fund	Gateway Regional Center Tax Increment Financing Fund	Airport Way Tax Increment Financing Fund	Willamette Industrial Tax Increment Financing Fund	Total Governmental Funds
<b>Revenues</b>								
Intergovernmental revenues	\$ 781,665	\$ 6,045	\$ 6,045	\$ 6,045	\$ -	\$ -	\$ -	799,800
Charges for services	-	361	1,216,979	90,368	56,305	66,186	-	1,430,199
Loan collections	-	15,079	190,155	40,834	5,459	50,727	-	302,254
Interest on investments	13,893	50,418	68,643	379,715	94,447	55,259	41,809	704,184
Miscellaneous	56,407	73,606	39,330	3,000	70,402	7,017	7,500	257,262
Tax-increment debt proceeds								
(in lieu of tax-increment revenue)	529,760	-	-	2,204,796	5,996,884	-	-	8,731,440
<b>Total revenues</b>	<b>1,381,725</b>	<b>145,509</b>	<b>1,521,152</b>	<b>2,724,758</b>	<b>6,223,497</b>	<b>179,189</b>	<b>49,309</b>	<b>12,225,139</b>
<b>Expenditures</b>								
Current:								
Community development	88,549	211,848	2,755,790	1,170,496	1,264,062	300,353	22,061	5,813,159
Capital expenditures for urban renewal	-	-	2,868,025	-	1,185,464	-	-	4,053,489
Financial assistance	741,657	6,275	3,551,036	168,882	255,075	12,500	-	4,735,425
<b>Total expenditures</b>	<b>830,206</b>	<b>218,123</b>	<b>9,174,851</b>	<b>1,339,378</b>	<b>2,704,601</b>	<b>312,853</b>	<b>22,061</b>	<b>14,602,073</b>
Excess (deficiency) of revenues								
over (under) expenditures	551,519	(72,614)	(7,653,699)	1,385,380	3,518,896	(133,664)	27,248	(2,376,934)
Net change in fund balances	551,519	(72,614)	(7,653,699)	1,385,380	3,518,896	(133,664)	27,248	(2,376,934)
<b>Fund Balances - July 1, 2020</b>	<b>1,500,609</b>	<b>5,706,524</b>	<b>20,109,597</b>	<b>43,393,026</b>	<b>14,934,384</b>	<b>15,363,102</b>	<b>4,332,824</b>	<b>105,340,066</b>
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>	<b>\$ 2,052,128</b>	<b>\$ 5,633,910</b>	<b>\$ 12,455,898</b>	<b>\$ 44,778,406</b>	<b>\$ 18,453,280</b>	<b>\$ 15,229,438</b>	<b>\$ 4,360,072</b>	<b>\$ 102,963,132</b>

**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, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget
	Original		Final		
Revenues					
Intergovernmental revenues-					
State and local	\$	820,949	\$	774,834	\$ 781,665 \$ 6,831
Interest on investments		-		-	13,893 13,893
Tax increment debt proceeds					
(in lieu of tax increment revenue)		346,715		537,684	529,760 (7,924)
Total revenues		1,167,664		1,312,518	1,325,318 12,800
Expenditures					
Current:					
Community development:					
Economic development		1,175,810		1,176,810	685,619 491,191
Total community development		1,175,810		1,176,810	685,619 491,191
Contingency		1,279,043		1,545,035	- 1,545,035
Total expenditures		2,454,853		2,721,845	685,619 2,036,226
Excess (deficiency) of revenues					
over expenditures		(1,287,189)		(1,409,327)	639,699 2,049,026
Other Financing Uses					
Internal service reimbursements		(87,361)		(87,361)	(84,260) 3,101
Interfund loan		-		(30,000)	(60,000) (30,000)
Transfers out:					
Enterprise Loans Fund		(30,000)		(30,000)	- 30,000
Total transfers out		(30,000)		(30,000)	- 30,000
Total other financing uses		(117,361)		(147,361)	(144,260) 3,101
Net change in fund balance		(1,404,550)		(1,556,688)	495,439 2,052,127
Fund Balances - July 1, 2020		1,404,550		1,556,688	1,556,689 1
Fund Balances - June 30, 2021	\$	-	\$	-	\$ 2,052,128 \$ 2,052,128

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenue-				
State and local	\$ -	\$ -	6,045	\$ 6,045
Charges for services-				
Application fees and charges	290	290	-	(290)
Rental income	32,940	29,540	23,680	(5,860)
Loan collections-				
Principal	2,957	16,999	29,873	12,874
Interest	144	760	1,444	684
Interest on investments	517,933	517,933	348,635	(169,298)
Notes payable draws	-	4,000,000	4,000,000	-
Miscellaneous:				
Reimbursements	18,000	19,562	-	(19,562)
Sale of property	63,265	63,265	63,267	2
Other	-	-	-	-
<b>Total revenues</b>	<b>635,529</b>	<b>4,648,349</b>	<b>4,472,944</b>	<b>(175,405)</b>
Expenditures				
Current:				
Community development:				
Housing	-	2,657	2,657	-
Infrastructure	-	269,000	4,716	264,284
Property redevelopment	16,989,133	4,164,531	326,257	3,838,274
Economic development	116,394	116,394	101,859	14,535
Administration	12,121	23,354	10,779	12,575
<b>Total community development</b>	<b>17,117,648</b>	<b>4,575,936</b>	<b>446,268</b>	<b>4,129,668</b>
Contingency	18,779,240	35,820,470	-	35,820,470
<b>Total expenditures</b>	<b>35,896,888</b>	<b>40,396,406</b>	<b>446,268</b>	<b>39,950,138</b>
Excess (deficiency) of revenues over expenditures	(35,261,359)	(35,748,057)	4,026,676	39,774,733
Other Financing Uses				
Internal service reimbursements	(57,949)	(57,949)	(56,000)	1,949
<b>Total other financing uses</b>	<b>(57,949)</b>	<b>(57,949)</b>	<b>(56,000)</b>	<b>1,949</b>
Net change in fund balance	(35,319,308)	(35,806,006)	3,970,676	39,776,682
<b>Fund Balances - July 1, 2020</b>	<b>35,319,308</b>	<b>35,806,006</b>	<b>35,806,005</b>	<b>(1)</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>39,776,681</b>	<b>\$ 39,776,681</b>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			60,396	
Loan interest receivable			84	
Note payable			(4,000,000)	
Property held for sale			9,033,499	
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		<b>\$</b>	<b>44,870,660</b>	



**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, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget			
	Original		Final					
Revenues								
Charges for services-								
Rental income	\$	201,039	\$	71,766	\$	96,415	\$	24,649
Interest on investments		235,238		235,238		315,446		80,208
Miscellaneous								
Reimbursements		-		1,250,333		1,250,333		-
Tax increment debt proceeds								
(in lieu of tax increment revenue)		17,269,358		21,948,650		18,940,982		(3,007,668)
Total revenues		17,705,635		23,505,987		20,603,176		(2,902,811)
Expenditures								
Current:								
Community development:								
Housing		12,558,041		13,102,895		12,675,360		427,535
Infrastructure		6,300,000		6,300,000		153,178		6,146,822
Property redevelopment		21,793,997		879,052		105,746		773,306
Economic development		-		-		-		-
Administration		15,337		39,972		32,799		7,173
Total community development		40,667,375		20,321,919		12,967,083		7,354,836
Contingency		4,009,888		33,722,498		-		33,722,498
Total expenditures		44,677,263		54,044,417		12,967,083		41,077,334
Excess (deficiency) of revenues								
over expenditures		(26,971,628)		(30,538,430)		7,636,093		38,174,523
Other Financing Uses								
Internal service reimbursements		(1,689,368)		(1,689,368)		(1,631,340)		58,028
Total other financing uses		(1,689,368)		(1,689,368)		(1,631,340)		58,028
Net change in fund balance		(28,660,996)		(32,227,798)		6,004,753		38,232,551
Fund Balances - July 1, 2020		28,660,996		32,227,798		32,227,799		1
Fund Balances - June 30, 2021	\$	-	\$	-		38,232,552	\$	38,232,552
Adjustments to generally accepted								
accounting principles basis-								
Property held for sale						1,967,850		
Fund Balance - June 30, 2021 (GAAP Basis)					\$	40,200,402		

**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, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget			
	Original	Final						
Revenues								
Intergovernmental revenues-								
Federal grants	\$	400,000	\$	500,000	\$	419,147	\$	(80,853)
State and local		-		-		6,045		6,045
Charges for services-		-		-		-		-
Application fees and charges		3,578		3,578		35,218		31,640
Rental income		1,658,382		1,477,623		1,683,398		205,776
Loan collections-								
Principal		69,440		118,975		194,638		75,663
Interest		210,290		242,585		411,262		168,677
Interest on investments		1,457,528		975,375		881,786		(93,589)
Miscellaneous:								
Reimbursements		-		-		7,853		7,853
Other		90,000		90,000		27,444		(62,556)
Tax increment debt proceeds								
(in lieu of tax increment revenue)		11,140,985		11,140,985		11,085,240		(55,745)
<b>Total revenues</b>		<b>15,030,203</b>		<b>14,549,121</b>		<b>14,752,031</b>		<b>202,911</b>
Expenditures								
Current:								
Community development:								
Housing		1,517,214		2,336,007		1,792,210		543,797
Infrastructure		-		50,000		42,121		7,879
Property redevelopment		32,307,387		20,546,045		14,258,917		6,287,128
Economic development		38,938		3,705		1,631		2,074
Administration		1,060,797		637,275		443,833		193,442
<b>Total community development</b>		<b>34,924,336</b>		<b>23,573,032</b>		<b>16,538,712</b>		<b>7,034,320</b>
Contingency		35,522,740		58,598,141		-		58,598,141
<b>Total expenditures</b>		<b>70,447,076</b>		<b>82,171,173</b>		<b>16,538,712</b>		<b>65,632,461</b>
Excess (deficiency) of revenues								
over expenditures		(55,416,873)		(67,622,052)		(1,786,681)		65,835,372

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Other Financing Sources (Uses)				
Internfund loan	-	69,951,421	69,951,421	-
Total transfers in	-	69,951,421	69,951,421	-
Internal service reimbursements out	(4,365,834)	(4,365,834)	(4,215,910)	149,924
Transfers out:				
Business Management Fund	-	(70,201,392)	(70,201,392)	-
Total transfers out	(4,365,834)	(74,567,226)	(74,417,302)	149,924
Total other financing sources (uses)	(4,365,834)	(4,615,805)	(4,465,881)	149,924
Net change in fund balance	(59,782,707)	(72,237,857)	(6,252,562)	65,985,296
Fund Balances - July 1, 2020	59,782,707	72,237,857	72,237,855	(2)
Fund Balances - June 30, 2021	\$ -	\$ -	65,985,293	\$ 65,985,294
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			15,110,052	
Loan interest receivable			46,381	
Property held for sale			79,146,592	
Fund Balance - June 30, 2021 (GAAP Basis)			\$ 160,288,318	

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues-				
State and Local	\$ -	\$ -	6,045	\$ 6,045
Charges for services-				
Application fees and charges	500	500	361	(139)
Loan collections-				
Principal	3,625	18,423	34,476	16,053
Interest	1,482	10,188	16,513	6,325
Interest on investments	90,822	90,822	50,418	(40,404)
Tax increment debt proceeds				
<b>Total revenues</b>	<b>96,429</b>	<b>119,933</b>	<b>107,813</b>	<b>(12,120)</b>
Expenditures				
Current:				
Community development:				
Housing	200,000	145,056	145,056	-
Property redevelopment	200,000	257,510	45,052	212,458
Administration	7,821	14,679	7,954	6,725
<b>Total community development</b>	<b>407,821</b>	<b>417,245</b>	<b>198,062</b>	<b>219,183</b>
Contingency	4,784,566	5,000,604	-	5,000,604
<b>Total expenditures</b>	<b>5,192,387</b>	<b>5,417,849</b>	<b>198,062</b>	<b>5,219,787</b>
Excess (deficiency) of revenues over expenditures	(5,095,958)	(5,297,916)	(90,249)	5,207,667
Other Financing Uses				
Internal service reimbursements	(20,388)	(20,388)	(20,060)	328
<b>Total other financing uses</b>	<b>(20,388)</b>	<b>(20,388)</b>	<b>(20,060)</b>	<b>328</b>
Net change in fund balance	(5,116,346)	(5,318,304)	(110,309)	5,207,995
<b>Fund Balances - July 1, 2020</b>	<b>5,116,346</b>	<b>5,318,304</b>	<b>5,318,304</b>	<b>-</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,207,995</b>	<b>\$ 5,207,995</b>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			424,959	
Loan interest receivable			956	
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		<b>\$</b>	<b>5,633,910</b>	

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues-				
State and local	\$ -	\$ -	\$ 6,045	\$ 6,045
Charges for services-				
Application fees and charges	4,998	4,998	4,226	(772)
Rental income	1,104,800	1,086,200	1,212,753	126,553
Loan collections-				
Principal	170,526	152,489	161,452	8,963
Interest	196,501	266,346	153,806	(112,540)
Interest on investments	24,221	24,221	68,643	44,422
Miscellaneous:				
Reimbursements	-	-	1,500	1,500
Other	-	-	37,830	37,830
<b>Total revenues</b>	<b>1,501,046</b>	<b>1,534,254</b>	<b>1,646,255</b>	<b>112,001</b>
Expenditures				
Current:				
Community development:				
Housing	322,031	316,573	316,573	-
Infrastructure	2,500,000	2,500,000	2,500,000	-
Property redevelopment	4,369,288	4,624,540	2,182,192	2,442,348
Economic development	7,568	7,568	-	7,568
Administration	12,121	23,354	10,779	12,575
<b>Total community development</b>	<b>7,211,008</b>	<b>7,472,035</b>	<b>5,009,544</b>	<b>2,462,491</b>
Contingency	167,753	1,460,801	-	1,460,801
<b>Total expenditures</b>	<b>7,378,761</b>	<b>8,932,836</b>	<b>5,009,544</b>	<b>3,923,292</b>
Excess (deficiency) of revenues over expenditures	(5,877,715)	(7,398,582)	(3,363,289)	4,035,293
Other Financing Uses				
Internal service reimbursements	(654,298)	(654,298)	(631,270)	23,028
<b>Total other financing uses</b>	<b>(654,298)</b>	<b>(654,298)</b>	<b>(631,270)</b>	<b>23,028</b>
Net change in fund balance	(6,532,013)	(8,052,880)	(3,994,559)	4,058,321
<b>Fund Balances - July 1, 2020</b>	<b>6,532,013</b>	<b>8,052,880</b>	<b>8,052,882</b>	<b>2</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,058,323</b>	<b>\$ 4,058,323</b>
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			2,776,588	
Loan interest receivable			40,673	
Property held for sale			5,580,314	
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		<b>\$</b>	<b>12,455,898</b>	

**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, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Intergovernmental revenue-				
State and local	\$ -	\$ -	\$ 6,045	\$ 6,045
Charges for services-				
Application fees and charges	1,198	1,198	574	(624)
Rental income	489,643	63,626	89,794	26,168
Loan collections-				
Principal	19,600	99,251	129,244	29,993
Interest	2,239	11,038	20,175	9,137
Interest on investments	545,811	545,811	379,715	(166,096)
Miscellaneous-				
Sale of property	-	-	3,000	3,000
Tax increment debt proceeds				
(in lieu of tax increment revenue)	1,974,868	1,974,868	2,204,796	229,928
Total revenues	3,033,359	2,695,792	2,833,343	137,551
Expenditures				
Current:				
Community development:				
Housing	111,405	111,405	43,899	67,506
Infrastructure	3,000,000	-	-	-
Property redevelopment	5,702,956	7,914,724	457,480	7,457,244
Economic development	394,301	379,301	81,970	297,331
Administration	6,650	7,998	4,304	3,694
Total community development	9,215,312	8,413,428	587,653	7,825,775
Contingency	23,004,850	33,217,370	-	33,217,370
Total expenditures	32,220,162	41,630,798	587,653	41,043,145
Excess (deficiency) of revenues				
over expenditures	(29,186,803)	(38,935,006)	2,245,690	41,180,696
Other Financing Uses				
Internal service reimbursements	(754,508)	(754,508)	(728,480)	26,028
Total other financing uses	(754,508)	(754,508)	(728,480)	26,028
Net change in fund balance	(29,941,311)	(39,689,514)	1,517,210	41,206,724
Fund Balances - July 1, 2020	29,941,311	39,689,514	39,689,514	-
Fund Balances - June 30, 2021	\$ -	\$ -	\$ 41,206,724	\$ 41,206,724
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			647,947	
Loan interest receivable			22,036	
Property held for sale			2,901,699	
Fund Balance - June 30, 2021 (GAAP Basis)		\$	44,778,406	

**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, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget
	Original	Final			
Revenues					
Charges for services-					
Application fees and charges	\$ 1,399	\$ 1,399	\$ 21,097	\$	19,698
Rental income	-	1,800	2,600		800
Loan collections-					
Principal	45,554	69,632	257,105		187,473
Interest	218,221	398,143	259,424		(138,719)
Interest on investments	652,077	652,077	96,029		(556,048)
Miscellaneous:					
Reimbursements	-	-	57,250		57,250
Other	18,540	18,540	20,694		2,154
Tax increment debt proceeds					
(in lieu of tax increment revenue)	15,020,591	18,017,591	18,024,802		7,211
<b>Total revenues</b>	<b>15,956,382</b>	<b>19,159,182</b>	<b>18,739,001</b>		<b>(420,181)</b>
Expenditures					
Current:					
Community development:					
Housing	3,042,251	3,042,251	2,388,313		653,938
Infrastructure	-	1,695,106	1,693,568		1,538
Property redevelopment	6,597,313	3,605,121	1,233,416		2,371,705
Economic development	380,846	380,846	9,472		371,374
Administration	38,243	50,016	28,529		21,487
<b>Total community development</b>	<b>10,058,653</b>	<b>8,773,340</b>	<b>5,353,298</b>		<b>3,420,042</b>
Contingency	3,872,846	17,819,361	-		17,819,361
<b>Total expenditures</b>	<b>13,931,499</b>	<b>26,592,701</b>	<b>5,353,298</b>		<b>21,239,403</b>
Excess (deficiency) of revenues over expenditures	2,024,883	(7,433,519)	13,385,703		20,819,222
Other Financing Uses					
Internal service reimbursements	(2,385,471)	(2,385,471)	(2,303,820)		81,651
<b>Total other financing uses</b>	<b>(2,385,471)</b>	<b>(2,385,471)</b>	<b>(2,303,820)</b>		<b>81,651</b>
Net change in fund balance	(360,588)	(9,818,990)	11,081,883		20,900,873
<b>Fund Balances - July 1, 2020</b>	<b>360,588</b>	<b>9,818,990</b>	<b>9,818,990</b>		<b>-</b>
<b>Fund Balances - June 30, 2021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>20,900,873</b>	<b>\$</b>	<b>20,900,873</b>
Adjustments to generally accepted accounting principles basis-					
Loans receivable, net			13,799,420		
Loan interest receivable			14,238		
Property held for sale			2,768,428		
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>			<b>\$ 37,482,959</b>		

**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, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget
	Original	Final			
Revenues					
Charges for services-					
Application fees and charges	\$ 534	\$ 534	\$ 2,835	\$ 2,301	
Rental income	172,986	171,813	128,452	(43,361)	
Loan collections-					
Principal	64,122	18,323	618,802	600,479	
Interest	20,151	14,709	78,625	63,916	
Interest on investments	503,161	503,162	379,834	(123,328)	
Miscellaneous:					
Reimbursements	-	-	24,706	24,706	
Other	58,710	121,532	127,975	6,443	
Tax increment debt proceeds					
(in lieu of tax increment revenue)	26,973,000	26,973,000	26,985,979	12,979	
Total revenues	27,792,664	27,803,073	28,347,208	544,135	
Expenditures					
Current:					
Community development:					
Housing	23,753,692	14,528,252	8,964,246	5,564,006	
Infrastructure	700,000	1,000,000	627,269	372,731	
Property redevelopment	7,974,379	8,503,524	1,995,446	6,508,078	
Economic development	303,998	266,998	212,919	54,079	
Administration	32,610	170,975	144,545	26,430	
Total community development	32,764,679	24,469,749	11,944,425	12,525,324	
Contingency					
	23,261,840	41,173,263	-	41,173,263	
Total expenditures	56,026,519	65,643,012	11,944,425	53,698,587	
Excess (deficiency) of revenues					
over expenditures	(28,233,855)	(37,839,939)	16,402,783	54,242,722	
Other Financing Uses					
Internal service reimbursements	(2,758,540)	(2,758,540)	(2,663,360)	95,180	
Total other financing uses	(2,758,540)	(2,758,540)	(2,663,360)	95,180	
Net change in fund balance					
	(30,992,395)	(40,598,479)	13,739,423	54,337,902	
Fund Balances - July 1, 2020	30,992,395	40,598,479	40,598,478	(1)	
Fund Balances - June 30, 2021	\$ -	\$ -	54,337,901	\$ 54,337,901	
Adjustments to generally accepted					
accounting principles basis-					
Loans receivable, net			513,847		
Loan interest receivable			1,514,743		
Fund Balance - June 30, 2021 (GAAP Basis)		\$	56,366,491		



**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services-				
Application fees and charges	\$ 48	\$ 48	\$ -	(48)
Rental income	16,977	56,525	56,305	(220)
Loan collections-				
Principal	766	4,920	6,134	1,214
Interest	542	3,226	5,548	2,322
Interest on investments	32,581	32,581	94,447	61,866
Tax increment debt proceeds				
(in lieu of tax increment revenue)	9,740,975	5,878,088	5,996,884	118,796
Total revenues	9,791,889	5,975,388	6,159,318	183,930
Expenditures				
Current:				
Community development:				
Housing	905,508	1,414,526	528,019	886,507
Infrastructure	2,105,292	5,292	3,248	2,044
Property redevelopment	5,834,619	6,108,897	1,580,258	4,528,639
Economic development	250,200	250,200	630	249,570
Administration	5,589	23,782	15,469	8,313
Total community development	9,101,208	7,802,697	2,127,624	5,675,073
Contingency				
	434,102	7,588,967	-	7,588,967
Total expenditures	9,535,310	15,391,664	2,127,624	13,264,040
Excess (deficiency) of revenues				
over expenditures	256,579	(9,416,276)	4,031,694	13,447,970
Other Financing Uses				
Internal service reimbursements	(612,272)	(612,272)	(591,320)	20,952
Total other financing uses	(612,272)	(612,272)	(591,320)	20,952
Net change in fund balance	(355,693)	(10,028,548)	3,440,374	13,468,922
Fund Balances - July 1, 2020	355,693	10,028,548	10,028,549	1
Fund Balances - June 30, 2021	\$ -	\$ -	13,468,923	\$ 13,468,923
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			875,658	
Other receivable			380	
Property held for sale			4,108,319	
Fund Balance - June 30, 2021 (GAAP Basis)		\$	18,453,280	

**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, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget			
	Original		Final					
Revenues								
Charges for services-								
Application fees and charges	\$	762	\$	762	\$	2,186	\$	1,424
Rental income		24,000		24,000		64,000		40,000
Loan collections-								
Principal		36,595		53,845		97,753		43,908
Interest		9,354		16,746		29,668		12,922
Interest on investments		72,253		72,253		55,259		(16,994)
Miscellaneous-								
Other		-		-		280		280
<b>Total revenues</b>		<b>142,964</b>		<b>167,606</b>		<b>249,146</b>		<b>81,540</b>
Expenditures								
Current:								
Community development:								
Property redevelopment		3,246,007		104,310		81,903		22,407
Economic development		212,073		212,073		36,099		175,974
Administration		7,821		20,904		6,176		14,728
<b>Total community development</b>		<b>3,465,901</b>		<b>337,287</b>		<b>124,178</b>		<b>213,109</b>
Contingency		2,185,901		5,459,950		-		5,459,950
<b>Total expenditures</b>		<b>5,651,802</b>		<b>5,797,237</b>		<b>124,178</b>		<b>5,673,059</b>
Excess (deficiency) of revenues								
over expenditures		(5,508,838)		(5,629,631)		124,968		5,754,599
Other Financing Uses								
Internal service reimbursements		(71,715)		(71,715)		(69,310)		2,405
<b>Total other financing uses</b>		<b>(71,715)</b>		<b>(71,715)</b>		<b>(69,310)</b>		<b>2,405</b>
Net change in fund balance		(5,580,553)		(5,701,346)		55,658		5,757,004
<b>Fund Balances - July 1, 2020</b>		<b>5,580,553</b>		<b>5,701,346</b>		<b>5,701,348</b>		<b>2</b>
<b>Fund Balances - June 30, 2021</b>	\$	-	\$	-		<b>5,757,006</b>	\$	<b>5,757,006</b>
Adjustments to generally accepted								
accounting principles basis-								
Loans receivable, net						1,768,247		
Other receivable						184,244		
Property held for sale						7,519,941		
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>					\$	<b>15,229,438</b>		

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services-				
Rental income	\$ 315,208	\$ -	\$ -	
Interest on investments	49,415	49,415	41,809	(7,606)
Miscellaneous-				
Reimbursements	-	-	7,500	7,500
Total revenues	364,623	49,415	49,309	(106)
Expenditures				
Current:				
Community development:				
Property redevelopment	4,087,003	173,571	21,622	151,949
Economic development	-	5,000	439	4,561
Total community development	4,087,003	178,571	22,061	156,510
Contingency	493,918	4,203,668	-	4,203,668
Total expenditures	4,580,921	4,382,239	22,061	4,360,178
Excess (deficiency) of revenues				
over expenditures	(4,216,298)	(4,332,824)	27,248	4,360,072
Other Financing Sources (Uses)				
Net change in fund balance	(4,216,298)	(4,332,824)	27,248	4,360,072
Fund Balances - July 1, 2020	4,216,298	4,332,824	4,332,824	-
Fund Balances - June 30, 2021	\$ -	\$ -	\$ 4,360,072	\$ 4,360,072



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## 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.

## Statement Of Net Position

## Proprietary Funds

June 30, 2021

	Enterprise Loans Fund	Business Management Fund	Total
<b>Assets</b>			
Current assets:			
Cash with City of Portland			
investment pool	\$ 4,906,935	\$ 7,788,839	\$ 12,695,774
Receivables:			
Due from City of Portland	-	56,475	56,475
Due from other entities	-	5,905	5,905
Internal balances	-	529,000	529,000
Loans, net	31,746	-	31,746
Interest	12,352	18,625	30,977
Loan interest	4,758		4,758
Property held for sale	-	965,788	965,788
Other	-	3,000,000	3,000,000
<b>Total current assets</b>	<b>4,955,791</b>	<b>12,364,632</b>	<b>17,320,423</b>
<b>Noncurrent assets:</b>			
Loans receivable, net	415,603	-	415,603
<b>Total noncurrent assets</b>	<b>415,603</b>	<b>-</b>	<b>415,603</b>
<b>Total assets</b>	<b>5,371,394</b>	<b>12,364,632</b>	<b>17,736,026</b>
<b>Liabilities And Net Position</b>			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 30,000	\$ -	\$ 30,000
Due to other funds	-	937,000	937,000
<b>Total current liabilities</b>	<b>30,000</b>	<b>937,000</b>	<b>967,000</b>
<b>Total liabilities</b>	<b>30,000</b>	<b>937,000</b>	<b>967,000</b>
<b>Net Position</b>			
Unrestricted	5,341,394	11,427,632	16,769,026
<b>Total net position</b>	<b>5,341,394</b>	<b>11,427,632</b>	<b>16,769,026</b>
<b>Total liabilities and net position</b>	<b>\$ 5,371,394</b>	<b>\$ 12,364,632</b>	<b>\$ 17,736,026</b>

**Statement Of Revenues, Expenses, And Changes In Net Position**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2021**

	Enterprise Loans Fund	Business Management Fund	Total Enterprise Funds
<b>Operating Revenues:</b>			
Charges for services	\$ 9,841	\$ 1,521,808	\$ 1,531,649
Interest on loans	53,117	-	53,117
Miscellaneous revenues	218,075	7,500	225,575
<b>Total operating revenues</b>	<b>281,033</b>	<b>1,529,308</b>	<b>1,810,341</b>
<b>Operating Expenses:</b>			
Personal services	22,660	3,571	26,231
Professional services	77,344	249,678	327,022
Financial assistance	185,250	-	185,250
Miscellaneous expense	-	23,996	23,996
<b>Total operating expenses</b>	<b>285,254</b>	<b>277,245</b>	<b>562,499</b>
Operating income (loss)	(4,221)	1,252,063	1,247,842
<b>Non-Operating Revenues (Expense):</b>			
Interest on investments	40,997	68,012	109,009
<b>Total non-operating revenues (expense)</b>	<b>40,997</b>	<b>68,012</b>	<b>109,009</b>
Income before transfers	36,776	1,320,075	1,356,851
Change in net position	36,776	1,320,075	1,356,851
<b>Net position - July 1, 2020</b>	<b>5,304,618</b>	<b>10,107,557</b>	<b>15,412,175</b>
<b>Net position - June 30, 2021</b>	<b>\$ 5,341,394</b>	<b>\$ 11,427,632</b>	<b>\$ 16,769,026</b>

**Combining Statement Of Cash Flows**  
**Proprietary Funds**  
**For The Fiscal Year Ended June 30, 2021**

	Non-Major Business-type Activities		
	Enterprise Loans Fund	Business Management Fund	Total Non-Major Business-type Activities
<b>Cash flows from operating activities:</b>			
Loan collections from borrowers	\$ 928,252	\$ -	\$ 928,252
Interest on loans from borrowers	51,506	-	51,506
Loan fees from customers	9,840	-	9,840
Rent income	-	1,509,309	1,509,309
Increase in accounts receivable	-	148,525	148,525
Payments to employees	(2,370)	(3,571)	(5,941)
Payments to vendors	(89,369)	(255,317)	(344,686)
Payments for interfund services used	(20,290)	-	(20,290)
Loans to borrowers	(456,454)	-	(456,454)
Miscellaneous reimbursements (payments)	-	(3,996)	(3,996)
<b>Net cash provided/(used) by operating activities</b>	<b>421,116</b>	<b>1,394,950</b>	<b>1,816,066</b>
<b>Cash flows from noncapital financing activities:</b>			
Repayment of interfund borrowing	358,000	70,201,392	70,559,392
Interfund borrowing	-	(529,000)	(529,000)
<b>Net cash provided by noncapital financing activities</b>	<b>358,000</b>	<b>69,672,392</b>	<b>70,030,392</b>
<b>Cash flows from capital and related financing activities:</b>			
Transfer of property held for sale	-	(69,951,421)	(69,951,421)
<b>Cash flows from investing activities:</b>			
Interest received from investing	45,128	76,198	121,326
<b>Net cash increase (decrease) in cash and cash equivalents</b>	<b>824,244</b>	<b>1,192,119</b>	<b>2,016,363</b>
<b>Cash and cash equivalents-July 1, 2020</b>	<b>4,082,691</b>	<b>6,596,720</b>	<b>10,679,411</b>
<b>Cash and cash equivalents-July 30, 2021</b>	<b>\$ 4,906,935</b>	<b>\$ 7,788,839</b>	<b>\$ 12,695,774</b>
<b>Cash with City of Portland investment pool from the Statement of Net Position</b>	<b>\$ 4,906,935</b>	<b>\$ 7,788,839</b>	<b>\$ 12,695,774</b>
Reconciliation of operating income to net cash provided/(used) by operating activities:			
Net operating income(loss)	\$ (4,221)	\$ 1,252,063	\$ 1,247,842
<b>Adjustments to reconcile net operating income to net cash provided/(used) by operating activities:</b>			
Increase in due to City of Portland	-	98,525	98,525
Decrease in loans receivable	438,976	-	438,976
Decrease in due from other entities (due to)	(1,613)	50,000	48,387
Decrease in accounts payable	(12,026)	(5,638)	(17,664)
<b>Total adjustments</b>	<b>425,337</b>	<b>142,887</b>	<b>568,224</b>
<b>Net cash provided/(used) by operating activities</b>	<b>\$ 421,116</b>	<b>\$ 1,394,950</b>	<b>\$ 1,816,066</b>



**Enterprise Loans Fund**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services-				
Application fees and charges	\$ -	\$ -	9,840	\$ 9,840
Loan collections-				
Principal	9,981	50,610	928,252	877,642
Interest	10,481	37,015	51,506	14,49
Interest on investments	-	-	40,997	40,997
<b>Total revenues</b>	20,462	87,625	1,030,595	942,970
Expenditures				
Current:				
Community development:				
Economic development	2,018,170	2,008,170	536,166	1,472,004
<b>Total community development</b>	2,018,170	2,008,170	536,166	1,472,004
Contingency	1,131,080	2,697,924	-	2,697,924
<b>Total expenditures</b>	3,149,250	4,706,094	536,166	4,169,928
Excess (deficiency) of revenues over expenditures	(3,128,788)	(4,618,469)	494,429	5,112,898
Other Financing Sources (Uses)				
Interfund loan	30,000	90,000	60,000	(30,000)
Transfers in:				
General Fund	-	224,075	-	(224,075)
Housing and Community Development Contract Fund	-	160,000	190,000	30,000
Neighborhood Prosperity Urban Renewal Fund	-	108,000	108,000	-
<b>Total transfers in</b>	-	492,075	298,000	(194,075)
Internal service reimbursements	(20,755)	(20,755)	(20,290)	465
<b>Total other financing sources (uses)</b>	9,245	561,320	337,710	(223,610)
Net change in fund balance	(3,119,543)	(4,057,149)	832,139	4,889,288
<b>Fund Balances - July 1, 2020</b>	3,119,543	4,057,149	4,057,148	(1)
<b>Fund Balances - June 30, 2021</b>	\$ -	\$ -	4,889,287	\$ 4,889,287
Adjustments to generally accepted accounting principles basis-				
Loans receivable, net			447,349	
Loan interest receivable			4,758	
<b>Fund Balance - June 30, 2021 (GAAP Basis)</b>		\$	5,341,394	

**Combining Schedule Of Net Position**  
**For Components Of The Enterprise Loans Fund**  
**June 30, 2021**

	Small Business Loan Fund	Business Development Loan Fund	Working Capital fund	NPI Opportunity Fund	Workforce Training/Hiring Fund	Total Enterprise Loans Fund
<b>Assets</b>						
Current assets:						
Cash with City of Portland						
Investment pool	\$ 1,215,816	\$ 1,537,658	\$ 1,359,133	\$ 760,917	\$ 33,411	\$ 4,906,935
Receivables:						
Loans, net	15,516	16,230	-	-	-	31,746
Interest	3,055	3,864	3,430	1,919	84	12,352
Loan interest	833	-	3,925	-	-	4,758
<b>Total current assets</b>	<b>1,235,220</b>	<b>1,557,752</b>	<b>1,366,488</b>	<b>762,836</b>	<b>33,495</b>	<b>4,955,791</b>
<b>Noncurrent assets:</b>						
Loans receivable, net	262,238	103,490	49,875	-	-	415,603
<b>Total noncurrent assets</b>	<b>262,238</b>	<b>103,490</b>	<b>49,875</b>	<b>-</b>	<b>-</b>	<b>415,603</b>
<b>Total assets</b>	<b>1,497,458</b>	<b>1,661,242</b>	<b>1,416,363</b>	<b>762,836</b>	<b>33,495</b>	<b>5,371,394</b>
<b>Liabilities And Net Position</b>						
Liabilities:						
Current liabilities:						
Accounts payable	-	-	-	-	30,000	30,000
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>
Net Position:						
<b>Unrestricted</b>	<b>\$ 1,497,458</b>	<b>\$ 1,661,242</b>	<b>\$ 1,416,363</b>	<b>\$ 762,836</b>	<b>\$ 3,495</b>	<b>\$ 5,341,394</b>

**Combining Schedule Of Revenues, Expenses, And Changes In Net Position**  
**For Components Of The Enterprise Loans Fund**  
**For The Fiscal Year Ended June 30, 2021**

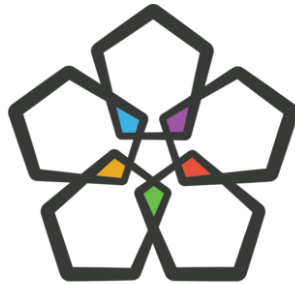
	Small Business Loan Fund	Business Development Loan Fund	Working Capital Fund	NPI Opportunity Fund	Workforce Training/Hiring Fund	Total Enterprise Loans Fund
<b>Operating Revenues:</b>						
Charges for services	\$ 483	\$ 7,391	\$ 17	\$ 1,950	\$ -	\$ 9,841
Interest on loans	29,542	17,013	6,562	-	-	53,117
Miscellaneous revenues	17,790	76,035	124,250	-	-	218,075
<b>Total operating revenues</b>	<b>47,815</b>	<b>100,439</b>	<b>130,829</b>	<b>1,950</b>	<b>-</b>	<b>281,033</b>
<b>Operating Expenses:</b>						
Personal services	14,467	1,463	6,730	-	-	22,660
Professional services	478	1,865	-	11	74,990	77,344
Financial assistance	-	-	-	185,250	-	185,250
<b>Total operating expenses</b>	<b>14,945</b>	<b>3,328</b>	<b>6,730</b>	<b>185,261</b>	<b>74,990</b>	<b>285,254</b>
Operating income (loss)	32,870	97,111	124,099	(183,311)	(74,990)	(4,221)
<b>Non-Operating Revenues (Expense):</b>						
Interest on investment	9,146	11,494	12,558	7,310	489	40,997
<b>Total non-operating revenues (expense)</b>	<b>9,146</b>	<b>11,494</b>	<b>12,558</b>	<b>7,310</b>	<b>489</b>	<b>40,997</b>
Income (loss) before transfers	42,016	108,605	136,657	(176,001)	(74,501)	36,776
Change in net position	42,016	108,605	136,657	(176,001)	(74,501)	36,776
<b>Net position - July 1, 2020</b>	<b>1,455,442</b>	<b>1,552,637</b>	<b>1,279,706</b>	<b>938,837</b>	<b>77,996</b>	<b>5,304,618</b>
<b>Net position - July 30, 2021</b>	<b>\$ 1,497,458</b>	<b>\$ 1,661,242</b>	<b>\$ 1,416,363</b>	<b>\$ 762,836</b>	<b>\$ 3,495</b>	<b>\$ 5,341,394</b>

**Business Management Fund**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget
	Original	Final			
Revenues					
Charges for services-					
Rental income	\$ 225,585	\$ 219,412	\$ 1,509,309	\$	1,289,897
Contractual service charges	-	155,000	12,500		(142,500)
Interest on investments	136,459	136,459	68,012		(68,447)
Miscellaneous:					
Reimbursements	139,116	1,687,288	7,500		(1,679,788)
Other	50,000	50,000	-		(50,000)
Total revenues	551,160	2,248,159	1,597,321		(650,838)
Expenditures					
Current:					
Community development:					
Property redevelopment	1,001,245	1,841,043	277,245		1,563,798
Total community development	1,001,245	1,841,043	277,245		1,563,798
Contingency	3,406,877	9,548,884	-		9,548,884
Total expenditures	4,408,122	11,389,927	277,245		11,112,682
Excess (deficiency) of revenues over expenditures	(3,856,962)	(9,141,768)	1,320,076		10,461,844
Other Financing Sources (Uses)					
Transfers in-					
River District Tax Incredment Financing Fund	-	70,201,392	70,201,392		-
Total transfers in	-	70,201,392	70,201,392		-
Interfund loan	-	(69,951,421)	(69,951,421)		-
Transfers out:					
River District Tax Increment Financing Fund	(50,000)	-	-		-
COEP Fund	-	-	(236,000)		(236,000)
Housing and Community Development Fund	-	-	(293,000)		(293,000)
Total transfers out	(50,000)	-	(529,000)		(529,000)
Total other financing uses	(50,000)	(69,951,421)	(70,480,421)		(529,000)
Net change in fund balance	(3,906,962)	(8,891,797)	1,041,047		9,932,844
Fund Balances - July 1, 2020	3,906,962	8,891,797	8,891,798		1
Fund Balances - June 30, 2021	\$ -	\$ -	9,932,845	\$	9,932,845
Adjustments to generally accepted accounting principles basis-					
Interfund advances			529,000		
Property held for sale			965,788		
Fund Balance - June 30, 2021 (GAAP Basis)			\$ 11,427,633		

**Risk Management Fund**  
**Schedule Of Revenues, Expenditures, And**  
**Changes In Fund Balance - Budget And Actual**  
**For The Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest on investments	\$ -	\$ -	1,343 \$	1,343
Total revenues	-	-	1,343	1,343
Expenditures				
Current:				
Community development:				
Administration	-	5,000	106	4,894
Total community development	-	5,000	106	4,894
Contingency	116,094	138,877	-	138,877
Total expenditures	116,094	143,877	106	143,771
Excess (deficiency) of revenues over expenditures	(116,094)	(143,877)	1,237	145,114
Net change in fund balance	(116,094)	(143,877)	1,237	145,114
Fund Balances - July 1, 2020	116,094	143,877	138,877	(5,000)
Fund Balances - June 30, 2021	\$ -	\$ -	140,114 \$	140,114



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# **Capital Assets Used In The Operation Of Governmental Funds**

**Capital Assets Used In The Operation Of Governmental Funds**  
**Schedule By Source**  
**For The Fiscal Year Ended June 30, 2021**

<b>Governmental funds capital assets:</b>	
Land	\$14,126,571
Buildings and improvements	54,949,150
Leasehold improvements	2,715,118
Equipment	377,279
Intangible software, net	2,099,821
Work in process	3,676,734
Accumulated depreciation	(7,237,918)
<b>Total</b>	<b>\$70,706,755</b>
<b>Investment in governmental funds capital assets by source:</b>	
General Fund	\$1,316,284
Special Revenue Fund	13,718,070
Capital Projects Funds	61,749,503
Accumulated depreciation	(6,077,102)
<b>Total</b>	<b>\$70,706,755</b>

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



**Capital Assets Used In The Operation Of Governmental Funds**  
**Schedule Of Changes By Function And Activity**  
**For The Fiscal Year Ended June 30, 2021**

Function and Activity	Land	Buildings	Leasehold Improvements	Equipment	Software	Work in Process	Total
<b>Community development</b>							
Revitalization	\$ 14,126,571	\$ 54,949,150	\$ -	\$ -	\$ -	3,676,734	\$ 72,752,455
Administration	-	-	2,715,118	377,279	939,005	-	4,031,402
<b>Total community development</b>	<b>14,126,571</b>	<b>54,949,150</b>	<b>2,715,118</b>	<b>377,279</b>	<b>939,005</b>	<b>3,676,734</b>	<b>76,783,857</b>
Less: accumulated depreciation	-	(5,754,745)	-	(322,357)	-	-	(6,077,102)
<b>Total governmental funds capital assets</b>	<b>\$ 14,126,571</b>	<b>\$ 49,194,405</b>	<b>\$ 2,715,118</b>	<b>\$ 54,922</b>	<b>\$ 939,005</b>	<b>\$ 3,676,734</b>	<b>\$ 70,706,755</b>

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

**Capital Assets Used In The Operation Of Governmental Funds**  
**Schedule By Function And Activity**  
**For The Fiscal Year Ended June 30, 2021**

Function and Activity	Governmental Capital Assets July 1, 2020	Additions	Deductions	Governmental Capital Assets June 30, 2021
Community development				
Revitalization	\$ 82,721,499	\$ 1,665,222	\$ 11,634,266	\$ 72,752,455
Administration	5,413,761	2,590,294	3,972,653	4,031,402
<b>Total community development</b>	<b>88,135,260</b>	<b>4,255,516</b>	<b>15,606,919</b>	<b>76,783,857</b>
Less: accumulated depreciation	(8,564,204)	(1,449,971)	(3,937,073)	(6,077,102)
<b>Total governmental funds capital assets</b>	<b>\$ 79,571,056</b>	<b>\$ 2,805,545</b>	<b>\$ 11,669,846</b>	<b>\$ 70,706,755</b>

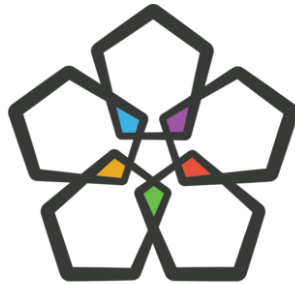
**Schedule Of Activity Of Real Property And Capital Assets**  
**Held By The Commission**  
**For The Fiscal Year Ended June 30, 2021**

<b>Funding Source</b>	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Sales/ Adjustment</b>	<b>Balance June 30, 2021</b>
<b>Held For Sale Assets:</b>				
<b>General Fund (Urban Redevelopment Fund):</b>				
Woodstock & Foster Rd-Dagel-LTC	100,000	-	-	100,000
9330 SE Harold St-Boys & Girls Club-LTC	46,754	-	-	46,754
<b>Total</b>	<b>146,754</b>	<b>-</b>	<b>-</b>	<b>146,754</b>
<b>Downtown Waterfront Tax Increment Financing Fund:</b>				
NW Naito Parkway	73,597	-	-	73,597
South Waterfront Development	96,472	-	-	96,472
411 NW Flanders Unit 100	800,000	-	-	800,000
411 NW Flanders Parking (10 spaces)	62,000	-	-	62,000
Block 24	8,001,430	-	-	8,001,430
<b>Total</b>	<b>9,033,499</b>	<b>-</b>	<b>-</b>	<b>9,033,499</b>
<b>North Macadam Tax Increment Financing Fund:</b>				
Pascuzzi Site	75,144	-	-	75,144
South Waterfront Development	1,892,705	-	-	1,892,705
<b>Total</b>	<b>1,967,849</b>	<b>-</b>	<b>-</b>	<b>1,967,849</b>
<b>River District Tax Increment Financing Fund:</b>				
NW Naito Parkway	269,560	20,377	-	289,937
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	38,600	-	469,463
US Postal Site	4,202,536	70,201,392	-	74,403,928
<b>Total</b>	<b>8,886,223</b>	<b>70,260,369</b>	<b>-</b>	<b>79,146,592</b>
<b>Convention Center Tax Increment Financing Fund:</b>				
831-834 NE MLK Blvd-Sizzler	2,784,186	-	-	2,784,186
84 NE Weidler St-B & K	876,128	-	-	876,128
910 NE MLK-Menashe	1,920,000	-	-	1,920,000
<b>Total</b>	<b>5,580,314</b>	<b>-</b>	<b>-</b>	<b>5,580,314</b>
<b>Central Eastside Tax Increment Financing Fund:</b>				
ODOT Blocks	2,845,000	-	-	2,845,000
** WIP Clinton Triangle	56,699	-	-	56,699
<b>Total</b>	<b>2,901,699</b>	<b>-</b>	<b>-</b>	<b>2,901,699</b>
9330 SE Harold St-Boys and Girls Club	1,280,941	-	-	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
<b>Total</b>	<b>2,768,427</b>	<b>-</b>	<b>-</b>	<b>2,768,427</b>
<b>Gateway Regional Center Tax Increment Financing Fund:</b>				

Funding Source	Balance July 1, 2020	Additions	Sales/ Adjustment	Balance June 30, 2021
1111-1125 NE 99th-Oregon Clinic	887,894	-	-	887,894
10520 NE Halsey St	1,152,811	-	-	1,152,811
10506-10512 NE Halsey St	2,067,614	-	-	2,067,614
<b>Total</b>	<b>4,108,319</b>	<b>-</b>	<b>-</b>	<b>4,108,319</b>
<b>Airport Way Tax Increment Financing Fund:</b>				
Cascade Station Lease Rights	7,639,305	(119,364)	-	7,519,941
<b>Total</b>	<b>7,639,305</b>	<b>(119,364)</b>	<b>-</b>	<b>7,519,941</b>
<b>Business Management Fund</b>				
BLOCK 25-3RD/4TH & NW FLANDERS/GLISAN	965,788	-	-	965,788
US Postal Site-715 NW Hoyt St	70,201,392	-	70,201,392	-
<b>Total</b>	<b>71,167,180</b>	<b>-</b>	<b>70,201,392</b>	<b>965,788</b>
<b>Total all HFS funds</b>	<b>114,199,569</b>	<b>70,141,005</b>	<b>70,201,392</b>	<b>114,139,182</b>
<b>Not Held For Sale Assets (Capital Assets):</b>				
<b>General Fund (Urban Redevelopment Fund):</b>				
South Auditorium Park Block C	2	-	-	2
<b>Total</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>9101 Foster LLC Fund:</b>				
Lents Commons-9101 SE Foster RD	14,125,259	-	1,236,190	12,889,069
Lents Commons-9101 SE Foster RD	829,000	-	-	829,000
Lents Commons commercial space WIP	7,650	-	7,650	-
<b>Total</b>	<b>14,961,909</b>	<b>-</b>	<b>1,243,840</b>	<b>13,718,069</b>
<b>Downtown Waterfront Tax Increment Financing Fund:</b>				
Union Station Parcels-South of Union St	632,260	-	-	632,260
<b>Total</b>	<b>632,260</b>	<b>-</b>	<b>-</b>	<b>632,260</b>
<b>North Macadam Tax Increment Financing Fund:</b>				
1852 SW River Dr-River Place Garage	4,175,080	-	-	4,175,080
<b>Total</b>	<b>4,175,080</b>	<b>-</b>	<b>-</b>	<b>4,175,080</b>
<b>River District Tax Increment Financing Fund:</b>				
Union Station Parcels	6,864,652	-	-	6,864,652
511 NW Broadway-PNCA	5,800,000	-	-	5,800,000
800 NW 6th Ave Parking Site-Block Y	487,039	-	-	487,039
Station Place Garage	9,281,563	-	-	9,281,563
<b>Total</b>	<b>22,433,254</b>	<b>-</b>	<b>-</b>	<b>22,433,254</b>
<b>Convention Center Tax Increment Financing Fund:</b>				
Block 49 Parking Garage	29,627,957	76,000	10,466,427	19,237,530
1st/Multnomah /2nd/Holladay-Block 49	1,747,754	-	-	1,747,754
420 Holladay St-Inn @ Convention Center	3,900,000	-	-	3,900,000
<b>Total</b>	<b>35,275,711</b>	<b>76,000</b>	<b>10,466,427</b>	<b>24,885,284</b>
<b>Central Eastside Tax Increment Financing Fund:</b>				
240 NE MLK Blvd	157,556	-	-	157,556
<b>Total</b>	<b>157,556</b>	<b>-</b>	<b>-</b>	<b>157,556</b>

<b>Funding Source</b>	<b>Balance July 1, 2020</b>	<b>Additions</b>	<b>Sales/ Adjustment</b>	<b>Balance June 30, 2021</b>
<b>Lents Town Center Tax Increment Financing Fund:</b>				
5716 SE 92nd Ave-Bakery Block	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interstate Corridor Tax Increment Financing Fund:</b>				
4500 N Albina-Albina Triangle	6,410	-	-	6,410
3620 NE MLK Blvd-Parking Lot	61,888	-	-	61,888
8411 N Denver Ave	1,575,093	-	-	1,575,093
2221 N Argyle St	1,430,825	-	-	1,430,825
<b>Total</b>	<b>3,074,216</b>	<b>-</b>	<b>-</b>	<b>3,074,216</b>
<b>Gateway Regional Center Tax Increment Financing Fund:</b>				
106 & Halsey	2,011,512	1,665,222	-	3,676,734
<b>Total</b>	<b>2,011,512</b>	<b>1,665,222</b>	<b>-</b>	<b>3,676,734</b>
<b>Business Management Fund</b>				
10th & Yamhill (Leasehold)	-	2,715,118	-	2,715,118
<b>Total</b>	<b>-</b>	<b>2,715,118</b>	<b>-</b>	<b>2,715,118</b>
<b>Total all NHFS funds</b>	<b>82,721,500</b>	<b>4,456,340</b>	<b>11,710,267</b>	<b>75,467,573</b>
<b>Total all real property assets</b>	<b>196,921,069</b>	<b>74,597,345</b>	<b>81,911,659</b>	<b>189,606,755</b>
<b>Capital Assets:</b>				
<b>Add:</b>				
Equipment	464,727	35,705	123,153	377,279
Leasehold improvements Mason/Ehrman Bldg	3,849,501	-	3,849,501	-
Intangible Software, net	1,099,534	48,105	208,634	939,005
Accumulated depreciation-NHFS	(8,564,207)	3,893,208	1,406,102	(6,077,101)
		-	-	
<b>Total Capital Assets</b>	<b>193,770,624</b>	<b>78,574,363</b>	<b>87,499,049</b>	<b>184,845,938</b>

\*\*Represents work in process



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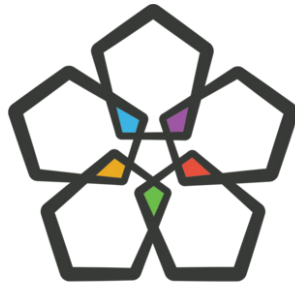
**Building an Equitable Economy**





# Statistical Section





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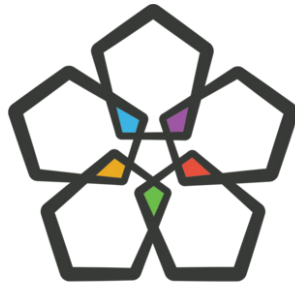
**Building an Equitable Economy**



# Statistical Section

This part of Prosper Portland's Annual Comprehensive 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
<b>Financial Trends</b>	131
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	138
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).	
<b>Debt Capacity</b>	140
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.	
<b>Operating Information</b>	153
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.	



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# Net Position By Component Last Ten Fiscal Years

(Unaudited)

	2011-12 (As Restated) (1)	2012-13	2013-14 (As Restated) (2)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 70,706,755
Restricted	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	393,433,243
Unrestricted	(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)	(25,916,918)
<b>Total governmental activities net position</b>	<b>295,432,845</b>	<b>286,956,568</b>	<b>309,146,214</b>	<b>328,349,543</b>	<b>388,436,484</b>	<b>384,031,718</b>	<b>427,897,365</b>	<b>440,091,874</b>	<b>427,575,871</b>	<b>438,223,080</b>
<b>Business-type activities</b>										
Restricted	-	-	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Unrestricted	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	13,769,028
<b>Total business type activities net position</b>	<b>3,572,176</b>	<b>3,620,905</b>	<b>7,289,181</b>	<b>7,263,709</b>	<b>12,450,539</b>	<b>12,226,591</b>	<b>15,821,294</b>	<b>15,678,603</b>	<b>15,412,175</b>	<b>16,769,028</b>
<b>Total government</b>										
Net investment in capital assets	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	70,706,755
Restricted	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	396,433,243
Unrestricted	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)	(12,147,890)
<b>Total government net position</b>	<b>\$ 289,465,633</b>	<b>\$ 290,577,473</b>	<b>\$ 316,435,395</b>	<b>\$ 335,613,252</b>	<b>\$ 400,887,023</b>	<b>\$ 396,258,309</b>	<b>\$ 443,718,659</b>	<b>\$ 455,770,477</b>	<b>\$ 442,988,046</b>	<b>\$ 454,992,108</b>

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

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

**Changes In Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2011-12	2012-13 (as restated) <sup>(1)</sup>	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Expenses</b>										
Governmental activities:										
Community development	\$ 99,713,038	\$ 101,248,381	\$ 64,855,696	\$ 68,554,896	\$ 68,101,385	\$ 149,834,069	\$ 121,245,646	\$ 123,737,081	\$ 122,350,894	\$ 114,408,750
Business-type activities:										
Enterprise loans	375,805	214,579	79,814	365,839	63,104	47,240	329,863	154,113	232,562	285,252
Enterprise management	1,015,468	958,743	1,052,367	1,203,460	1,177,944	537,901	589,648	601,153	569,828	277,245
<b>Total expenses</b>	<b>101,104,311</b>	<b>102,421,703</b>	<b>65,987,877</b>	<b>70,124,195</b>	<b>69,342,433</b>	<b>150,419,210</b>	<b>122,165,157</b>	<b>124,492,347</b>	<b>123,153,284</b>	<b>114,971,247</b>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	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	6,836,028
Operating grants and contributions	7,170,821	7,970,747	7,641,493	9,146,999	16,566,699	8,308,635	9,854,692	9,611,334	11,215,872	26,207,856
<b>Total governmental activities program revenues</b>	<b>10,462,013</b>	<b>12,017,809</b>	<b>16,377,389</b>	<b>15,104,475</b>	<b>39,578,839</b>	<b>19,046,873</b>	<b>17,824,284</b>	<b>18,329,197</b>	<b>18,733,840</b>	<b>33,043,884</b>
Business-type activities:										
Charges for services										
Enterprise Loans	240,514	95,055	163,255	333,883	13,562	5,021	2,602	1,674	10,534	9,840
Enterprise management	977,933	1,118,228	6,836,340	1,093,796	5,114,402	59,633	48,000	63,028	201,545	1,521,810
Operating grants and contributions	200,000	-	-	-	871,000	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>1,418,447</b>	<b>1,213,283</b>	<b>6,999,595</b>	<b>1,427,679</b>	<b>5,998,964</b>	<b>64,654</b>	<b>50,602</b>	<b>64,702</b>	<b>212,079</b>	<b>1,531,650</b>
<b>Total revenues</b>	<b>11,880,460</b>	<b>13,231,092</b>	<b>23,376,984</b>	<b>16,532,154</b>	<b>45,577,803</b>	<b>19,111,527</b>	<b>17,874,886</b>	<b>18,393,899</b>	<b>18,945,919</b>	<b>34,575,534</b>
<b>Net (expense)/revenue:</b>										
Governmental activities	(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)	(81,364,866)
Business-type activities	27,174	39,961	5,867,414	(141,620)	4,757,916	(520,487)	(868,909)	(690,564)	(590,311)	969,153

	2011-12	2012-13 (as restated) <sup>(1)</sup>	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Total net expenses</b>	<b>(89,223,851)</b>	<b>(89,190,611)</b>	<b>(42,610,893)</b>	<b>(53,592,041)</b>	<b>(23,764,630)</b>	<b>(131,307,683)</b>	<b>(104,290,271)</b>	<b>(106,098,448)</b>	<b>(104,207,365)</b>	<b>(80,395,713)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Tax-increment debt proceeds (in lieu of tax-increment revenue)	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	83,768,443
City of portland debt proceeds for operations	-	-	-	-	-	17,372,202	-	9,499,409	-	-
Unrestricted investment income	525,565	675,546	838,080	1,076,076	1,711,929	2,246,957	3,350,550	6,108,557	5,818,369	2,785,059
Miscellaneous	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	5,458,573
Special Item - Historic Monument Transfer 511 NW Broadway	-	-	5,800,000	-	-	-	-	-	-	-
Transfers	(60,000)	-	2,227,027	(79,621)	(138,203)	(99,018)	-	(31,387)	42,779	-
<b>Total governmental activities</b>	<b>157,796,778</b>	<b>80,754,295</b>	<b>74,550,210</b>	<b>72,653,750</b>	<b>88,609,487</b>	<b>126,382,430</b>	<b>147,263,350</b>	<b>117,602,393</b>	<b>91,101,051</b>	<b>92,012,075</b>
Business-type activities:										
Unrestricted investment income	7,480	8,768	27,889	36,527	102,954	152,615	138,711	266,853	228,660	109,009
Miscellaneous	78,729	-	-	-	187,757	44,906	4,324,901	249,633	138,002	278,691
Transfers	60,000	-	(2,227,027)	79,621	138,203	99,018	-	31,387	(42,779)	-
<b>Total business-type activities</b>	<b>146,209</b>	<b>8,768</b>	<b>(2,199,138)</b>	<b>116,148</b>	<b>428,914</b>	<b>296,539</b>	<b>4,463,612</b>	<b>547,873</b>	<b>323,883</b>	<b>387,700</b>
<b>Total</b>	<b>157,942,987</b>	<b>80,763,063</b>	<b>72,351,072</b>	<b>72,769,898</b>	<b>89,038,401</b>	<b>126,678,969</b>	<b>151,726,962</b>	<b>118,150,266</b>	<b>91,424,934</b>	<b>92,399,775</b>
<b>Changes in Net Position</b>										
Governmental activities	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)	10,647,209
Business-type activities	173,383	48,729	3,668,276	(25,472)	5,186,830	(223,948)	3,594,703	(142,691)	(266,428)	1,356,853
<b>Total</b>	<b>\$ 68,719,136</b>	<b>\$ (8,427,548)</b>	<b>\$ 29,740,179</b>	<b>\$ 19,177,857</b>	<b>\$ 65,273,771</b>	<b>\$ (4,628,714)</b>	<b>\$ 47,436,691</b>	<b>\$ 12,051,818</b>	<b>\$ (12,782,431)</b>	<b>\$ 12,004,062</b>

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

## Fund Balances Of Governmental Funds

## Last Ten Fiscal Years

(Unaudited)

	2011-12 (As Restated) (1)	2012-13 (as restated)(1)	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>General Fund</b>										
Non-spendable	\$ 1,028,551	\$ 1,105,962	\$ 806,471	\$ 859,630	\$ 302,609	\$ 247,518	\$ 244,069	\$ 146,754	\$ 146,754	\$ 146,754
Assigned	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	1,336,513
Unassigned	751,723	-	(19,680)	535,759	-	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 4,177,380</b>	<b>\$ 4,029,956</b>	<b>\$ 2,723,032</b>	<b>\$ 2,298,005</b>	<b>\$ 1,775,169</b>	<b>\$ 1,568,824</b>	<b>\$ 1,494,744</b>	<b>\$ 1,518,639</b>	<b>\$ 1,372,274</b>	<b>\$ 1,483,267</b>
<b>All other governmental funds</b>										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, report in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
<b>Restricted</b>										
Special revenue funds	110,797	5,040,534	5,101,586	5,133,963	5,203,434	6,033,781	6,619,291	6,637,440	750,000	10,075,776
Capital projects funds	294,017,822	282,480,872	303,782,402	317,270,005	380,278,386	386,718,687	429,364,897	425,304,911	421,676,131	440,436,239
Unassigned										
Special revenue funds	-	-	-	-	-	(6,150,877)	(15,279,155)	(15,035,998)	(14,737,270)	(14,807,811)
<b>Total all other government funds</b>	<b>\$ 294,128,619</b>	<b>\$ 287,521,406</b>	<b>\$ 308,883,988</b>	<b>\$ 322,403,968</b>	<b>\$ 385,481,820</b>	<b>\$ 386,601,591</b>	<b>\$ 420,705,033</b>	<b>\$ 416,906,353</b>	<b>\$ 407,688,861</b>	<b>\$ 435,704,204</b>

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

## Changes In Fund Balances Of Governmental Funds

## Last Ten Fiscal Years

(Unaudited)

	2011-12	2012-13 (as restated) <sup>(1)</sup>	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Revenues</b>										
Intergovernmental revenues	\$ 7,170,821	\$ 7,970,747	\$ 7,641,493	\$ 9,146,999	\$ 9,687,944	\$ 8,308,635	\$ 9,854,692	\$ 9,611,334	\$ 11,215,872	\$ 26,207,857
Charges for services	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	6,836,028
Loan collections	1,238,233	1,267,686	1,241,522	5,169,226	2,550,478	3,448,954	1,225,070	1,005,275	1,096,495	2,641,253
Interest on investments	523,907	674,321	836,822	1,074,653	1,710,068	2,267,507	3,348,717	6,105,655	5,815,586	2,783,715
City of Portland debt issued operations	-	-	-	-	6,878,755	17,372,202	-	9,499,409	-	-
Miscellaneous	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	2,821,246
Tax-increment debt proceeds (in lieu of tax-increment revenue)	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	75,037,003
<b>Total revenues</b>	<b>167,922,903</b>	<b>92,770,879</b>	<b>88,347,459</b>	<b>85,377,729</b>	<b>128,307,427</b>	<b>145,486,325</b>	<b>164,648,486</b>	<b>136,024,629</b>	<b>109,815,711</b>	<b>116,327,102</b>
<b>Expenditures</b>										
Community development	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	55,524,357
Capital expenditures for urban renewal	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	10,844,331
Financial assistance	16,871,782	12,297,219	22,467,023	21,920,157	10,469,685	31,513,955	39,857,414	31,078,637	32,424,555	29,740,718
Debt service -	-	-	-	-	-	-	-	14,257	15,461	14,886
Capital Outlay	-	112,468	373,615	241,008	406,187	6,755,078	13,290,386	23,104,785	4,994,518	807,914
<b>Total expenditures</b>	<b>95,160,961</b>	<b>99,525,517</b>	<b>70,518,827</b>	<b>72,203,155</b>	<b>65,614,208</b>	<b>144,473,881</b>	<b>130,619,124</b>	<b>139,768,027</b>	<b>119,222,347</b>	<b>96,932,206</b>
Excess of revenues over (under) expenditures	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)	19,394,896
<b>Other financing sources (uses)</b>										
Internal service reimbursements	-	-	-	-	-	-	-	-	-	-
Transfers in	135,000 <sup>(1)</sup>	-	2,783,306	306,267	-	-	-	-	122,070	65,000
Transfers out	(195,000) <sup>(1)</sup>	-	(556,279)	(385,888)	(138,203)	(99,018)	-	(31,387)	(79,291)	(65,000)
<b>Total other financing sources (uses)</b>	<b>(60,000)</b>	<b>-</b>	<b>2,227,027</b>	<b>(79,621)</b>	<b>(138,203)</b>	<b>(99,018)</b>	<b>-</b>	<b>(31,387)</b>	<b>42,779</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 72,701,942</b>	<b>\$ (6,754,638)</b>	<b>\$ 20,055,659</b>	<b>\$ 13,094,953</b>	<b>\$ 62,555,016</b>	<b>\$ 913,426</b>	<b>\$ 34,029,362</b>	<b>\$ (3,774,785)</b>	<b>\$ (9,363,857)</b>	<b>\$ 19,394,896</b>

<sup>(1)</sup> 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.<sup>(2)</sup> Implementation of GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

**General Government Revenues**  
**For The Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Inter-Governmental Revenues	Charges for Services	Loan Collections <sup>(1)</sup>	Investment Income	Miscellaneous	Notes Payable Draws	Tax-increment Debt Proceeds (in lieu of tax-increment revenue)	Total
2011-12	7,370,821	2,636,662	5,398,916	533,046	7,038,089		133,787,307	156,764,841
2012-13	7,970,747	5,033,235	12,277,490	684,316	4,556,869		73,354,431	103,877,088
2013-14	7,641,493	9,774,616	5,670,941	865,970	14,462,252		59,718,111	98,133,383
2014-15	9,146,999	7,047,902	23,289,142	1,112,599	6,085,646		53,877,036	100,559,324
2015-16	10,558,944	28,103,854 <sup>(3)</sup>	14,989,913	1,774,970	12,019,278		82,062,888	149,509,842
2016-17	8,308,635	10,760,230	23,822,421	2,862,402	43,643,995		91,394,288	180,791,967
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
2020-21	26,207,857	7,624,333	3,680,814	2,894,067	2,109,084	4,000,000	83,768,443	130,284,598

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

<sup>(1)</sup> Internal service reimbursements were reclassified to a transfer.

<sup>(2)</sup> 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.

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

<sup>(4)</sup> Increase due to proceeds from debt issued on our behalf from CoP



**General Government Expenditures**  
**For The Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Personal Services	Materials and Services	Capital Outlay <sup>(1)</sup>	Financial Assistance	Internal Service Reimbursement	Total
2011-12	15,440,575	52,000,490	14,186,295	12,576,846	-	94,204,206
2012-13	15,331,763	37,721,066	22,440,579	13,484,418	-	88,977,826
2013-14	13,590,294	20,065,873	8,291,982	22,700,709	-	64,648,858
2014-15	11,918,561	31,409,309	8,147,325	23,422,050	-	74,897,245
2015-16	12,556,208	28,486,217	20,142,771 <sup>(3)</sup>	24,370,157	-	85,555,350
2016-17	11,773,156	61,624,590	93,273,152 <sup>(4)</sup>	58,664,156	-	225,335,050
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
2020-21	14,075,437	39,013,758	13,559,079	30,039,427	12,968,480	109,656,181

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

<sup>(1)</sup> Includes both expenditures for capital outlay and purchases of properties held for sale.

<sup>(3)</sup> Increase due principally to reimbursement payments to Portland Housing Bureau.

<sup>(4)</sup> 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.

<sup>(4)</sup> Post office purchase

**Urban Renewal Area Consolidated Tax Rates**  
**For The Last Ten Fiscal Years**  
**(Unaudited)**

Districts Common to All Areas									
Fiscal Year	Multnomah County	Multnomah Library District <sup>(10)</sup>	City of Portland	Port of Portland	Metro Service District	Tri-County Metropolitan Transportation District <sup>(9)</sup>	Multnomah County ESD	Subtotal	City of Portland Urban Renewal <sup>(1)</sup>
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
2013-14	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	0.2203
2020-21	4.3434	1.2200	7.3350	0.0701	0.0966	-	0.4576	13.5227	0.2203

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

<sup>(1)</sup> Special levy applied only to Option 3 urban renewal areas: Oregon Convention Center, South Park Blocks, Downtown Waterfront, and Airport Way.

<sup>(2)</sup> Applies to all areas except Gateway Regional Center Urban Renewal Area with the exception of a small number of properties.

<sup>(1)</sup> Special levy applied only to Option 3 urban renewal areas: Oregon Convention Center, South Park Blocks, Downtown Waterfront, and Airport Way.

<sup>(2)</sup> Applies to all areas except Gateway Regional Center Urban Renewal Area with the exception of a small number of properties.

<sup>(3)</sup> Applies to Gateway Regional Center and Airport Way urban renewal areas

<sup>(4)</sup> Applies only to the Airport Way Urban Renewal Area.

<sup>(5)</sup> 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

<sup>(6)</sup> Applies to the following urban renewal areas: River District, North Macadam, South Park Blocks, and Downtown Waterfront.

<sup>(7)</sup> Applies to the Lents Town Center, Gateway Regional Center, and Airport Way urban renewal areas.

<sup>(8)</sup> Applies to Lents Town Center, and Gateway Regional Center urban renewal areas.

<sup>(9)</sup> Tri-County Metropolitan District had no tax assessment rate beginning 2012-13

<sup>(10)</sup> District established by voters in November 2013 general election Multnomah County Tax Supervising and Conservation Commission Annual Reports.

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

Portland Public School District #1 <sup>(2)</sup>	Parkrose School District #3 <sup>(3)</sup>	Reynolds School District #7 <sup>(4)</sup>	David Douglas School District #40 <sup>(8)</sup>	East Multnomah County Soil & Water Conservation District <sup>(5)</sup>	West Multnomah County Soil & Water Conservation District <sup>(6)</sup>	Portland Community College <sup>(2)</sup>	Mt. Hood Community College <sup>(7)</sup>
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
4.7743	4.8906	4.4626	4.6394	0.1000	0.0750	0.2828	2.9502

## Urban Renewal And Redevelopment Bonds

## Future Bond Principal Requirements

As of June 30, 2021

(Unaudited)

Fiscal Year	Downtown Waterfront Urban Renewal Bonds	Interstate Corridor Urban Renewal Bonds	Convention Center Urban Renewal Bonds	River District Urban Renewal Bonds	South Park Blocks Urban Renewal Bonds	Lents Town Center Urban Renewal Bonds	Central Eastside Urban Renewal Bonds	North Macadam Urban Renewal Bonds
	2008 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
2021-22	5,760,000		14,600,000	5,965,000	4,750,601	2,553,323	1,490,000	3,690,932
2022-23	6,120,000		12,585,000	6,235,000	4,868,416	2,592,644	1,555,000	3,761,786
2023-24	7,000,000		-	2,165,000	4,560,360	2,632,571	1,625,000	3,830,320
2024-25	-		-	2,255,000	-	2,681,536	1,700,000	3,904,580
2025-26	-	1,040,000	-	2,350,000	-	2,731,413	1,780,000	3,979,386
2026-27	-	-	-	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	-	-	-	2,700,000	-	2,064,045	1,305,000	4,203,563
2029-30	-	-	-	2,835,000	-	-	-	4,282,590
2030-31	-	-	-	2,985,000	-	-	-	-
2031-32	-	-	-	3,130,000	-	-	-	-
2032-33	-	-	-	-	-	-	-	-
2033-34	-	-	-	-	-	-	-	-
2033-34	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 18,880,000</b>	<b>\$ 4,125,000</b>	<b>\$ 27,185,000</b>	<b>\$ 35,655,000</b>	<b>\$ 14,179,377</b>	<b>\$ 20,871,715</b>	<b>\$ 13,285,000</b>	<b>\$ 35,832,083</b>

**Source:** Amortization schedule for each bond.

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

**Urban Renewal And Redevelopment Bonds**  
**Future Bond Interest Requirements**  
**As of June 30, 2021**  
**(Unaudited)**

Fiscal Year	Downtown Waterfront Urban Renewal Bonds	Interstate Corridor Urban Renewal Bonds	Convention Center Urban Renewal Bonds	River District Urban Renewal Bonds	South Park Blocks Urban Renewal Bonds	Lents Town Center Urban Renewal Bonds	Central Eastside Urban Renewal Bonds	North Macadam Urban Renewal Bonds
	2008 Series A	2011 Series B	2012 Series A	2012 Series A, B, & C	2019 Series A	2020 Series A & B	2011 Series A & B	2020 Series A & B
2021-22	1,189,440	193,338	1,071,753	1,653,858	351,649	371,747	636,275	671,632
2022-23	826,560	193,338	503,294	1,380,069	233,834	332,426	572,950	604,254
2023-24	441,000	193,338	-	1,089,535	113,097	292,499	504,919	533,532
2024-25	-	193,338	-	1,000,121	-	243,533	429,763	461,522
2025-26	-	193,338	-	903,607	-	193,657	349,013	388,116
2026-27	-	146,537	-	788,700	-	142,852	260,012	313,303
2027-28	-	146,537	-	677,950	-	91,103	166,513	237,175
2028-29	-	-	-	549,450	-	38,391	68,512	159,540
2029-30	-	-	-	414,450	-	-	-	80,513
2030-31	-	-	-	272,700	-	-	-	-
2031-32	-	-	-	125,200	-	-	-	-
2032-33	-	-	-	-	-	-	-	-
2033-34	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 2,457,000</b>	<b>\$ 1,259,764</b>	<b>\$ 1,575,047</b>	<b>\$ 8,855,640</b>	<b>\$ 698,579</b>	<b>\$ 1,706,207</b>	<b>\$ 2,987,957</b>	<b>\$ 3,449,586</b>

**Source:** Amortization schedule for each bond.

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

## Urban Renewal Indebtedness Summary

As of June 30, 2021

In Millions

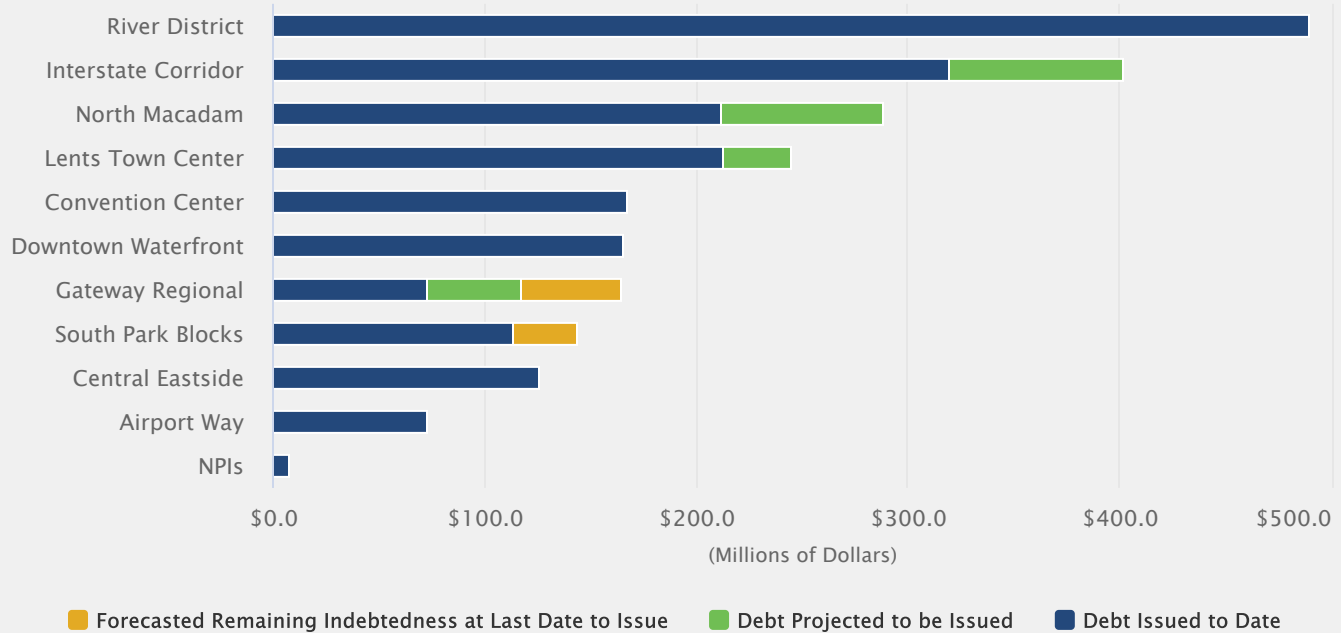
(Unaudited)

TIF District	Maximum Indebtedness	Indebtedness Issued as of 06/30/21	Indebtedness Remaining as of June 30, 2021	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	\$ 212.8	\$ 32.2	\$ 32.2	-	2020
River District	\$ 489.5	\$ 489.5	\$ -	\$ -	-	2021
Gateway	\$ 164.2	\$ 73.0	\$ 91.2	\$ 44.6	46.6	2022
Central Eastside	\$ 126.0	\$ 126.0	\$ -	\$ -	-	2023
North Macadam	\$ 288.6	\$ 211.4	\$ 77.2	\$ 77.2	-	2025
Interstate Corridor	\$ 402.0	\$ 319.2	\$ 82.8	\$ 82.8	-	N/A
Neighborhood Prosperity Initiative <sup>(6)</sup>	\$ 7.5	\$ 7.1	\$ 0.4	\$ 0.4	-	N/A

**Notes:** <sup>(1)</sup> Reduced Rate Plan: Bonds and Local Option Levies approved after 10/06/2001 do not contribute to TIF.

<sup>(2)</sup> 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.

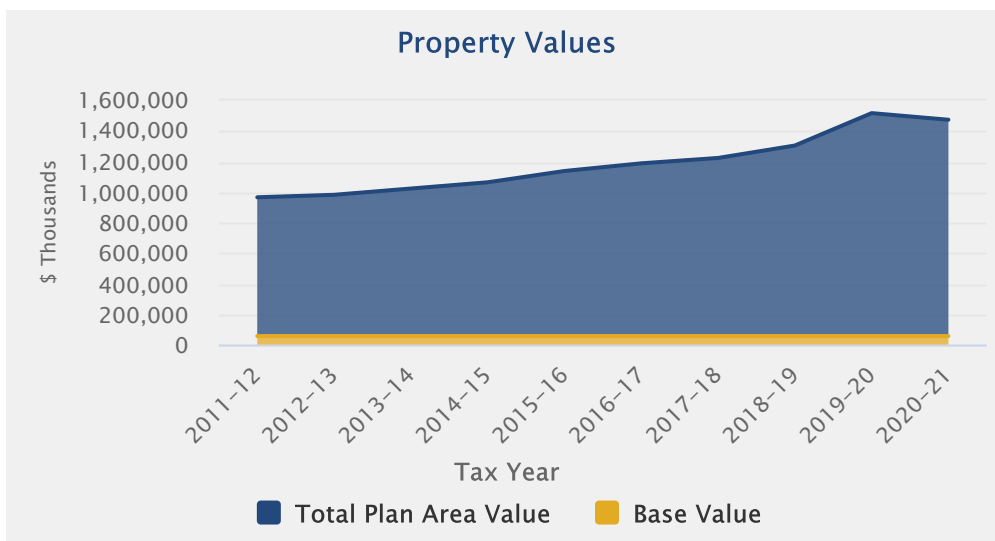
<sup>(3)</sup> Not all districts are projected to reach maximum indebtedness due to debt coverage requirements and current market conditions.

Indebtedness Summary by TIF District  
6/30/2020

**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
<b>Frozen Base</b>						
2013-14	\$ 83,203,598	\$ 83,686,505	\$ 83,187,490	\$ 82,343,462	\$ 85,053,706	\$ 81,232,730
2014-15	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2015-16	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2016-17	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2017-18	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2018-19	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2019-20	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
2020-21	83,203,598	83,686,505	83,187,490	82,343,462	85,053,706	81,232,730
<b>Excess Value Used</b>						
2013-14	\$ 3,723,747	\$ 49,055	\$ 4,870,550	\$ 2,520,678	\$ -	\$ 3,353,630
2014-15	7,768,582	4,352,305	8,907,120	8,166,278	3,050,294	5,974,000
2015-16	2,152,071	3,758,446	2,942,349	878,088	2,776,723	2,193,052
2016-17	6,779,639	5,959,886	6,796,865	6,292,173	5,889,740	8,493,867
2017-18	6,815,643	8,579,009	6,815,746	6,344,007	10,843,402	6,517,263
2018-19	6,648,527	6,634,256	6,648,527	6,257,562	6,502,567	6,350,756
2019-20	6,680,697	6,680,697	6,680,697	6,276,587	6,566,574	6,373,833
2020-21	6,731,463	6,731,458	3206571	6612860	6,615,605	6,633,967
<b>Excess Value Not Used</b>						
2013-14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2014-15	-	-	-	-	-	-
2015-16	8,863,101	2,798,799	9,350,151	9,161,980	4,081,721	7,303,428
2016-17	8,402,453	3,443,809	9,013,315	6,233,265	6,557,924	3,174,913
2017-18	-	-	-	-	-	-
2018-19	17,552,225	9,449,093	18,270,263	13,138,076	15,856,787	13,317,184
2019-20	22,777,365	11,721,718	22,880,823	19,128,431	19,428,680	16,758,097
2020-21	27,993,649	14,224,567	31029979	21890338	24,430,019	16,273,703
<b>Total Plan Area Value</b>						
2013-14	\$ 86,927,345	\$ 83,735,560	\$ 88,058,040	\$ 84,864,140	\$ 84,535,040	\$ 83,459,135
2014-15	90,972,180	88,038,810	92,094,610	90,509,740	88,104,000	87,206,730
2015-16	94,218,770	90,243,750	95,479,990	92,383,530	91,912,150	90,729,210
2016-17	98,385,690	93,090,200	98,997,670	94,868,900	97,501,370	92,901,510
2017-18	90,019,241	92,265,514	90,003,236	88,687,469	95,897,108	87,749,993
2018-19	107,404,350	99,769,854	108,106,280	101,739,100	91,556,273	100,900,670
2019-20	112,661,660	102,088,920	112,749,010	107,748,480	111,048,960	104,364,660
2020-21	117,928,710	104,642,530	117424040	110846660	116,099,330	104,140,400
<b>Taxes Imposed</b>						
2013-14	\$ 41,899	\$ -	\$ 69,800	\$ 36,985	\$ -	\$ 40,848
2014-15	109,627	59,635	134,183	129,370	39,831	89,720
2015-16	20,601	42,059	37,359	4,316	40,970	22,157
2016-17	94,997	90,043	94,997	103,144	92,970	136,102
2017-18	94,733	123,921	94,733	105,793	169,978	104,213
2018-19	98,168	98,168	98,168	108,411	101,644	105,838
2019-20	99,731	104,441	102,551	102,551	104,682	102,135
2020-21	99,731	99,731	32885	102249	100,857	101,168
<b>Measure 5 Loss</b>						
2013-14	\$ 4,216	\$ -	\$ 7,038	\$ 5,439	\$ -	\$ 6,379
2014-15	8,359	4,531	10,216	12,959	4,175	9,675
2015-16	1,105	2,361	2,110	318	3,188	1,754
2016-17	4,488	4,271	4,488	4,728	6,353	7,017
2017-18	4,640	6,058	4,640	4,523	11,696	4,767
2018-19	4,525	4,525	4,525	4,324	6,799	4,447
2019-20	5,154	4,887	4,887	4,248	7,374	4,287
2020-21	5,154	5,154	1,668	4,715	4,621	4,700

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
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
2020-21	22.59	55,674,313	1,418,447,480	7,270,477

**Source:** Multnomah County Division of Assessment and Taxation

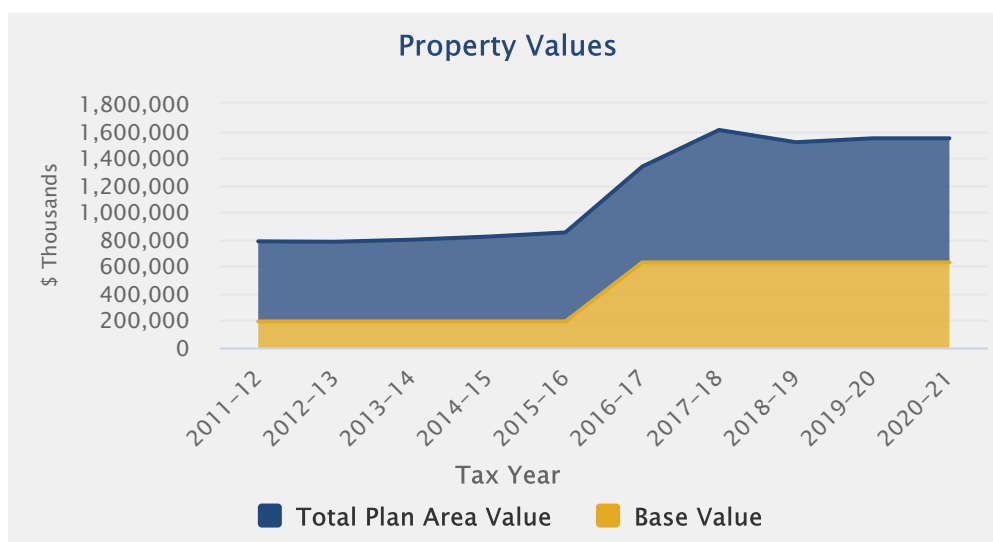
	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	3,841	3,998	620,560	655,843
Per Capita Income	\$ 31,366	\$ 34,049	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>2,615</b>	<b>2,666</b>	<b>278,917</b>	<b>292,702</b>
Owner Occupied Housing Units	309	325	130,533	136,985
Renter Occupied Housing Units	2,173	2,269	131,091	138,448

**Source:** The 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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



**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 <sup>(1)</sup>	Base Value	Increased Value	Urban Renewal Debt <sup>(1)</sup>
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
2020-21	19.76	628,094,444	915,380,706	19,646,889

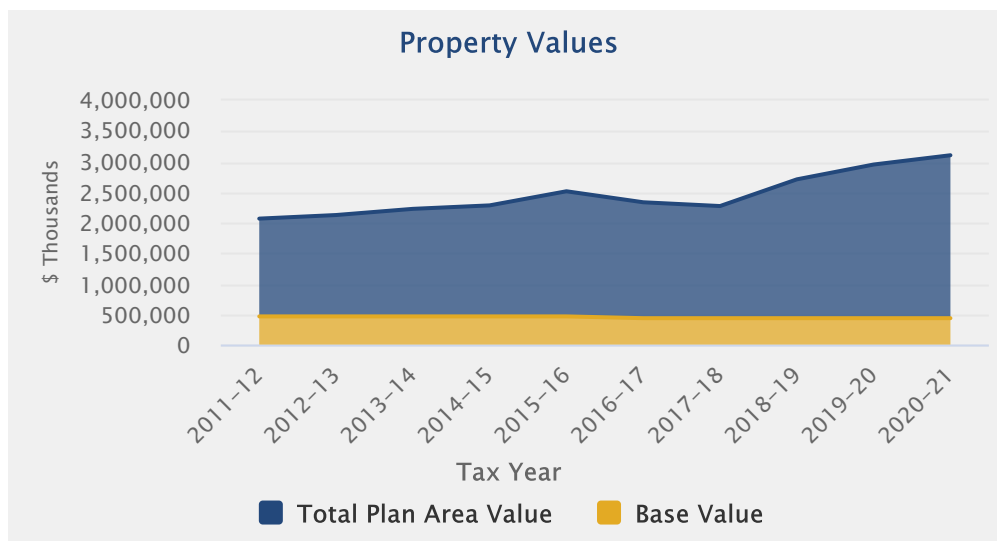
**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	5,650	6,287	620,560	655,843
Per Capita Income	\$ 59,166	\$ 66,504	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>4,122</b>	<b>4,482</b>	<b>278,917</b>	<b>292,702</b>
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 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2011-12	21.93	461,577,974	1,602,807,681	31,571,279
2012-13	22.15	461,577,974	1,661,649,575	31,307,650
2013-14	23.79	461,577,974	1,762,885,437	32,611,642
2014-15	23.16	461,577,974	1,819,898,297	29,808,542
2015-16	20.84	461,577,974	2,051,122,151	30,600,151
2016-17	20.75	432,292,135	1,900,139,920	37,649,099
2017-18	22.20	432,292,135	1,838,197,433	38,901,101
2018-19	22.48	432,292,135	2,275,669,645	47,209,037
2019-20	22.50	432,292,135	2,518,882,445	46,643,845
2020-21	22.70	432,292,135	2,671,013,485	46,821,169

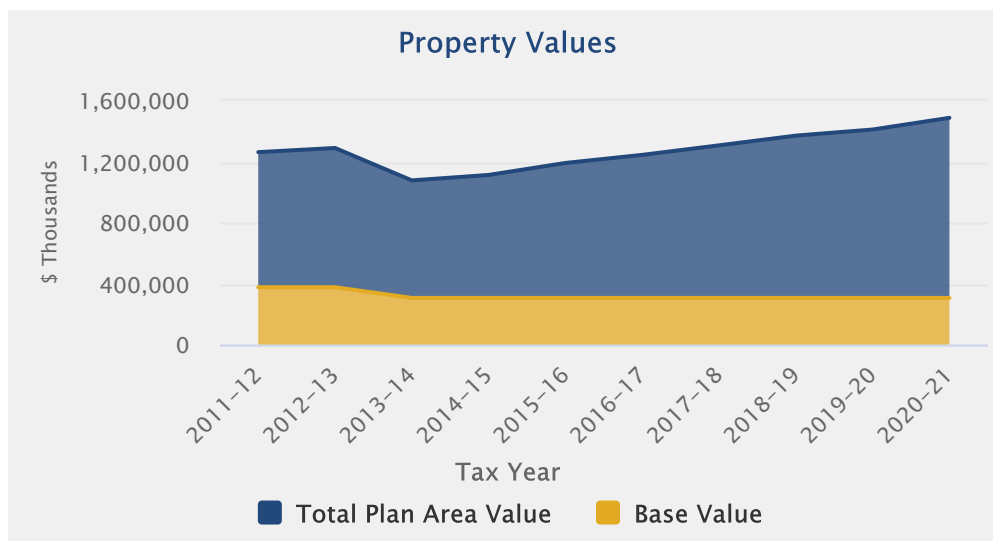
**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	6,045	6,655	620,560	655,843
Per Capita Income	\$ 55,058	\$ 62,645	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>4,525</b>	<b>4,817</b>	<b>278,917</b>	<b>292,702</b>
Owner Occupied Housing Units	932	968	130,533	136,985
Renter Occupied Housing Units	2,819	3,179	131,091	138,448

**Source:** The 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
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
2020-21	22.53	305,692,884	1,180,877,096	5,324,054

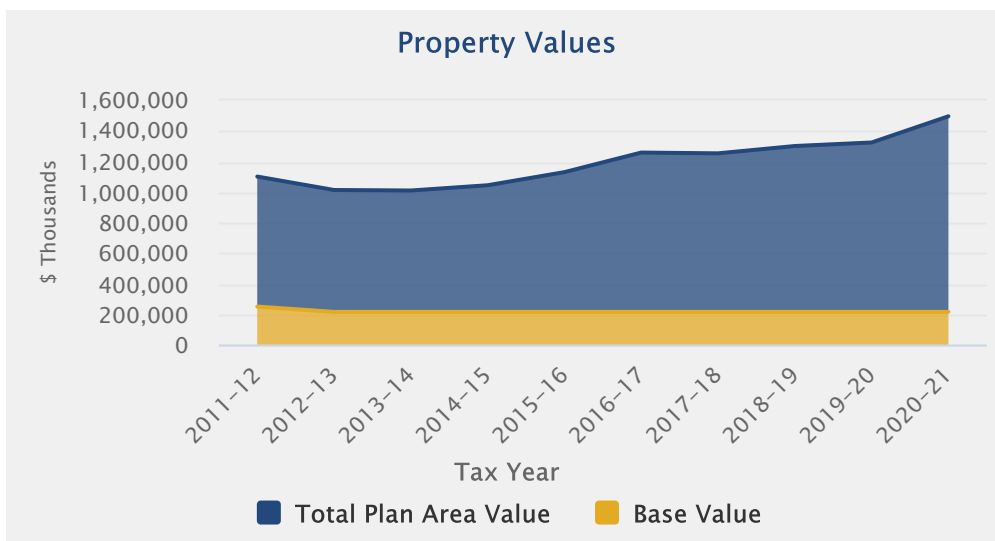
**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	3,761	4,067	620,560	655,843
Per Capita Income	\$ 28,739	\$ 31,756	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>2,694</b>	<b>2,926</b>	<b>278,917</b>	<b>292,702</b>
Owner Occupied Housing Units	248	269	130,533	136,985
Renter Occupied Housing Units	2,082	2,282	131,091	138,448

**Source:** The 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
2011-12	21.79	248,951,143	852,646,229	5,141,484
2012-13	21.97	214,100,689	799,329,769	5,021,769
2013-14	23.67	214,100,689	796,003,675	4,952,060
2014-15	23.03	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	22.29	214,100,689	1,087,718,161	5,424,680
2019-20	22.36	214,100,689	1,110,928,481	5,423,332
2020-21	22.54	214,100,689	1,282,685,541	5,394,275

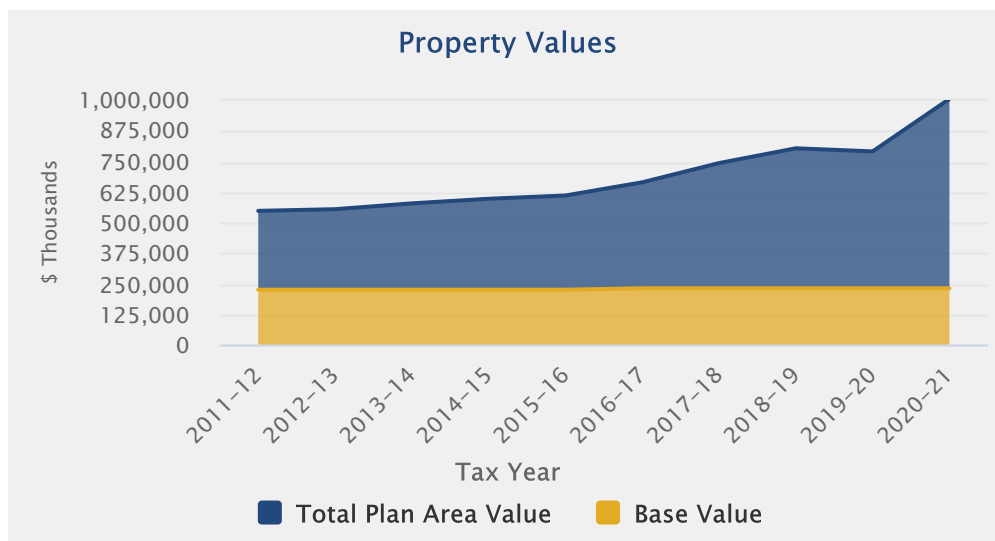
**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	1,682	1,813	620,560	655,843
Per Capita Income	\$ 37,185	\$ 39,368	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>1,157</b>	<b>1,237</b>	<b>278,917</b>	<b>292,702</b>
Owner Occupied Housing Units	154	165	130,533	136,985
Renter Occupied Housing Units	886	948	131,091	138,448

**Source:** The 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
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
2020-21	18.62	230,541,190	776,257,230	9,986,171

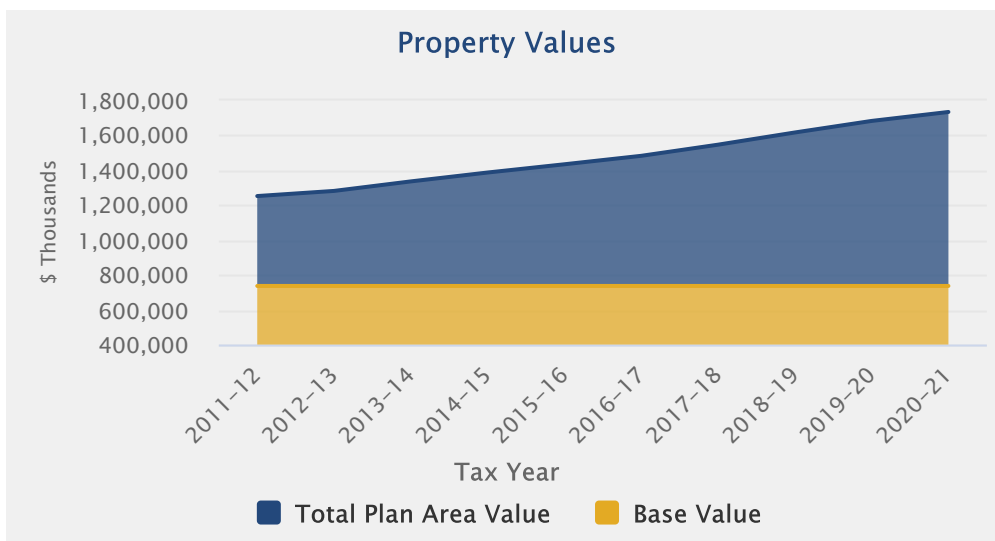
**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	2,161	2,336	620,560	655,843
Per Capita Income	\$ 28,760	\$ 31,212	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>1,164</b>	<b>1,269</b>	<b>278,917</b>	<b>292,702</b>
Owner Occupied Housing Units	90	96	130,533	136,985
Renter Occupied Housing Units	1,000	1,091	131,091	138,448

**Source:** The 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
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	22.01	736,224,033	946,816,977	19,897,906
2020-21	22.13	736,224,033	998,233,677	21,038,716

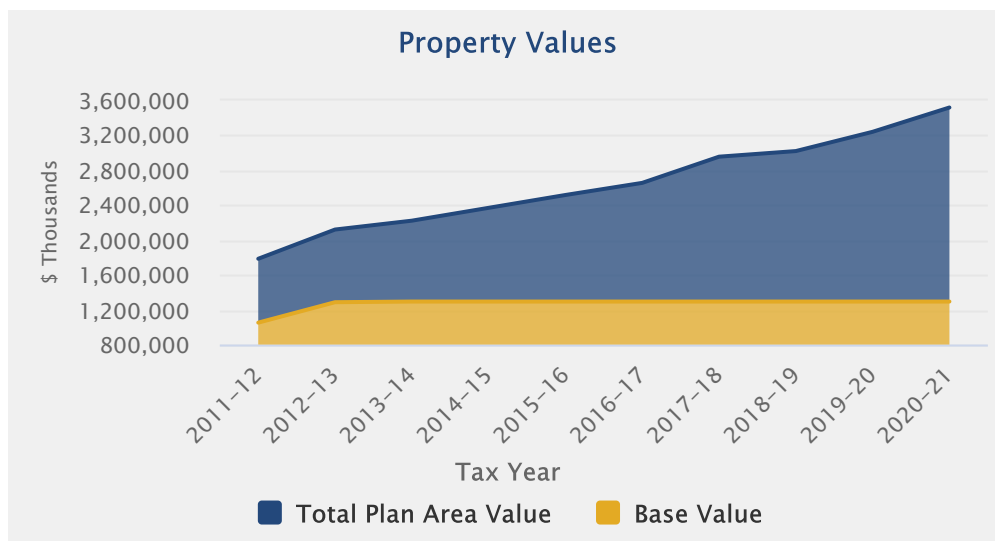
**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	29,633	31,066	620,560	655,843
Per Capita Income	\$ 18,275	\$ 19,957	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>11,332</b>	<b>11,796</b>	<b>278,917</b>	<b>292,702</b>
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 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
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
2020-21	22.73	1,293,460,097	2,226,758,383	48,144,336

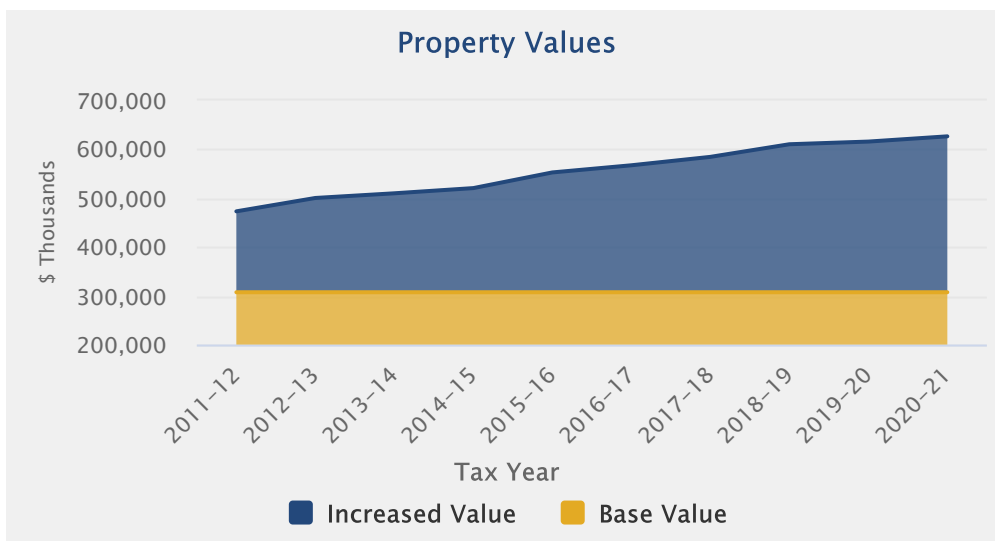
**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	38,606	41,451	620,560	655,843
Per Capita Income	\$ 24,928	\$ 27,360	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>16,821</b>	<b>17,979</b>	<b>278,917</b>	<b>292,702</b>
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 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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

**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 <sup>(1)</sup>	Base Value	Increased Value	Tax Revenue for Urban Renewal Debt <sup>(1)</sup>
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
2020-21	20.82	307,174,681	319,474,099	6,339,945

**Source:** Multnomah County Division of Assessment and Taxation

	URA		Portland	
	Current 2017	Projected 2022	Current 2017	Projected 2022
Population	6,006	6,347	620,560	655,843
Per Capita Income	\$ 22,821	\$ 24,695	\$ 33,116	\$ 36,242
<b>Total Housing Units</b>	<b>3,100</b>	<b>3,251</b>	<b>278,917</b>	<b>292,702</b>
Owner Occupied Housing Units	716	845	130,533	136,985
Renter Occupied Housing Units	2,058	2,165	131,091	138,448

**Source:** The 2017/2022 forecasted demographic figures have been derived using ESRI's Business Analyst Software. Forecasts are developed by incorporating all the Census 2011 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 2017. This change is then extrapolated five years to 2022. The 2017 update represents current events; the 2022 forecast illustrates the effects of current events. PDC GIS

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



**Financial Assistance**  
**For The Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Number of loans and grants</b>	<b>Dollar Amount</b>
2011-12	236	7,547,956
2012-13	171	43,342,987
2013-14	155	10,495,351
2014-15	157	48,530,924
2015-16	300	20,769,972
2016-17	269	10,631,493
2017-18	234	14,203,451
2018-19	264	33,764,995
2019-20	187	24,547,960
2020-21	214	30,562,749

**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.

**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
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	149,347	223,276	18,599,062	59,921	52,937	66,060
2020	NA	NA	19,627,600	NA	56,312	NA

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

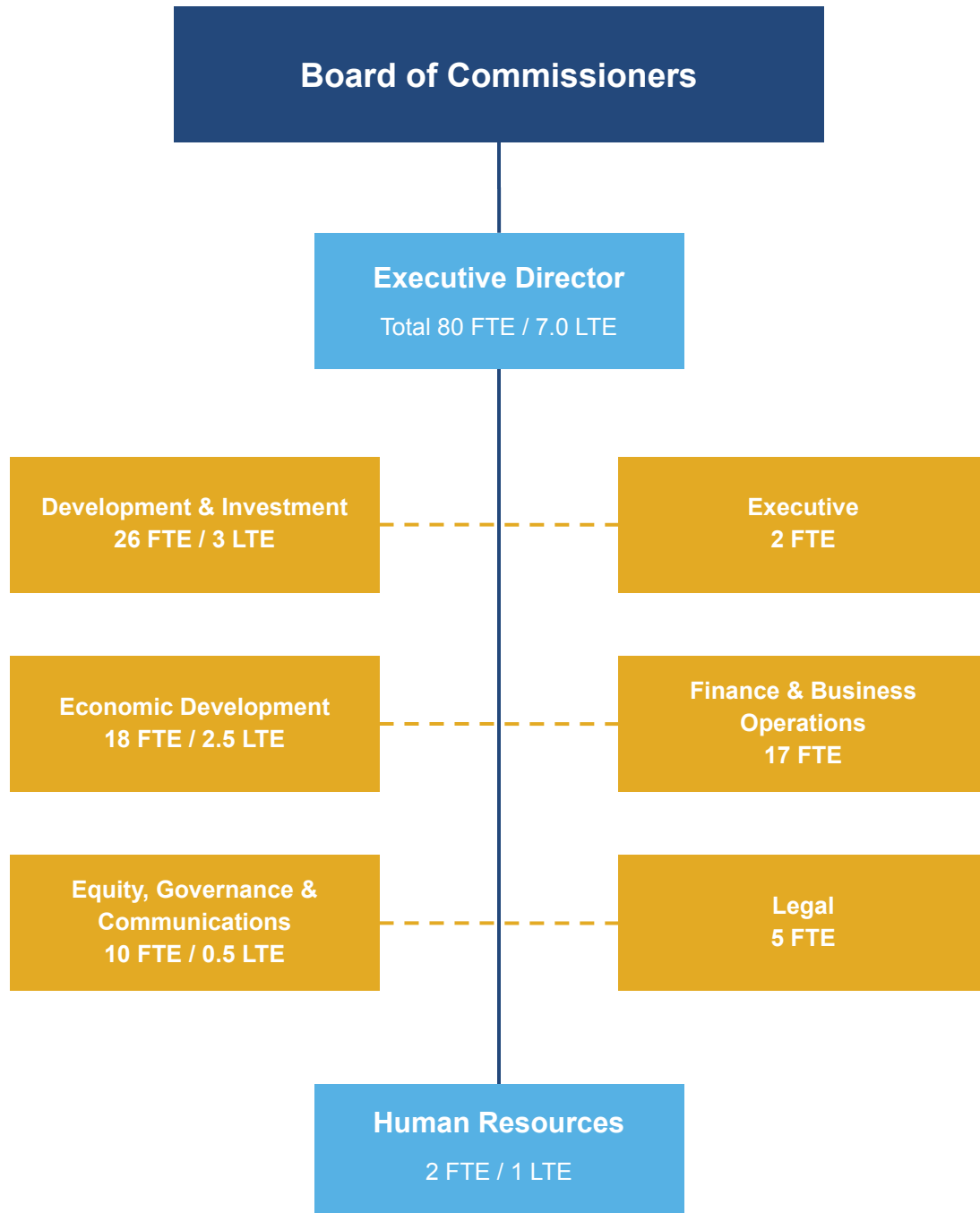
	Population Trends			Unemployment Rates		
	Portland <sup>(1)</sup>	Portland/ Vancouver/ Hillsboro MSA <sup>(2)</sup>	Oregon <sup>(2)</sup>	U.S. Total <sup>(2)</sup>	Portland Unemployment % Rate <sup>(3)</sup>	Oregon Unemployment % Rate <sup>(3)</sup>
2006	537,081	2,103,164	3,670,883	298,379,912	5.2	5.3
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	645,291	NA	4,218,000	328,239,523	3.2	3.8
2020	NA	NA	NA	329,500,000	5.6	5.2

**Source:** <sup>(1)</sup> U.S. Census Bureau

<sup>(2)</sup> U.S. Department of Commerce, Bureau of Economic Analysis

<sup>(3)</sup> U.S. Bureau of Labor Statistics

**Note:** NA = Information Not Available



## Miscellaneous Statistics

As of June 30, 2021

(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:

As of June 30	FY2017-18		FY2018-19	FY2019-20		FY2020-21	
	FTE	LTE	FTE	FTE	LTE	FTE	LTE
Executive	2.0	-	2.0	2.0	-	2.0	
Finance & Business Operations	19.1	1.2	19.0	18.7	-	18.0	
Equity, Governance & Communications	10.0	1.0	10.0	10.0	2.0	10.0	1.0
Legal	5.0	-	5.0	5.0	-	5.0	
Human Resources	2.0	1.0	2.0	2.0	1.0	2.0	1.0
Development and Investment	23.0	1.0	28.0	24.0	3.0	27.0	3.0
Economic Development	20.0	2.0	17.0	21.0	1.5	17.0	0.6
Total	81.1	6.2	83.0	82.7	7.5	81.0	5.6

## Urban Renewal District Land Area and Base Values

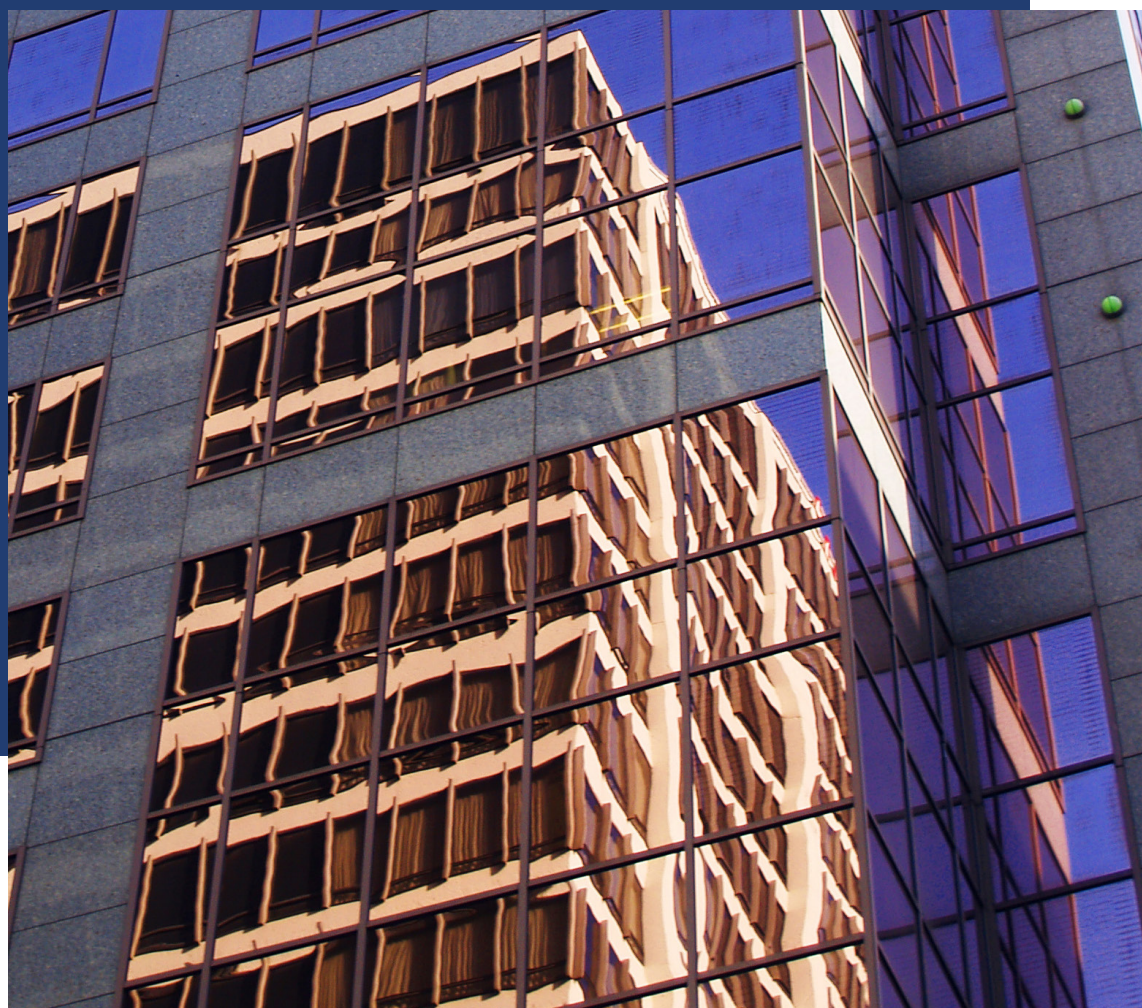
As of June 30, 2021

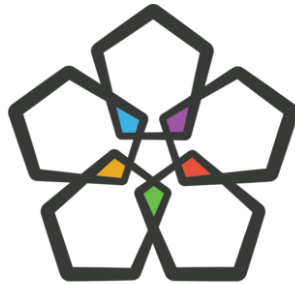
District	Acres	Base Value
Central Eastside	708	230,541,190
Downtown Waterfront	233	55,674,313
Gateway Regional Center	659	307,174,681
Interstate Corridor	3,995	1,293,460,097
Lents Town Center	2,846	736,224,033
North Macadam	447	628,094,444
Oregon Convention Center	410	214,100,689
River District	315	432,292,135
Neighborhood Prosperity Initiatives	806	498,707,491
South Park Blocks	98	305,692,884
<b>Total URA Land Data</b>	<b>10,517</b>	<b>\$ 4,701,961,957</b>

<b>Total Assessed Value, City of Portland</b>	<b>74,321,174,572</b>
Incremental Excess of Urban Renewal Areas	8,205,797,560
Incremental Value Not Used	3,838,009,413
<b>Total Assessed Value of City Minus Incremental Excess</b>	<b>\$ 62,277,367,599</b>
<b>Total Acreage, City of Portland</b>	<b>92,768</b>



# Audit Comments and Disclosures





**PROSPER**  
PORTLAND

**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, the budgetary comparison statements of the General Fund and CARES 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, 2021, 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 25, 2021.

### **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 25, 2021



## **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, 2021 and have issued our report thereon dated October 25, 2021. 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 the preparation, adoption and execution of the annual budgets for fiscal years 2021 and 2022.
- 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

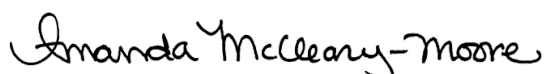
In planning and performing our audit, we considered Prosper Portland's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose 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 25, 2021





**PROSPER  
PORTLAND**

**Building an Equitable Economy**

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