ANNUAL DISCLOSURE INFORMATION

Pertaining to

City of Portland, Oregon

$45,370,000
Airport Way
Urban Renewal and Redevelopment Refunding Bonds
2005 Series A – Dated September 29, 2005

February 15, 2014

MATURITY SCHEDULE

$45,370,000

**Airport Way Urban Renewal and Redevelopment
Refunding Bonds, 2005 Series A
Dated September 29, 2005**

Due June 15	Principal Amount	Interest Rate	CUSIP No. 736746
2014	$4,010,000	5.00%	SL 3
2015	4,210,000	5.00	SM 1
2016	4,420,000	5.00	SN 9
2017	4,640,000	5.00	SP 4
2018	4,875,000	5.00	SQ 2
2019	5,120,000	5.00	SR 0
2020	5,375,000	4.00	SS 8

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ANNUAL DISCLOSURE INFORMATION

Pertaining to:

$45,370,000
City of Portland, Oregon
Airport Way Urban Renewal and Redevelopment Refunding Bonds, 2005 Series A
Bonds Dated September 29, 2005

Information Updated as of February 15, 2014

CITY FINANCIAL AND OPERATING INFORMATION

INFORMATION PERTAINING TO AMBAC-INSURED BONDS

Payment of the principal and interest on the Airport Way Urban Renewal and Redevelopment Refunding Bonds, 2005 Series A (the "2005 Series A Bonds") is insured by a financial guaranty insurance policy issued by Ambac Assurance Corporation ("Ambac"). As of the date of this Annual Disclosure document, Moody's has withdrawn its rating of Ambac. The underlying Moody's rating on the 2005 Series A Bonds is Aa3. According to Moody's rating of Ambac on April 7, 2011, "In light of the withdrawal of Ambac's insurance financial strength ratings, Moody's ratings on non-structured securities that are guaranteed or "wrapped" by Ambac will be maintained at the published underlying rating. If there is no published underlying rating, the rating on the security will be withdrawn."

The City has funded the Reserve Account of the 2005 Series A Bonds with a Reserve Equivalent issued by Ambac, which has a face amount of $5,591,500. A Reserve Equivalent is defined as "an insurance policy, surety bond or letter of credit issued by a municipal bond insurance company or commercial bank having a credit rating (when the policy, bond, or letter of credit is issued) of at least "A" by Moody's Investors Service, Standard & Poor's, or Fitch Ratings or their successors, in which the insurance company, corporation or commercial bank agrees unconditionally to provide the City with funds for payment of debt service on Bonds." The City is not required, nor does it intend at this time, to replace the Reserve Equivalent for the 2005 Series A Bonds if the rating of the provider of the Reserve Equivalent falls below a credit rating of "A" by Moody's Investors Service, Standard & Poor's, or Fitch Ratings. The City will monitor the status of the Reserve Equivalent provider to determine if further action is warranted.

The following table describes outstanding Reserve Equivalent that is credited to the 2005 Series A Bonds.

Table 1
CITY OF PORTLAND, OREGON
Reserve Equivalent Amount and Provider for
Outstanding 2005 Series A Bonds (1)

Date of Issue	Termination Date	Surety Provider	Surety Face Amount
09/29/2005	06/15/2020	Ambac	$5,591,500

Notes:

(1) As of February 15, 2014.

Source: City of Portland.

BASIS OF ACCOUNTING

The governmental fund types, expendable trust funds and agency funds are maintained on the modified accrual basis of accounting. The accounting practices of the City and the Portland Development Commission (the "Commission") conform to generally accepted accounting principles.

FISCAL YEAR

July 1 to June 30.

AUDITS

The Oregon Municipal Audit Law (ORS 297.405 - 297.555) requires an audit and examination be made of the accounts and financial affairs of every municipal corporation at least once each year. The audit shall be made by accountants whose names are included on the roster prepared by the State Board of Accountancy. Moss Adams LLP has performed auditing services for FY 2002-03 through FY 2012-13.

A complete copy of the City's FY 2012-13 audit is available on the City's web site at http://www.portlandoregon.gov/bfs/64083. The City's web site is listed for reference only, and is not part of this Annual Disclosure document. Excerpts of the City's audited financial statements for the City's General Fund on a Generally Accepted Accounting Principles (GAAP) basis are found in the Appendix.

FINANCIAL REPORTING AND BUDGETING

Financial Reporting

The City has been awarded the Government Finance Officers Association ("GFOA") Certificate of Achievement for Excellence in Financial Reporting every year since 1982. According to the GFOA, the Certificate of Achievement is the "highest form of recognition in the area of governmental financial reporting." To be awarded the certificate, a governmental unit must publish an easily readable and efficiently organized comprehensive financial report whose content conforms to program requirements and satisfies both generally accepted accounting principles and applicable legal requirements.

Budget Process

The City prepares annual budgets for all its bureaus and funds in accordance with provisions of Oregon Local Budget Law. The law provides standard procedures for the preparation, presentation, administration, and public notice for public sector budgets. At the outset of the process, the Mayor or the full City Council reviews overall goals, establishes priorities, and provides direction to bureaus. The Council conducts an extensive public information process to obtain direct public input on City service priorities, and most bureaus include key stakeholders in developing their budget requests.

In addition to this public outreach process, the City created the Portland Utilities Review Board (the "PURB") in 1994. The PURB, an appointed body of nine interested citizens who provide independent and representative customer review of water, sewer, stormwater, and solid waste financial plans and rates, operates in an advisory capacity to Council. In January 2014, the City Council approved a five-year contract with the Citizens' Utility Board of Oregon, an independent consumer advocacy nonprofit organization, to provide input regarding the City's water and sewer bureaus on behalf of residential customers. The Citizens' Utility Board will provide recommendations to the City Council on capital spending, rates, and customer service issues.

A five-year General Fund financial forecast, which serves as the basis for determining resources available for budgeting, is also provided to the City Council along with budget requests. Major City bureaus generally prepare and submit five-year financial plans and Capital Improvement Plans. The City Budget Office, which was created by the City Council in December 2012, coordinates the budget development process.

Bureau budget requests are reviewed by the Mayor and Council members, as well as a panel of community advisors. The Mayor develops a Proposed Budget that addresses City Council priorities, public input, and balancing requirements. Following presentation of the Proposed Budget, a community hearing is scheduled wherein public testimony is taken. A budget summary and notice of hearing are published prior to the hearings. The City Council, sitting as the Budget

Committee, considers the testimony from the community and can alter the budget proposal before voting to approve the budget.

The City Council transmits the Approved Budget to the Tax Supervising and Conservation Commission (the "TSCC"), an oversight board appointed by the governor, for public hearing and review for compliance with budget law. Upon certification by the TSCC, the City Council holds a final public hearing prior to adoption. Final adoption of the City's budget is required to be through a vote of the Council no later than June 30. All committee meetings and budget hearings are open to the public.

INSURANCE

The City is self-insured for workers' compensation, general liability claims and certain employees' medical coverage in internal service funds. The Oregon Tort Claims Act (ORS 30.260 to 30.300) limits certain claims against the City for personal injury, death and property damage or destruction as described below. Claims under federal jurisdiction are not subject to such limitations.

The City estimates liability for incurred losses for reported and unreported claims for workers' compensation, general and fleet liability and employee medical coverage (included in accrued self insurance claims in the combined statement of net assets). Workers' compensation, general and fleet liability estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the City's Risk Management Services and independent actuarial studies. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors. Estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine present value of the liability. For fiscal year ending June 30, 2014 the expected rate of return used was 0.40 percent. For fiscal year ending June 30, 2015, the expected rate of return used was 0.50 percent and for subsequent years, the expected rate of return was 0.60 percent. The Bureau of Human Resources and the employee benefits consultant determines relevant employees' medical coverage estimates.

The City provides insurance coverage that the City deems to be adequate, appropriate, and actuarially sound to meet the City's anticipated settlements, obligations and outstanding liabilities as described above. Current levels of accrued claims and retained earnings are viewed as reasonable provisions for expected future losses. An excess liability coverage insurance policy covers occurrences in excess of $1,000,000 to policy limits for covered loss excluding law enforcement liability. Effective November 12, 2013, the excess liability for law enforcement requires a $2.5 million retention before insurance begins coverage. An excess workers' compensation coverage insurance policy covers claims in excess of $850,000 for occurrences after July 1, 2012. The City purchases commercial insurance for claims in excess of coverage provided by the self-insurance fund.

Personal Injury and Death Claim

Under ORS 30.272, the liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any single claimant for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed $633,300 for causes of action arising on or after July 1, 2013, and before July 1, 2014. This cap increases incrementally through June 30, 2015, to $666,700. The liability limits to all claimants for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence increases to $1,266,700 for causes of action arising on or after July 1, 2013, and before July 1, 2014, and incrementally to $1,333,300 through June 30, 2015.

For causes of action arising on or after July 1, 2015, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in ORS 30.272. The adjustment may not exceed three percent for any year.

Property Damage or Destruction Claim

Under ORS 30.273, the liability of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2013, and before July 1, 2014, are as follows: (a) $106,700 for any single claimant and (b) $533,400 to all claimants. These liability limits are adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in ORS 30.273. The adjustment may not exceed three percent for any year.

PENSION PLANS

Overview

The Oregon Public Employees Retirement System ("PERS" or "the Statewide PERS System") provides statewide defined benefit retirement plans for units of state government, political subdivisions, community colleges, and school districts. Most public employers in Oregon, including the City, participate in PERS. PERS is administered under Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a) by the Public Employees Retirement Board (the "PERS Board"). The PERS Board is responsible for setting policies and for providing administrative direction to PERS. Benefits provided through PERS are paid from the Oregon Public Employees' Retirement Fund ("OPERF"). PERS is a cost-sharing, multiple-employer public employee retirement system.

City employees (other than certain fire and police personnel), after six months of employment, participate in one of three retirement pension benefit programs provided through PERS as described below. The three PERS pension programs include two closed defined benefit programs and one program that has features of both defined benefit and defined contribution plans. In a defined benefit plan, the investment risk for the plan assets is borne by the employer. In a defined contribution plan, the investment risk for the plan assets is borne by the employee. A combination of participating employer contributions (determined by the PERS Board based upon the results of actuarial valuations), investment earnings and employee contributions (currently 6 percent of salaries and 9 percent for police and fire employees) fund these pension programs. See "—Employer Contribution Rates and Amounts" and "—Fire and Police Disability and Retirement Plan" below.

Benefit Programs

Employees hired before January 1, 1996 are known as "Tier 1" participants. The retirement benefits applicable to Tier 1 participants are based on a defined benefit model. Tier 1 has an assumed earnings rate guarantee of 7.75 percent and a normal retirement age of 58. PERS maintains a "Tier One Rate Guarantee Reserve" which is credited with investment earnings in excess of the assumed earnings rate guarantee and used to offset the effects of investment earnings below the assumed earnings rate guarantee. As of June 30, 2013, the balance of this reserve was negative $0.3 million. As of June 30, 2013, there were 39,554 active members and 19,160 inactive members for a total of 58,714 Tier 1 members in the Statewide PERS System.

Employees hired on or after January 1, 1996, and before August 29, 2003, are known as "Tier 2" participants. The Tier 2 program also provides a defined benefit but with lower expected costs to employers than under the Tier 1 benefit. There is no assumed earnings rate guarantee and Tier 2 has a higher normal retirement age of 60. As of June 30, 2013, there were 45,190 active members and 16,889 inactive members for a total of 62,079 Tier 2 members in the Statewide PERS System.

Employees hired on or after August 29, 2003 are participants in a successor retirement program to the Tier 1 and Tier 2 retirement programs (the "T1/T2 Pension Programs") known as the Oregon Public Service Retirement Plan ("OPSRP"). OPSRP consists of a defined benefit plan and also offers the Individual Account Program ("IAP"), which offers a defined contribution benefit. As of June 30, 2013, there were 78,515 active members and 8,770 inactive members for a total of 87,285 OPSRP Pension Program members.

Effective January 1, 2004, all active Tier 1 and Tier 2 employees also became members of the IAP. Tier 1 and Tier 2 employees retain their existing T1/T2 Pension Program account, but member contributions are now deposited into the member's IAP account, not into the member's PERS account.

Apportionment of City Assets and Liabilities

The City is pooled with the State of Oregon and other Oregon local government and community college public employers for its T1/T2 Pension Programs (the "State and Local Government Rate Pool" or "SLGRP"), and the SLGRP's assets and liabilities are pooled. These assets and liabilities are not tracked or calculated on an employer basis or allocated to individual employers. The City's portion of the SLGRP's assets and liabilities is based on the City's proportionate share of SLGRP's pooled covered payroll. OPSRP's assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis or allocated to individual employers. The City's share of OPSRP's assets and liabilities is based on the City's proportionate share of OPSRP's pooled covered payroll. The City's proportionate liability of the T1/T2 Pension Programs and OPSRP may increase if other pool participants fail to pay their full employer contributions.

Employer Asset Valuation and Liabilities

Oregon statutes require an actuarial valuation of the Statewide PERS System by a competent actuary at least once every two years. The PERS current actuary, Milliman, Inc. replaced the prior actuary, Mercer (US), Inc. ("Mercer") in January 2012. Under current practice, actuarial valuations are performed annually, but only valuations as of the end of each odd-numbered year are used to determine annual required employer contribution rates that employers will be required to pay to fund the obligations of T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account Plan ("RHIA"). See "POST-EMPLOYMENT RETIREMENT BENEFITS" below. Valuations are released approximately one year after the valuation date.

An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits. At its September 27, 2013 meeting, the PERS Board modified certain methods and assumptions, which are used beginning for the 2012 actuarial valuations. The following table shows methods and assumptions adopted by the PERS Board, which are the basis for the actuarial valuations.

Table 2
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Actuarial Assumptions and Methods

ASSUMPTION/METHOD	PREVIOUS (2004-2011 VALUATIONS)	CURRENT (2012 VALUATION)
Actuarial Cost Method:	Projected Unit Credit	Entry Age Normal
UAL Method:		
T1/T2 Programs	Level Percentage of Payroll over 20 years (fixed)	Level Percentage of Payroll over 20 years (fixed) (1)
OPSRP	Level Percentage of Payroll over 16 years (fixed)	Level Percentage of Payroll over 16 years (fixed)
Asset Valuation Method:	Market Value (2)	Market Value (2)
Investment Rate of Return:	8.00%	7.75%
Payroll Growth Rate:	3.75%	3.75%
Inflation Level:	2.75%	2.75%
Contribution Rate Stabilization Method:	Contribution rate may increase or decrease by 3% of payroll or by 20% of the previous rate; whichever is greater, when an employer's funded status is between 80% and 120%. At a funded status of 70% or less, or 130% or more, the limitation doubles to 6% of payroll or 40% of the previous rate, whichever is greater. At a funded status between 70% and 80% or 120% and 130%, the limitation increases in increments between 3%-6% of payroll or 20%-40% of the previous rate, whichever is greater.	Contribution rate may increase or decrease by 3% of payroll or by 20% of the previous rate; whichever is greater, when an employer's funded status is between 70% and 130%. At a funded status of 60% or less, or 140% or more, the limitation doubles to 6% of payroll or 40% of the previous rate, whichever is greater. At a funded status between 60% and 70% or 130% and 140%, the limitation increases in increments between 3%-6% of payroll or 20%-40% of the previous rate, whichever is greater.

Notes:

(1) Although the UAL amortization method remains unchanged, the PERS Board directed Milliman to re-amortize the UAL for the T1/T2 Programs from the 2007, 2009, and 2011 valuations to restart the 20-year amortization period for those UALs effective with the 2013 valuation report.
(2) Market value of assets reduced by value of assets in statutory reserves (contingency, capital preservation and rate guarantee reserves).

Source: Oregon Public Employees Retirement System.

The PERS actuary released its 2011 valuation for the Statewide PERS System as of December 31, 2011 (the "2011 System Valuation") on October 26, 2012 and its 2012 valuation for the Statewide PERS System as of December 31, 2012 (the "2012 System Valuation") on December 13, 2013. These reports include system-wide actuarial valuations for the T1/T2 Pension Programs and OPSRP.

The PERS actuary released the City's individual 2011 valuation report as of December 31, 2011 (the "2011 City Report") on September 28, 2012, and its individual 2012 valuation as of December 31, 2012 (the "2012 City Report") on December 27, 2013. These valuation reports provide the City's portion of (a) the SLGRP based on the City's proportionate share of the total SLGRP covered payroll as of the valuation date, (b) OPSRP based on the City's proportionate share of total OPSRP covered payroll as of the valuation date, and (c) the RHIA.

The tables below provide historical summary valuation information for the Statewide PERS System and for the City.

Table 3
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Summary of Statewide PERS System Funding Levels
($ in Millions) (1)

	STATEWIDE PERS SYSTEM			
Calendar Year	**Actuarial Value of Assets**	**Actuarial Liability**	**Unfunded Actuarial Liability**	**Funded Ratio**
2003	$42,753.3	$44,078.1	$1,324.8	97.0%
2004 (2)(3)	45,708.3	47,398.6	1,690.3	96.4
2005 (4)	51,403.9	49,294.0	-2,109.9	104.3
2006	56,616.5	51,252.9	-5,363.6	110.5
2007	59,327.8	52,871.2	-6,456.6	112.2
2008	43,520.6	54,259.5	10,738.9	80.2
2009	48,729.2	56,810.6	8,081.4	85.8
2010	51,583.6	59,329.5	7,745.9	86.9
2011	50,168.2	61,198.4	11,030.2	82.0
2012(5)	54,784.1	60,405.2	5,621.1	90.7

Notes:

(1) Composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA. Includes side accounts resulting from employer supplemental deposits, including proceeds of pension obligation bonds.

(2) In 2003, the Oregon Legislative Assembly enacted significant changes to the System and created OPSRP. The 2003 legislative reforms were enacted in response to a growing UAL of the System and to increasing charges to public employers to fund the Statewide PERS System.

(3) Effective with the 2004 System valuation, the cost method changed from Entry Age Normal to Projected Unit Credit, and the actuarial value of assets was changed from a four-year smoothed value to market value among other changes.

(4) Assets and liabilities for OPSRP are first valued in the 2005 OPSRP Valuation.

(5) Reflects legislative changes in Senate Bill 822 adopted during the 2013 session of the Oregon State Legislature and assumptions and methods adopted by the PERS Board on September 27, 2013, and recent legislative changes in Senate Bills 861 and 862 adopted during the 2013 special session of the Oregon State Legislature. See "RECENT DEVELOPMENTS" below.

Source: Oregon Public Employees Retirement System.

Table 4
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Summary of City Funding Levels
($ in Millions) [1]

Calendar Year	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability	Funded Ratio
2003	$1,187.4	$1,159.2	($28.2)	102.4%
2004 (2) (3)	1,295.5	1,294.9	(0.6)	100.0
2005 (4)	1,459.9	1,367.1	(92.8)	106.8
2006	1,619.3	1,432.0	(187.3)	113.1
2007	1,635.0	1,410.8	(224.2)	115.9
2008	1,280.6	1,539.9	259.2	83.2
2009	1,424.0	1,606.0	182.0	88.7
2010	1,499.8	1,672.5	172.7	89.7
2011	1,459.0	1,724.2	265.3	84.6
2012[5]	1,624.8	1,744.3	119.5	93.2

Notes:

(1) Composed of Tier 1/Tier 2 and OPSRP pensions but excluding retiree healthcare subsidies of RHIA. City information is calculated separately for the SLGRP and OPSRP using the City's payroll as a percentage of combined payroll of the respective rate pools. Includes impact of pension obligation bonds.

(2) In 2003, the Oregon Legislative Assembly enacted significant changes to the Statewide PERS System and created OPSRP. The 2003 legislative reforms were enacted in response to a growing UAL of the System and to increasing charges to public employers to fund the Statewide PERS System.

(3) Effective with the 2004 System valuation, the cost method changed from Entry Age Normal to Projected Unit Credit, and the actuarial value of assets was changed from a four-year smoothed value to market value among other changes.

(4) Assets and liabilities for OPSRP are first valued in the 2005 OPSRP Valuation.

(5) Reflects legislative changes in Senate Bill 822 adopted during the 2013 session of the Oregon State Legislature and assumptions and methods adopted by the PERS Board on September 27, 2013 and recent legislative changes in Senate Bills 861 and 862 adopted during the 2013 special session of the Oregon State Legislature. See "RECENT DEVELOPMENTS" below.

Source: Oregon Public Employees Retirement System.

The following table presents a history of the City's member payroll, unfunded actuarial liability and ratio of unfunded actuarial liability to payroll.

Table 5
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
City Payroll for PERS Members and Unfunded Actuarial Liability

Calendar Year	Payroll	Unfunded Actuarial Liability	Unfunded Liability to Payroll Ratio
2003	$201,036,519	($28,240,751)	-14%
2004	220,669,089	(587,340)	0%
2005	226,295,315	(92,818,145)	-41%
2006	242,259,162	(187,332,041)	-77%
2007	259,889,403	(224,199,619)	-86%
2008	289,371,762	259,241,423	90%
2009	303,851,551	182,019,126	60%
2010	307,538,429	172,726,579	56%
2011	303,508,135	265,267,189	87%
2012	311,688,601	119,477,128	38%

Source: Oregon Public Employees Retirement System.

The funded status of the pension programs may change depending on the market performance of the securities that the OPERF is invested in, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS. Additionally, the market value of the investments held in the OPERF is determined using various sources.

State Investment Policy

The Oregon State Treasury is the investment officer for the state of Oregon. Investment standards are established in ORS 293.726 and require funds to be managed as a prudent investor would do. The Oregon Investment Council ("OIC") establishes policies for the investment and reinvestment of moneys in PERS investment funds. Policies are established based on the primary investment asset class of each investment manager. The OIC has approved the following asset classes for the OPERF: Short-Term Investing, Fixed Income, Real Estate, Public and Private Equities, and Alternative Investments. In addition, OPERF invests in the Opportunity Portfolio, which may be populated with investment approaches across a wide range of investment opportunities with no limitation as to asset classes or strategies. The target investment portfolio mix at fair market value as of June 30, 2012, is 43 percent public equity, 16 percent private equity, 25 percent debt securities, 11 percent real estate, and 5 percent alternative equity.

The following table presents a 10-year history of investment returns for the OPERF.

Table 6
OREGON PUBLIC EMPLOYEES RETIREMENT FUND
Oregon PERS Investment Returns (1)

Fiscal Year Ending	Net Returns (%)
2004	17.8
2005	13.9
2006	14.4
2007	18.6
2008	-3.5
2009	-22.2
2010	17.0
2011	22.3
2012	1.6
2013	12.7

Notes:

(1) Total fund performance, excluding variable account.

Source: "Oregon PERS Monthly Returns" as of June 30 of the respective fiscal year shown in the table, website of the Oregon State Treasurer, Investment Division, Oregon Public Employees Retirement Fund (OPERF) as of January 23, 2014.

The following table presents annualized investment returns over the most recent 1-year, 3-year and 5-year periods. Calculations were prepared using a time-weighted rate of return based on market rates in accordance with the Global Investment Performance Standards performance presentation standards.

Table 7
OREGON PUBLIC EMPLOYEES RETIREMENT FUND
Annualized Investment Results (1)

	Annualized		
Periods Ending June 30, 2013	1-Year	3-Year	5-Year
Total Portfolio, Excluding Variable	12.7%	11.9%	5.0%

Notes:

(1) Total fund performance, excluding variable account.

Source: Comprehensive Annual Financial Report Oregon Public Employees Retirement System, An Agency of the State of Oregon.

Employer Contribution Rates and Amounts

The PERS Board is required by State statute to determine liabilities of the Statewide PERS System from time to time and to set contributions of participating employers at a level that ensures liabilities of the Statewide PERS System will be funded no more than 40 years after the date on which the determination is made. ORS 238.225 requires participating public employers to pay the amounts the PERS Board determines to be actuarially necessary to fund benefits provided to employees.

PERS 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. Employer contribution rates are based upon the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including known and anticipated investment performance of the OPERF.

At the end of each odd-numbered year, actuarial valuations determine the employer contribution rates that are officially set by the PERS Board. All employers participating in PERS are required to make their contribution to PERS based on the employer contribution rates set by the PERS Board. The City's employer contribution rates were derived using a rate stabilization methodology (the "Rate Collar") designed to cap rate increases and reduce large fluctuations in employer contribution rates. Such rate increases are shifted to future biennia, including the 2013-15 biennium. See Table 2 for a summary of the Rate Collar in effect for the 2011 City Report and the 2012 City Report.

In 2013, the PERS Board and the Oregon Legislative Assembly took various actions that resulted in changes to the assumptions and methodologies for determining the employer contribution rates. Legislation was signed by the Governor on May 6, 2013 ("SB 822") that includes changes to compensation and benefits of PERS covered employees. SB 822 also includes a direction to the PERS Board to defer a 1.9% of payroll rate increase into future biennia. As a result of these actions, the employer contribution rates f or the 2013-15 biennium have been modified from those originally presented in the 2011 City Report. See "—Recent Developments" below.

The table below shows the City's current employer contribution rates, which incorporate the rate reduction resulting from passage of Senate Bill 822 and the accompanying budget note and were adopted by the PERS Board on May 31, 2013. The table also shows the City's advisory rates for the 2015-17 biennium as reported in the 2012 City Report. The advisory rates reflect the impact of legislation passed during the 2013 Oregon Legislature Special Session and are based on assumptions and methodologies adopted by the PERS Board at its September 27, 2013, meeting. See Table 2 for a summary of the assumptions and methodologies. Advisory rates are used by the City in projecting and planning for pension costs in future years. The rates reported in the table do not include the six percent and nine percent employee contribution rates for contributions to the IAP paid by the City. The City's contribution rates may increase or decrease due to a variety of factors, including the investment performance of the OPERF, the use of pension-related reserves, further changes to system valuation methodology and assumptions and decisions by the PERS Board, and changes in benefits resulting from legislative modifications.

Table 8
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Current and Future Employer Contribution Rates
Percentage of Covered Payroll (1)

Payrolls Paid	Current Rates 2013-15	Advisory Rates 2015-17
T1/T2	9.34%	12.94%
OPSRP General Services	7.52%	6.92%
OPSRP Police and Fire	10.25%	11.02%

Notes:

(1) For FY 2012-13, one percent of the City's covered payroll for the three pension benefit programs was approximately: $1,748,163 for T1/T2 Pension Programs; $1,026,965 for OPSRP general services; and $273,966 for OPSRP police and fire.

Source: City of Portland, Oregon Public Employees Retirement System, 2012 City Report prepared by Milliman.

T1/T2 Pension Programs employees and OPSRP employees are required by state statute to contribute six percent of their annual salary to the respective programs. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution. The City has elected to make the employee contribution. An employer also may elect via written employment policy or agreement to make additional employer contributions to its employees' IAP accounts in an amount that can range from not less than one percent of salary to no more than six percent of salary and must be a whole percentage. Employers may make this policy or agreement for specific groups of their employees. The City has elected to make an optional contribution to the IAP accounts of public safety employees hired after January 1, 2007 of an additional three percent of their annual salary.

City Funding Policy

The City currently has no Council-approved policy regarding funding of its pension liability. However, the City has always funded its full employer contribution as required by ORS 238.225. See "—Employer Contribution Rates and Amounts" above.

Pension Obligation Bonds

In addition to their PERS contribution, City bureaus in existence as of November 10, 1999 (the issue date of the bonds) are required to make a contribution to pay debt service on outstanding Limited Tax Pension Obligation Revenue Bonds (the "Pension Obligation Bonds"), which were issued to fund the City's share of the unfunded actuarial liabilities of PERS as of December 31, 1997. The Pension Obligation Bonds were issued in three series: one series of fixed rate bonds in an amount of $150,848,346 and two series of auction rate securities in an aggregate amount of $150,000,000. The final maturity of the fixed rate Pension Obligation Bonds is June 1, 2029. Pension Obligation Bonds issued as auction rate securities mature on June 1, 2019. Table 9 presents debt service on the City's Pension Obligation Bonds for the past ten fiscal years.

Proceeds of the Pension Obligation Bonds were deposited in an account with PERS. The City opted to amortize the original deposit ratably over the life of the bonds. Table 9 below shows the amount of bonds amortized annually and debt service paid by the City on its Pension Obligation Bonds. As of June 30, 2013, the remaining unamortized balance of the bond proceeds deposited with PERS was $141,138,188.

Total City Pension and RHIA Contribution

The following table shows the amount of City contributions paid to PERS for the three pension programs including amounts paid by the City for the employee contribution, as well as contributions to RHIA. Contributions include the payments from the Fire and Police Disability and Retirement Fund for pensions of police and firefighters participating in the T1/T2 Pension Programs and OPSRP. Fire and Police Disability and Retirement Fund contributions are funded from a dedicated Citywide property tax levy. See "—Fire and Police Disability and Retirement Fund" below. In FY 2012-13, 55.0 percent of the total cash contribution was for the employer share, 41.3 percent was for the employee share, and 3.6 percent of the total was for the City's contribution to RHIA.

The City made its required contribution for its pension obligation in all years. See "—Employer Contribution Rates and Amounts" above.

Table 9
CITY OF PORTLAND, OREGON
City Contributions to PERS and Total Pension-Related Contributions

Fiscal Year	Total City Required Contribution (1)	Amortization of Pension Obligation Bonds (2)	City's Cash Contribution to PERS (3)	Debt Service on Pension Obligation Bonds	Total Cash Contribution for Pension Costs
2004	$27,390,839	$8,579,719	$18,811,120	$10,255,372	$29,066,492
2005	28,857,496	8,579,719	20,277,777	11,987,632	32,265,409
2006	29,765,118	8,597,252	21,167,866	14,635,732	35,803,598
2007	31,172,696	8,597,252	22,575,444	18,990,492	41,565,936
2008	32,779,658	8,597,252	24,182,406	19,839,413	44,021,819
2009	43,924,072	8,597,252	35,326,820	22,049,937	57,376,757
2010	41,195,860	8,597,252	32,598,608	18,253,638	50,852,246
2011	42,219,332	8,597,252	33,622,080	16,413,710	50,035,790
2012	53,826,983	8,597,252	45,229,731	17,738,966	62,968,697
2013	53,875,808	8,597,252	45,278,556	19,432,611	64,711,167

Notes:

(1) Includes City's statutorily required employer contribution for T1/T2 and OPSRP pension programs, its pension contribution on behalf of employees, and its contribution to the RHIA.

(2) Change in amortization amounts between FY 2004-05 and FY 2005-06 reflects correction in amortization schedule.

(3) Includes contributions from FPDR property tax levy and other non-General Fund bureaus such as the Water Bureau and the Bureau of Environmental Services.

Source: City of Portland

Recent Developments

Changes to PERS During the 2013 Legislative Session

During the 2013 Legislative Session, the Legislative Assembly made changes to PERS by enacting Senate Bill 822 ("SB 822"), which was signed by the Governor on May 6, 2013, to further limit annual benefits cost of living adjustments ("COLAs") and eliminate a benefit increase for out-of-state retirees based on Oregon income tax. Expenditure reductions from these two changes reduced the required employer contribution amount to PERS from all employers by approximately $460 million for the 2013-2015 biennium. The changes are estimated to reduce the total accrued actuarial liability of the System by approximately $2.6 billion and reduced employer contribution rates by an average of 2.5 percent of payroll for the 2013-2015 biennium. Lawsuits challenging the constitutionality of the changes made by SB 822 have been filed in the Oregon Supreme Court. See "Litigation—Challenges to PERS Reforms" below.

A budget note attached to SB 822 (the "Budget Note") directed the PERS Board to defer a portion of the currently scheduled employer rate increase (up to an additional 1.9 percent of covered employer payroll) from the 2013-2015 biennium to future biennia. SB 822 is expected to produce employer contribution savings for the City for the 2013-2015 biennium. At its May 31, 2013 meeting, the PERS Board adopted a methodology by which all PERS employers received a reduction of up to the aggregate 4.4 percent of covered payroll in their employer contribution rates for the 2013-2015 biennium; however, no jurisdiction may pay less than the rate at which it paid in 2011-2013, excluding the impact of side accounts resulting from employer supplemental deposits (typically financed through issuance of pension obligation bonds) and other rate adjustments specific to individual employers.

Implementing the 1.9 percent of payroll employer contribution rate deferral of the 2013-2015 employer contribution rates is not expected to impact the actuarial accrued liability of the Statewide PERS System; it is, however, expected to create a contribution shortfall to the Statewide PERS System of approximately $350 million in the 2013-2015 biennium. As such, employer contribution rates would need to be increased by approximately 0.3 percent of covered payroll over a 20-year amortization period beginning in the 2015-2017 biennium to restore the contribution shortfall from the rate deferral and the associated foregone earnings over the applicable unfunded liability amortization period. However, see "—2013 Oregon Legislative Special Session" below.

2013 Oregon Legislative Special Session

The Governor called the Legislative Assembly into a special session that began on September 30, 2013, and concluded on October 2, 2013 (the "Special Session"). During the Special Session, the Legislative Assembly adopted Senate Bill 861 ("SB 861") and senate Bill 862 ("SB 862"), which were signed by the Governor on October 8, 2013. Included in these bills are provisions that adjust and limit cost-of-living benefit increases for retirees, exclude salary increases given to pay for insurance costs from the final average salary used to calculate pension benefits, and reduce legislators' participation in PERS. The changes from SB 861 and SB 862 are estimated to result in a reduction of approximately $2 billion in the accrued liability of the Statewide PERS System as reflected in the 2012 System Valuation Presentation provided by Milliman to the PERS Board on September 27, 2013. This reduction takes into account changes made during the 2013 Legislative Session from SB 822 as well as a reduction in employer contribution rates of approximately two percent (but does not take into consideration any rate collars or other PERS Board or legislative actions that could impact employer rates). The reduction in Statewide PERS System liabilities resulting from SB 861 is expected to be used to offset the 1.9 percent rate deferral ordered by the PERS Board in response to the budget note in SB 822. This will eliminate an anticipated 0.3 percent increase in employer rates that was expected to begin in the 2017-19 biennium to address the 1.9 percent rate deferral. See "—Changes to PERS During the 2013 Legislative Session" above. The City cannot predict whether any legislation related to PERS would withstand any legal challenges. See "Litigation—Challenges to PERS Reforms" below.

Litigation

Challenges to PERS Reforms

Several cases have been filed on behalf of PERS retirees and active employees challenging changes to PERS retirement benefits that were enacted by the Legislative Assembly in the 2013 Legislative Session and the 2013 Oregon Legislative Special Session. See "Recent Developments—Changes to PERS during the 2013 Legislative Session." The cases have been filed directly with the Oregon Supreme Court. The petitioners allege that SB 822 and SB 861 constitute a breach of contract as well as an impairment of contract and a taking of property rights in violation of the Oregon and United States constitutions. In the cases filed on behalf of several union retirees and employees, the petitioners have requested the appointment of a special master to gather evidence and establish findings of fact. They also have requested the issuance of a preliminary injunction enjoining the implementation of SB 822 and SB 861, a declaration that SB 822 and SB 861 are unconstitutional or, alternatively, damages in the amount of the difference between benefits paid with and without SB 822 and SB 861, and reimbursement of attorney fees and costs. The SB 822 and SB 861 challenges have been joined and the Supreme Court has referred them to a special master for fact finding. If SB 822 or SB 861 is enjoined or held unconstitutional, the anticipated savings from the PERS changes that were calculated as part of the City's adopted budget and plan may not be realized for the 2013-2015 biennium and future biennia. No challenges to SB 862 have been filed.

Fire and Police Disability and Retirement Fund

The following discussion pertains to the City's Fire and Police Disability and Retirement ("FPDR") Fund. Most of the fire and police sworn personnel are covered under the FPDR Plan. The FPDR Plan consists of three tiers, two of which are now closed to new employees. FPDR One, the original plan, and FPDR Two, in which most active fire and police personnel participate, are single-employer, defined-benefit plans administered by the FPDR Board. FPDR Three participants are part of OPSRP for retirement benefits and are under the FPDR Plan for disability and death benefits. For information regarding OPSRP and the employee and employer contribution rates for OPSRP, see "PENSION PLANS – General," above. The authority for the FPDR Plan's vesting and benefit provisions is contained in the Charter of the City. A ballot measure approved by voters November 6, 2012, changed the eligibility for membership in the FPDR Plan of fire and police personnel from generally upon employment to after six months of continuous sworn employment. The FPDR Plan provides for service-connected disability benefits at 75 percent of salary, reduced by 50 percent of any wages earned in other employment with a 25 percent of salary minimum, for the first year of disability and 25 to 75 percent of salary in later years, depending on medical status and ability to obtain other employment. The FPDR Plan also provides for nonservice-connected disability benefits at zero to 50 percent of salary.

Effective July 1, 1990, the FPDR Plan was amended to create the FPDR Two tier, which provides for the payment of benefits upon termination of employment on or after attaining age fifty-five, or on or after attaining age fifty if the member has twenty-five or more years of service. Members become 100 percent vested after five years of service. Members enrolled in the FPDR Plan prior to July 1, 1990, were required to make an election as to whether they wished to fall under the provisions of the FPDR Plan as constituted prior to July 1, 1990 (now called FPDR One) or become subject to the new FPDR Two provisions after June 30, 1990.

On November 7, 2006, voters in the City of Portland passed a measure that created the FPDR Three tier and changed the retirement plan benefits of new members to OPSRP. The FPDR levy pays the employee and employer portions of the OPSRP contribution. Performance audits have been implemented to assess the implementation of the FPDR Plan reforms. The initial and follow-up disability program audits have been performed, and a pension program audit was completed in January 2010.

Another ballot measure passed by the voters November 6, 2007, also made new retirees from active service eligible for payment by the FPDR Fund of medical and hospital expenses associated with their job-related injuries and illnesses accepted before retirement. The change is effective for retirees after January 1, 2007. New state legislation governing workers' compensation law requires that the FPDR Fund treat 12 cancers as presumptive occupational illnesses for firefighters effective January 1, 2010.

The November 6, 2012, ballot measure also clarified final pay calculations, eliminated a provision to increase vested termination benefits if the member was subsequently employed in PERS-covered service prior to FPDR retirement, and reduced the eligibility threshold for non-service connected death before retirement from ten years of service to five.

The FPDR Plan is funded by a special property tax levy which cannot exceed two and eight-tenth mills on each dollar of valuation of property ($2.80 per $1,000 of real market value) not exempt from such levy. The FPDR property tax levy has been sufficient in all years to meet required annual benefit payments. In the event that funding for the FPDR Plan is less than the required payment of benefits to be made in any particular year, the FPDR Fund could receive advances from the FPDR Reserve Fund first and other City funds second, to make up the difference. Repayment of advances, if any, would be made from the special property tax levy in the succeeding year. In the event that the special property tax levy is insufficient to pay benefits because benefits paid exceed the two and eight-tenth mills limit, other City funds would be required to make up the difference. The FY 2013-14 levy of $136,383,540 required a tax rate of $2.7822 per $1,000 of assessed property value, or approximately $1.6227 per $1,000 of gross real market value.

In accordance with the Charter's provisions, there are no requirements to fund the Plan using actuarial techniques, and the Charter indicates that the City cannot pre-fund the FPDR Plan benefits. As required by the Charter, the FPDR Fund's Board of Trustees estimates the amount of money required to pay and discharge all requirements of the FPDR Fund for the succeeding fiscal year and submits this estimate to the City Council. The Council is required by Charter to annually levy a tax sufficient to provide amounts necessary to fund the estimated requirements for the upcoming year provided by the FPDR Fund's Board of Trustees. While the FPDR Fund has not experienced any funding shortfalls to date, future funding is dependent on the availability of property tax revenues and, in the absence of sufficient property tax revenues, City funds.

The FPDR Fund's Board periodically assesses the future availability of property tax revenues by having projections and simulations performed in connection with the actuarial valuation of the Fund. The most recent assessment was as of June 30, 2012. The Fund's Board believes that, under a wide range of simulated economic scenarios in the foreseeable future, the future FPDR Fund levy would remain under $2.80 per $1,000 of real market value, but reaching the $2.80 threshold has a five percent or greater probability level starting in fiscal year 2028 and an almost 10 percent probability in fiscal year 2030. The levy requirement is expected to begin declining in fiscal year 2031.

Recognizing that the economic conditions have changed significantly over the past few years, the City reviewed the discount rate and assumptions utilized in the calculations of the actuarial valuation, including actuarial accrued pension liabilities and net pension obligation, and determined they should be revised to more closely match the funding and investment returns that actually are achieved under existing investment. The City revised the rate for the June 30, 2012, valuation from 4.00 percent to 3.50 percent. This change increased the unfunded actuarial liability by $226 million. Overall the unfunded actuarial liability increased from $2.53 billion on July 1, 2010, to $2.88 billion on July 1, 2012.

OTHER POST-EMPLOYMENT RETIREMENT BENEFITS ("OPEB")

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

PERS Program

Retirees who receive pension benefits through the T1/T2 Pension Programs and are enrolled in certain PERS-administered health insurance programs may also receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to $60 per month towards the cost of their health insurance premiums under the RHIA program. RHIA's assets and liabilities are pooled on a system-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The City's allocated share of the RHIA program's assets and liabilities is based on the City's proportionate share of the program's pooled covered payroll. According to the 2011 City Report, the City's allocated share of the RHIA program's UAL is $7,862,531 as of December 31, 2011, and according to the 2012 City Report, the City's allocated share of the RHIA program's UAL is $6,539,359 as of December 31, 2012.

The City's current total contribution rate to fund RHIA benefits for T1/T2 employees is 0.59 percent and for OPSRP general services employees and police and fire employees is 0.50 percent.

Health Insurance Continuation Option

Distinct from the PERS program, Oregon municipalities, including the City, are required to allow retirees and their dependents to continue to receive health insurance by paying the premiums themselves at a rate that is blended with the rate for current employees until retirees and spouses are eligible for federal Medicare coverage and until children reach the age of 18 (the "Health Insurance Continuation Option"). GASB 45 refers to this as an implicit subsidy and therefore requires the corresponding liability to be determined and reported.

The OPEB liability associated with the Health Insurance Continuation Option is an actuarially determined amount calculated in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The valuation is prepared using the Entry Age Normal actuarial cost method and amortized over an open period of 30 years using the level percentage of projected pay. Other assumptions include a 3.5 percent investment rate of return, and annual healthcare cost trend rates of one to 9.5 percent for health insurance, zero to six percent for dental insurance, and zero to three percent for vision. The City's unfunded actuarial accrued liability for OPEB is solely attributable to the Health Insurance Continuation Option and at the valuation date of July 1, 2011 (the date of the most recent actuarial valuation), is estimated to be $104,946,292. Actuarial valuations for the Health Insurance Continuation Option are undertaken every two years. A new valuation study will be undertaken for reporting the OPEB liability as of July 1, 2013.

For FY 2012-13, the annual required contribution (the "ARC") of the employer to be recognized as the annual employer OPEB cost was $9,566,141. For fiscal year ended June 30, 2013, the City benefits paid on behalf of retirees exceeded the premiums they paid by $3,983,198. The City elected to not pre-fund the FY 2012-13 employer's ARC of $9,566,141. The amount unfunded in FY 2012-13 is $36,399,053, which is the OPEB obligation from the beginning of the fiscal year, plus the ARC for FY 2012-13, less payments made in relation to the FY 2012-13 ARC. The City expects to use a pay-as-you-go approach to fund its actuarial accrued liability and ARC, but will monitor its OPEB liability and assess whether a different approach is needed in future years.

LITIGATION

No litigation is pending or threatened which would, if successfully prosecuted against the City or the Commission, materially and adversely affect the outstanding bonds or the Tax Increment Revenues.

AIRPORT WAY URBAN RENEWAL AREA TAX INCREMENT INFORMATION

FACTORS AFFECTING INCREMENTAL AND ASSESSED VALUE USED FOR TAX COLLECTIONS

Assessed Value Growth and Tax Collections

The following table presents trends in Assessed Value for the Airport Way Urban Renewal Area (the “Area”). The table also shows historical Maximum Tax Increment Revenues and the Tax Increment Revenues levied in recent fiscal years.

Table 10
CITY OF PORTLAND, OREGON
Airport Way Urban Renewal Area
ASSESSED VALUE GROWTH AND TAX INCREMENT LEVY

	Assessed Value						
Fiscal Year	**Total**	**Base**	**Incremental**	**Incremental AV % Change**	**Maximum Tax Increment Revenues (MTIR)**	**Tax Increment Revenues to Raise (1)**	**Tax Increment Levy as % of MTIR**
2004-05	$838,413,312	$129,701,177	$708,712,135	1.1%	$20,967,727	$6,848,861	32.7%
2005-06	869,606,638	129,701,177	739,905,461	4.4%	21,890,603	6,376,913	29.1%
2006-07	909,472,046	129,701,177	779,770,869	5.4%	23,070,048	5,545,537	24.0%
2007-08	1,016,009,783	129,701,177	886,308,606	13.7%	26,222,038	5,736,137	21.9%
2008-09	1,095,480,941	129,701,177	965,779,764	9.0%	28,573,246	5,040,708	17.6%
2009-10	1,172,810,913	129,701,177	1,043,109,736	8.0%	30,861,105	5,914,900	19.2%
2010-11	1,207,600,877	129,701,177	1,077,899,700	3.3%	31,890,390	6,060,449	19.0%
2011-12 (2)	1,117,234,756	124,710,301	992,524,455	-7.9%	29,364,505	6,129,189	20.9%
2012-13	1,161,509,049	124,710,301	1,036,798,748	4.5%	30,674,390	6,278,699	20.5%
2013-14	1,190,606,114	124,710,301	1,065,895,813	2.8%	31,535,247	6,493,841	20.6%

Notes:

(1) Amount shown is before Measure 5 compression and other adjustments by the county assessor, and reflects policy decisions on collections of Tax Increment Revenues.

(2) Reduction of Frozen Base and Incremental Assessed Value was due to a Plan amendment which removed property from the Area.

Sources: Multnomah County Division of Assessment, Recording and Taxation; Washington County Department of Assessment and Taxation; Clackamas County Department of Assessment and Taxation; City of Portland.

Property Types and Values

The Assessed Value for new construction and changed property is calculated by multiplying the Real Market Value of the property by the ratio of the Assessed Values to the Real Market Values of comparable properties in a county (the "Changed Property Ratio"). This produces an Assessed Value for new construction and changed property that approximates the Assessed Value of comparable existing properties in an area. The following table presents a five-year history of Changed Property Ratios for Multnomah County for various property classifications. Increases in the changed property ratios for commercial and industrial property in FY 2012-13 are due in part to legislation requiring separate classifications for machinery and equipment, centrally assessed industrial property, and locally-assessed industrial and commercial property combined.

Table 11
CITY OF PORTLAND, OREGON
History of Changed Property Ratios by Property Type
(Multnomah County)

Fiscal Year Ending June 30	2009-10	2010-11	2011-12	2012-13	2013-14
Residential	0.5515	0.6040	0.6931	0.7279	0.6972
Commercial/Local Industrial (1)	0.4425	0.4549	0.4883	0.5413	0.5699
State Industrial (1)	0.7754	0.8750	0.8376	1.0000	1.0000
Multi-Family	0.5461	0.5420	0.5644	0.5998	0.5837
Recreational	0.6381	0.6565	0.7087	0.6979	0.8064
Machinery and Equipment (2)	N/A	N/A	N/A	1.0000	1.0000
Miscellaneous	0.6961	0.6863	0.6724	0.6601	0.6663
Personal Property	1.0000	1.0000	1.0000	1.0000	1.0000

Notes:

(1) In FY 2012-13, Multnomah County reported property values for commercial and County-assessed industrial properties as a combined value and reported industrial property assessed by the State of Oregon separately. In prior Annual Disclosure documents, the County-assessed and State-assessed industrial property values have been combined, and commercial property value has been reported separately.

(2) Senate Bill 1529, which became effective in June 2012, required the Oregon Department of Revenue to establish a separate class for real property machinery and equipment effective with tax year 2012-13.

Source: Multnomah County Division of Assessment, Recording and Taxation.

The following table shows Assessed Value, "Measure 5 Market Value," which adjusts the Real Market Value to reflect the value of specially assessed properties, including farm and forestland and exempt property, and Assessed/Measure 5 Value Property Ratios for types of property in the Area. Note that for purposes of collecting Divide the Taxes Revenues and the Special Levy, property taxes are levied on all property types shown in the table.

Table 12
CITY OF PORTLAND, OREGON
Airport Way Urban Renewal Area
ASSESSED AND MEASURE 5 MARKET VALUE BY PROPERTY TYPE (1)
(FY 2013-14)

Property Class	Assessed Value	Percent of Total	Measure 5 Market Value	AV/Measure 5 Value Ratio
Real Property				
Residential	$3,956,740	0.3%	$6,266,920	63.1%
Commercial/Industrial (County Assessed)	793,139,640	66.6%	1,105,466,940	71.7%
Industrial (State Assessed)	72,838,750	6.1%	82,833,560	87.9%
Other	1,455,810	0.1%	2,395,420	60.8%
Subtotal	871,390,940	73.3%	1,196,962,840	
Personal Property	162,452,744	13.6%	162,704,304	99.8%
Machinery/Equipment (2)	81,670,810	6.9%	84,465,810	96.7%
Manufactured Structures	0	0.0%	15,490	0.0%
Utilities	75,091,620	6.3%	75,745,381	99.1%
Total	$1,190,606,114	100.0%	$1,519,893,825	

Notes:

(1) In FY 2012-13, Multnomah County reported property values for commercial and County-assessed industrial properties as a combined value and reported industrial property assessed by the State of Oregon separately. In prior Annual Disclosure documents, the County-assessed and State-assessed industrial property values have been combined, and commercial property value has been reported separately.

(2) Senate Bill 1529, which became effective in June 2012, required the Oregon Department of Revenue to establish a separate class for real property machinery and equipment effective with tax year 2012-13.

Source: Table 7a – TAXABLE ASSESSED VALUE AND REAL MARKET VALUE BY PROPERTY CLASS, Tax Year 2013-14, Airport Way Urban Renewal District, Multnomah County Division of Assessment, Recording and Taxation.

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Principal Area Taxpayers

The top ten property taxpayer accounts in the Area for FY 2013-14 are listed in the following table.

Table 13
CITY OF PORTLAND, OREGON
Airport Way Urban Renewal Area
TOP TEN PROPERTY TAXPAYER ACCOUNTS (1)

Company Name	Type of Business/Use	2013-14 Assessed Value	Percent of Total Assessed Value
Total Airport Way		$1,190,606,114	100.0%
Copper Mountain Trust Corp. (2)	Industrial park	39,263,580	3.3%
Pacific Realty Associates (3)	Warehouse	36,711,440	3.1%
Verizon Communications	Communications	36,043,100	3.2%
IIT Portland Portfolio - Airport	Warehouse	21,957,820	1.9%
PLDAB LLC	Warehouse	21,868,740	1.8%
Walton CWOR Commerce (4)	Warehouse	18,979,330	1.6%
T-Mobile USA Inc.	Communications	18,202,000	2.0%
Shilo Inn Portland/205 LLC	Hospitality	17,380,430	1.5%
Prologis TLF (Portland) LLC (5)	Warehouse	17,370,100	1.5%
Leatherman Tool Group Inc.	Tool manufacturer	17,038,040	1.4%
		$244,814,580	21.3%

Notes:

(1) Excludes Assessed Value of various properties totaling about $161.0 million that are owned and leased by the Port of Portland to tenants subject to property taxation.
(2) Copper Mountain Trust Corp. has filed appeals for properties with Real Market Value of $55,158,640 and Assessed Value of $39,263,580. The actual amount of property value being appealed is unknown. A decision on the appeals is not expected before April 2014.
(3) Pacific Realty Associates has filed appeals for properties with Real Market Value of $43,829,840 and Assessed Value of $34,759,380. The actual amount of property value being appealed is unknown. A decision on the appeals is not expected before April 2014.
(4) Walton CWOR Commerce has filed an appeal for property with Real Market Value of $17,744,520 and Assessed Value of $14,927,190. The actual amount of property value being appealed is unknown. A decision on the appeals is not expected before April 2014.
(5) Prologis TLF (Portland) LLC has filed appeals for property with Real Market Value of $24,802,870 and Assessed Value of $17,370,100. The actual amount of property value being appealed is unknown. A decision on the appeals is not expected before April 2014.

Source: Multnomah County Division of Assessment, Recording and Taxation.

City Assessed Property Values and Property Taxation

The Bonds for the Area are secured, in part, by a citywide Special Levy authorized for the Area. The following table presents historical trends in property Assessed Values in the City. The City's Assessed Value is derived from portions of Multnomah County, Washington County, and Clackamas County; however, over 99 percent of its Assessed Value is within Multnomah County.

Table 14
CITY OF PORTLAND, OREGON
Historical Trends in Assessed and Market Values (1)
(000s)

Assessed Value

Fiscal Year	Inside Multnomah County	Outside Multnomah County	Urban Renewal Incremental Value	Total Assessed Value	Percent Change
2004-05	$34,214,710	$179,226	$4,093,296	$38,487,232	3.64%
2005-06	35,285,419	186,755	4,484,614	39,956,788	3.82%
2006-07	38,638,637	197,885	4,965,439	41,801,961	4.62%
2007-08	38,253,186	201,380	5,740,426	44,194,992	5.72%
2008-09	39,784,128	203,038	6,377,050	46,364,216	4.91%
2009-10	41,109,227	211,157	7,056,631	48,377,015	4.34%
2010-11	42,160,414	214,998	7,462,728	49,838,140	3.02%
2011-12	43,543,881	215,497	7,493,903	51,253,281	2.84%
2012-13	44,401,735	221,758	7,875,076	52,498,569	2.43%
2013-14	45,913,168	228,953	8,210,399	54,352,520	3.53%

Market Value (Measure 5) (2)

Fiscal Year	Inside Multnomah County	Outside Multnomah County	Total Market Value	Percent Change
2004-05	$58,600,225	$250,013	$58,850,238	6.05%
2005-06	65,033,250	275,930	65,309,180	10.98%
2006-07	72,566,725	336,963	72,903,688	11.63%
2007-08	83,935,421	355,558	84,290,979	15.62%
2008-09	90,002,463	355,981	90,358,444	7.20%
2009-10	88,691,826	330,284	89,022,110	-1.48%
2010-11	86,062,318	312,362	86,374,680	-2.97%
2011-12	80,872,627	290,808	81,163,435	-6.03%
2012-13	79,611,406	284,830	79,896,236	-1.56%
2013-14	83,745,200	299,696	84,044,896	5.19%

Notes:

(1) Under the provisions of Ballot Measure 50, beginning with FY 1997-98, Real Market Value and Assessed Value are no longer the same. Measure 50 rolled back the Assessed Value of each property for tax year 1997-98 to its 1995-96 Real Market Value, less ten percent. The Measure further limits any increase in Assessed Value to three percent for tax years after 1997-98, except for property that is substantially improved, rezoned, or subdivided, or property which ceases to qualify for a property tax exemption. This property will be assigned a new Assessed Value equal to the Assessed Value of comparable property in the area.

(2) Measure 5 Market Values are not calculated separately for urban renewal incremental value by the county assessor. Market Value reported in this table is "Measure 5 Value," which represents the real market value of properties that are not specially assessed; and the value of specially assessed properties, including farm and forestland and exempt property which are less than full real market value. In 2013-14, the Measure 5 Market Value of City of Portland properties within Multnomah County represented about 82 percent of full real market value.

Sources: Multnomah County Division of Assessment, Recording and Taxation; City of Portland.

Major City Taxpayers

The following table lists the largest property taxpayer accounts within the City of Portland.

Table 15
CITY OF PORTLAND, OREGON
Top Ten Property Taxpayer Accounts (1)

Taxpayer Account	Type of Business	FY 2013-14 Assessed Value	Percent of Total Assessed Value
Total City Assessed Value		$54,352,520,253	100.00%
Portland General Electric Co.	Energy	318,697,840	0.59%
Pacificorp (PP&L)	Energy	310,512,000	0.57%
Weston Investment Co. LLC	Real estate (office)	241,178,820	0.44%
Comcast Corporation	Communications	229,076,200	0.42%
Evraz Inc., NA	Steel plate manufacturing	218,521,390	0.40%
Alaska Airlines Inc.	Airline	181,860,000	0.33%
CenturyLink	Communications	173,565,400	0.32%
AT&T Inc.	Communications	164,615,000	0.30%
CAPREF Lloyd Center LLC	Real estate (retail)	157,226,550	0.29%
555 SW Oak LLC	Real estate (office)	138,509,410	0.25%
Total		$2,133,762,610	3.93%

Notes:

(1) Excludes Assessed Value of various properties totaling about $541.67 million that are owned and leased by the Port of Portland to various tenants subject to property taxation.

Source: Multnomah County Division of Assessment, Recording and Taxation.

OTHER FACTORS AFFECTING TAX COLLECTIONS

Property Tax Rates

The City and the Commission elected to limit the Divide the Taxes Revenues for the Area to $2,540,000 each Fiscal Year. The Divide the Taxes Revenues are calculated by multiplying the Incremental Assessed Value of the Area by the consolidated billing tax rate, which is the sum of the tax rates of taxing districts that overlap the Area excluding the urban renewal special levy. Incremental Assessed Value not required to produce an amount equal to $2,540,000 when the consolidated billing tax rate is multiplied by the Incremental Assessed Value is released to the overlapping taxing districts, thereby shifting tax dollars raised from the Incremental Assessed Value of the Area to the overlapping taxing districts. Released amounts of Incremental Assessed Value may vary from year to year depending on the Incremental Assessed Value for each year and the amount of Incremental Assessed Value needed to produce the Divide the Taxes Revenues.

The Airport Way Urban Renewal Area currently is comprised of three levy code areas based on the taxing districts that overlap each area. Beginning in FY 2010-11, levy code area 601 was consolidated with levy code area 602, and levy code areas 603, 604, and 605 were consolidated with levy code area 606. Each levy code area has a separate consolidated tax billing rate. The Incremental Assessed Value associated with each of the levy code area is multiplied by the consolidated tax rate of that levy code area. The following tables show the consolidated billing tax rate for the past five years attributable to each levy code area.

Table 16
CITY OF PORTLAND, OREGON
Airport Way Urban Renewal Area
CONSOLIDATED TAX RATE BY LEVY CODE AREA (1)

	Levy Code						
Fiscal Year	**601**	**602**	**603**	**604**	**605**	**606**	**607**
2009-10	$21.5375	$21.5375	$21.0077	$21.0077	$21.0077	$21.0077	$20.4719
2010-11	n/a	21.4806	n/a	n/a	n/a	20.8132	20.4041
2011-12	n/a	21.9959	n/a	n/a	n/a	20.5137	20.4003
2012-13	n/a	22.2011	n/a	n/a	n/a	20.8737	20.7452
2013-14	n/a	23.8575	n/a	n/a	n/a	21.3184	21.2767

Notes:

(1) Rate per $1,000 of Assessed Value.

Source: Multnomah County Division of Assessment, Recording and Taxation.

Tax Increment Revenue Reductions Due to Measure 5 Compression

Tax Increment Revenues may be reduced by Measure 5 compression effects. In FY 2013-14, Measure 5's $10/$1,000 of Market Value tax limitation was the primary factor in reducing the projected Divide the Taxes property tax collections in the Area to $2,154,123 from the authorized amount of $2,540,000, or by about 15.2 percent.

Special Levy collections also may be reduced by compression and delinquencies and discounts. The City and the Commission are authorized to request a Special Levy in an amount sufficient to offset the effects of compression, but in no circumstance in an amount such that the sum of the Divide the Taxes Revenues and the Special Levy exceeds the Maximum Tax Increment Revenues. If the City and the Commission chose to impose the Special Levy to receive the Maximum Tax Increment Revenues, levies of other general governments would be subject to further compression so that the total general government levy fell within the $10/$1,000 cap.

The table below shows recent property tax losses for the Area due to compression.

Table 17
CITY OF PORTLAND, OREGON
Property Tax Levy Losses Due to Measure 5 Compression (1)

Fiscal Year	Divide the Taxes to Be Raised	Special Levy to Be Raised	Total Tax Increment Revenues To Raise	Divide the Taxes Imposed (2)	Special Levy Imposed(2)	Total Tax Increment Revenues Imposed
2004-05	$2,540,000	$4,308,861	$6,848,861	$2,348,998	$4,151,179	$6,500,177
2005-06	2,540,000	3,836,913	6,376,913	2,374,921	3,719,429	6,094,350
2006-07	2,540,000	3,005,537	5,545,537	2,390,928	2,922,515	5,313,442
2007-08	2,540,000	3,196,137	5,736,137	2,387,136	3,109,946	5,497,082
2008-09	2,540,000	2,500,708	5,040,708	2,390,141	2,426,137	4,816,278
2009-10	2,540,000	3,374,900	5,914,900	2,374,640	3,267,700	5,642,340
2010-11	2,540,000	3,520,449	6,060,449	2,340,489	3,391,159	5,731,648
2011-12	2,540,000	3,589,189	6,129,189	2,276,718	3,412,243	5,688,961
2012-13	2,540,000	3,738,699	6,278,699	2,237,816	3,501,677	5,739,494
2013-14	2,540,000	3,953,841	6,493,841	2,154,123	3,572,360	5,726,482

Notes:

(1) Taxes to be raised are before Measure 5 compression; taxes imposed are after Measure 5 compression. Also includes miscellaneous adjustments by county assessor.
(2) Before losses due to delinquencies and discounts.

Source: Multnomah County Division of Assessment, Recording and Taxation; Washington County Department of Assessment and Taxation; Clackamas County Department of Assessment and Taxation; City of Portland.

Tax Increment Revenue Reductions Due to Delinquencies and Discounts

Property tax collections are also reduced by delinquencies and discounts. The following table shows property tax collections over the past ten fiscal years. In recent years, taxes collected in the year in which they were levied have generally exceeded 95 percent. Note that, under current State law, tax collections at the county level are pooled and each taxing jurisdiction (including urban renewal areas) receives a *pro rata* distribution of county-wide collections. This practice has the effect of spreading delinquent payments county-wide.

Table 18
CITY OF PORTLAND, OREGON
Tax Collection Record for the Last Ten Years (1)

Fiscal Year	Total Levy (000) (2)	Collected Yr. of Levy (3)	Collected as of 12/31/2013 (3)
2004-05	$333,044	97.11%	99.99%
2005-06	346,053	97.20%	99.99%
2006-07	363,073	97.29%	99.99%
2007-08	394,492	97.07%	99.98%
2008-09	397,822	96.43%	99.96%
2009-10	436,246	96.85%	99.57%
2010-11	445,239	97.22%	99.18%
2011-12	445,044	96.89%	98.62%
2012-13	452,453	97.26%	98.25%
2013-14	467,516	89.92% (4)	89.92% (4)

Notes:

(1) Tax collection information is for Multnomah County, which represents approximately 99.5% of the City's Assessed Value. Small portions of Washington and Clackamas Counties are also included in the City's Assessed Value.

(2) Includes urban renewal special levy and levy amounts allocated to urban renewal divide the taxes. Levy amounts shown are after Measure 5 compression. Also includes miscellaneous taxes, penalties, and corrections included in the fiscal year property tax receivable.

(3) Collections are calculated as payments received less adjustments for cancellation of taxes and allowed discounts, plus taxes added to tax roll due to omissions and corrections. Discounts currently represent the largest adjustment to the tax levy. Discounts associated with the 2013-14 tax levy represented about 2.9% of that year's levy. Discounts effectively reduce the amount of a fiscal year's levy remaining to be collected in future years.

(4) Partial year collection.

Sources: Multnomah County Division of Assessment, Recording and Taxation and City of Portland.

HISTORICAL RESULTS

Tax Increment Revenues, Maximum Tax Increment Revenues, and Annual Debt Service

Historical collections of Tax Increment Revenues, Maximum Tax Increment Revenues, and Annual Debt Service for Parity Indebtedness are shown in the following table.

Table 19
CITY OF PORTLAND, OREGON
Airport Way Urban Renewal Area
HISTORICAL TAX INCREMENT REVENUES, MAXIMUM TAX INCREMENT REVENUES, AND ANNUAL DEBT SERVICE BY FISCAL YEAR
(Budgetary Basis)

	2008-09 (1)	2009-10 (1)	2010-11 (1)	2011-12 (1)	2012-13
Tax Increment Revenues					
Tax Collections (Current Year)	$4,517,669	$5,328,302	$5,411,563	$5,342,303	$5,445,267
Tax Collections (Prior Years)	114,959	137,071	132,979	123,050	133,995
Investment Earnings	43,911	25,209	25,209	23,304	17,833
TOTAL	$4,744,556	$5,509,284	$5,569,751	$5,488,657	$5,597,095
Maximum Tax Increment Revenues	$28,573,246	$30,861,105	$31,890,390	$29,364,505	$30,674,390
Debt Service					
Parity Indebtedness	$5,390,213	$5,524,350	$5,587,700	$5,591,500	$5,584,500
TOTAL	$5,390,213	$5,524,350	$5,587,700	$5,591,500	$5,584,500

Notes:

(1) In FY 2008-09 through FY 2011-12, the City collected less Special Levy than was required to meet Annual Debt Service requirements on the Bonds in order to reduce ending fund balance in the Tax Increment Fund. The beginning balance on July 1, 2008, was $2,255,065 and the ending balance on June 30, 2012, was $1,473,550. The ending balance on June 30, 2013, was $1,486,145. See Table 20. The City complied with all covenants, including the covenant to impose Special Levy such that this amount plus the Divide the Taxes Revenues are equal to at least 105% of the Required Levy Amount for the fiscal year.

Source: City of Portland.

The Tax Increment Fund

The following table presents audited financial statements for the Airport Way Debt Service Fund on a budgetary basis. The Appendix provides audited financial statements on a generally accepted accounting principles (GAAP) basis.

Table 20
CITY OF PORTLAND, OREGON
Airport Way Debt Service Fund (1)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(Budgetary Basis)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues					
Current year property taxes	$4,517,669	$5,328,302	$5,411,563	$5,342,303	$5,445,267
Prior years' property taxes	114,959	137,071	132,979	123,050	133,995
Interest on investments	109,175	43,876	25,202	23,304	17,833
Other interest income	2,753	35	7	0	0
Total revenues	4,744,556	5,509,284	5,569,751	5,488,657	5,597,095
Expenditures					
Debt service and related costs:					
Principal	3,090,000	3,350,000	3,530,000	3,675,000	3,815,000
Interest	2,300,213	2,174,350	2,057,700	1,916,500	1,769,500
Total expenditures	5,390,213	5,524,350	5,587,700	5,591,500	5,584,500
Revenues over (under) expenditures	(645,657)	(15,066)	(17,949)	(102,843)	12,595
Fund balance -- beginning	2,255,065	1,609,408	1,594,382	1,576,393	1,473,550
Fund balance -- ending	$1,609,408	$1,594,382	$1,576,393	$1,473,550	$1,486,145

Notes:

(1) This is the Tax Increment Fund. Information presented on a budgetary basis. The appendix presents tables on Generally Accepted Accounting Principles (GAAP) basis.

Source: City of Portland audited financial statements.

Outstanding Indebtedness

As of February 15, 2014 the City had $32,650,000 of outstanding long-term debt for the Airport Way Urban Renewal Area. The Area reached its Maximum Indebtedness limit in FY 2003-04, and the City is no longer permitted to issue additional debt for this urban renewal area.

Table 21
CITY OF PORTLAND, OREGON
Airport Way Urban Renewal Area
OUTSTANDING LONG-TERM DEBT AS OF FEBRUARY 15, 2014

Issue Name	Dated Date	Maturity Date	Amount Issued	Amount Outstanding
Airport Way Urban Renewal and Redevelopment Refunding Bonds, 2005 Series A	9/29/2005	6/15/2020	$45,370,000	$32,650,000
Total			$45,370,000	$32,650,000

Source: City of Portland.

APPENDIX
AUDITED FINANCIAL STATEMENTS

INTRODUCTION TO EXCERPTS OF FINANCIAL STATEMENTS

The financial statements of the City have been audited by independent certified public accountants for the fiscal years 2009, 2010, 2011, 2012 and 2013. Copies of these financial statements containing the reports of the independent certified public accountants are available on the City's website at:

http://www.portlandoregon.gov/bfs/26053

The following pages in this Appendix are excerpted from the City's Comprehensive Annual Financial Reports of the City for Fiscal Years ending June 30, 2009 through June 30, 2013. The Notes that follow the tabular data have been prepared by the City and have not been reviewed by the independent auditor.

A CONSENT OF THE INDEPENDENT AUDITOR WAS NOT REQUESTED. THE AUDITOR WAS NOT REQUESTED TO PERFORM AND HAS NOT PERFORMED ANY SERVICE IN CONNECTION WITH THIS DISCLOSURE DOCUMENT AND IS THEREFORE NOT ASSOCIATED WITH THIS DISCLOSURE DOCUMENT.

CITY OF PORTLAND, OREGON
Airport Way Debt Service Fund (1)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Generally Accepted Accounting Principles Basis

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenues					
Taxes	$4,632,628	$5,465,373	$5,544,541	$5,465,353	$5,579,262
Investment earnings	116,344	28,768	33,917	22,861	12,108
Total revenues	4,748,972	5,494,141	5,578,458	5,488,214	5,591,370
Expenditures					
Debt service and related costs:					
Principal	3,090,000	3,350,000	3,530,000	3,675,000	3,815,000
Interest	2,300,213	2,174,350	2,057,700	1,916,500	1,769,500
Total expenditures	5,390,213	5,524,350	5,587,700	5,591,500	5,584,500
Revenues over (under) expenditures	(641,241)	(30,209)	(9,242)	(103,286)	6,870
Other Financing Sources (Uses)					
Transfers in	--	--	--	--	--
Bond and notes issued	--	--	--	--	--
Bond and note premium	--	--	--	--	--
Payments to refunding escrow agent	--	--	--	--	--
Total other financing sources (uses)	--	--	--	--	--
Net change in fund balances	(641,241)	(30,209)	(9,242)	(103,286)	6,870
Fund balance – beginning	2,262,090	1,620,849	1,590,640	1,581,398	1,478,112
Fund balance – ending	$1,620,849	$1,590,640	$1,581,398	$1,478,112	$1,484,982

Notes:

(1) This is the Tax Increment Fund.

Source: City of Portland audited financial statements.

CITY OF PORTLAND, OREGON
Airport Way Debt Service Fund
CONSECUTIVE BALANCE SHEETS (1)
As of June 30

	2009	2010	2011	2012	2013
ASSETS					
Restricted:					
Cash and investments	$1,491,403	$1,473,255	$1,469,694	$1,372,294	$1,385,505
Receivables:					
Taxes	329,086	356,618	353,465	428,322	429,195
Accrued interest	40,779	16,810	21,180	16,023	9,583
Total assets	$1,861,268	$1,846,683	$1,844,339	$1,816,639	$1,824,283
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES					
Liabilities payable from restricted assets:					
Deferred revenue	$240,419	$256,043	$262,941	$338,527	$ --
Deferred inflow of resources					
Unavailable revenue - restricted	--	--	--	--	339,301
Total liabilities and deferred inflow of resources	240,419	256,043	262,941	338,527	339,301
Fund balances:					
Unreserved	1,620,849	1,590,640	--	--	--
Restricted	--	--	1,581,398	1,478,112	1,478,982
Total fund balances	1,620,849	1,590,640	1,581,398	1,478,112	1,478,982
Total liabilities, deferred inflow of resources and fund balances	$1,861,268	$1,846,683	$1,844,339	$1,816,639	$1,824,283

Source: City of Portland audited financial statements.