To:	Portland City Council, Mayor Keith Wilson, and City Administrator Lee
CC:	Devin Reynolds, City ESD Coordinator
From:	Mark Wells, Executive Director, Downtown Portland Clean & Safe
Regarding:	Downtown Portland Clean & Safe Annual Report (Contract Dates: 10/1/24-9/30/25)
Date:	September 28th, 2026

Dear City Councilors, Mayor, and City Administrator-

It is our pleasure to share our annual report for this past contract year for your review. Another year has passed in our contract cycle, and we feel privileged to have played many small and large parts in the recovery improvements in our downtown core.

I am asked frequently in both professional and personal context, “Is it better in Downtown Portland?” The answer is an unequivocal yes. We are passionate advocates for highlighting our successful private-public partnerships as one of the key ingredients to all the hard work by the City and other partners this past year.

The Clean & Safe team, our many hard working and dedicated vendor staff of cleaners and security professionals, and our committed Board of Directors look forward to continuing and strengthening this partnership with the City of Portland and playing our part in the continued and challenging work that remains to revitalize our downtown core for all who work, live, visit and play in this amazing city.

Thank you-

Mark Wells
Executive Director

121 SW Salmon St., Suite 1440 • Portland, OR 97204
Phone 503-224-8684 • **DowntownPortland.org**

DOWN TOWN
PORTLAND CLEAN&SAFE

2025 Annual Report

Contract dates:
10/01/2024 - 09/30/2025

A Note From Your Leadership

How quickly another contract year has gone by, as the Downtown Portland Clean & Safe Board and operations team have worked hard on many projects and services to complement the continued growth and rebuilding of our downtown core.

This contract year brought a completely new form of government to the City of Portland, our key municipal partner in the Enhanced Service District (ESD) program. A key ingredient in our organization's success is a high-functioning partnership built on clear scopes of work, accountability, and a genuine desire to problem-solve in a continually challenging economic climate. As Clean & Safe has done throughout our 37-year history, we worked at all levels with our new City Council to maintain, grow, and form new relationships and partnerships — all with the goal of maximizing limited resources to provide the highest level of service to our ESD ratepayers and the entire community that enjoys downtown Portland.

While we and the broader downtown area continued to grapple with Portland Police Bureau staffing challenges and long patrol response times, we worked in full collaboration with Central Precinct to maintain the significant gains we've made in reducing organized, higher-level drug dealing and open-air drug markets. We are proud of this partnership and of serving as extra eyes and ears for our public safety partners. The strength of our Public Safety Program — and this partnership in particular — helped earn Downtown Portland Clean & Safe and our security vendor, GardaWorld, the "Outstanding Security Partnership Award" at the 2025 Global Security Exchange conference in New Orleans. We are proud and humbled by this honor, which reflects several years of work with GardaWorld to reshape and modernize our public safety program.

Another exciting development in our core services is the continued expansion of our placemaking and activation role downtown. The Clean & Safe Activations Team increased both the number and variety of events held each month at Director Park, further strengthening our partnership with the Parks Bureau and this effective public-private collaboration. Darcelle XV Plaza is our next partnership location, and this contract year brought continued design and implementation planning as we work toward its opening and our activation programming in 2026.

Our continued investment in placemaking and activation helped bring renewed energy, connection, and joy to the downtown core. In 2025, the Clean & Safe Activations Team expanded Portland's signature street tree lighting and produced engaging seasonal experiences such as the Bloom Tour, Buskathon, Summer in the City, and Downtown for the Holidays — creating more reasons for people to visit, linger, and support downtown businesses. This momentum was reflected in growing foot traffic, with several Saturdays in 2025 surpassing comparable 2019 levels. The Board also adopted an official Placemaking Policy, giving staff a clear framework for evaluating, pursuing, and prioritizing future events and activations. Together, these efforts strengthened downtown as a vibrant gathering place and reinforced the vital role thoughtful programming and public-space activation play in Portland's continued recovery.

Finally, our direct partnership with the mayor’s office and the outstanding City of Portland staff at Portland Solutions and the Portland Environmental Management Office continues to provide vital

outreach and services to our most vulnerable Portlanders, while improving overall livability and conditions for the residents, businesses, and visitors in our District. This work is difficult and challenging, but we are seeing improvement across key safety and livability metrics, and we remain committed to our core mission: retaining businesses and residents, and attracting new business, development, and thousands more visitors to enjoy all that downtown Portland has to offer. Thank you for your continued support and commitment to downtown Portland — we are at your service.

Sincerely,

Mark Wells
Executive Director

Eric Farley
Chair of the Board

Financials

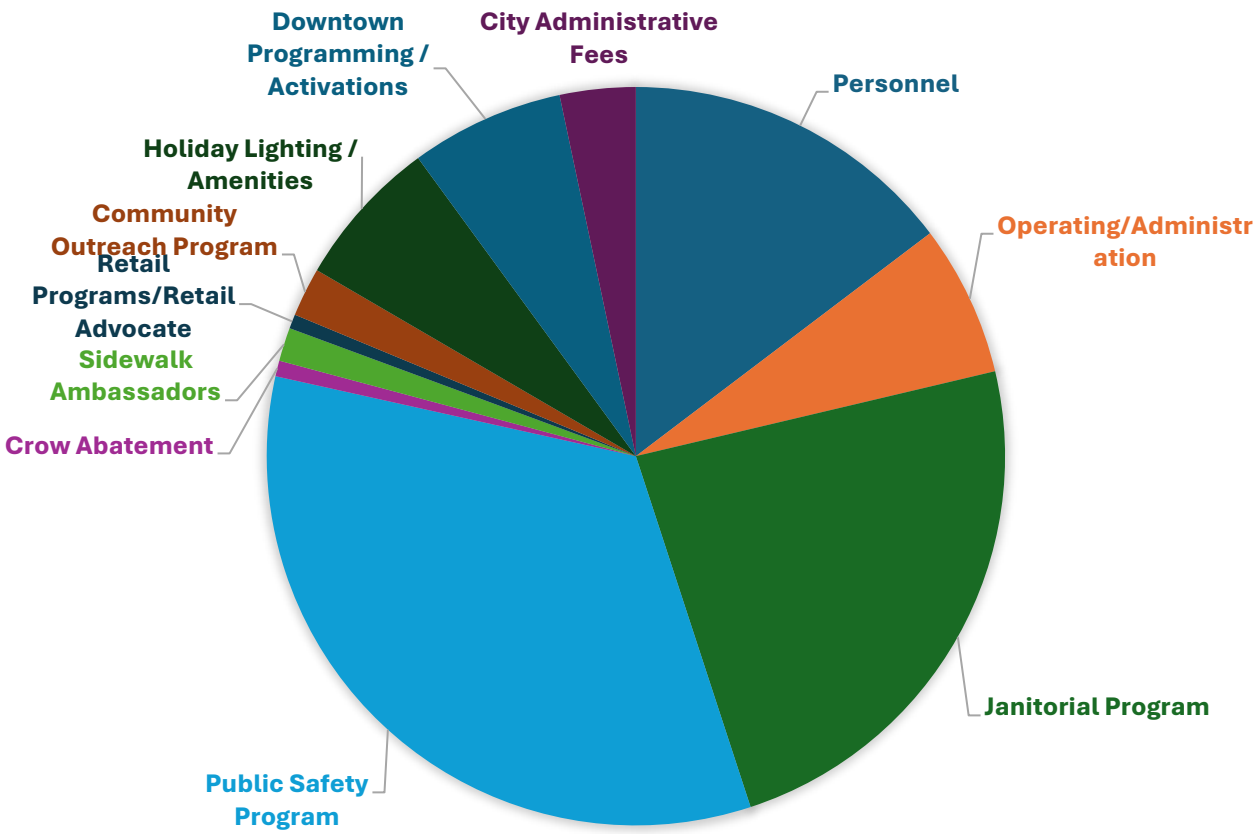
Downtown Portland Clean & Safe is unique among the city's three current ESDs by the nature of its funding, coming solely from fees collected by the City of Portland from more than 400 property owners or ratepayers. Each property owner in our 213-block district pays an annual ESD fee based on a variety of building types and usage criteria. We view and treat this funding as a donation to the City of Portland to provide "enhanced" services for janitorial cleaning on the public rights-of-way, extra professional community safety presence, reporting and response, and a wide variety of retail programming and economic development services. DPCS also manages a variety of dedicated holiday lighting and beautification programs throughout the year. Clean & Safe looks forward to collaborating with the City of Portland on implementation of a new ESD fee rate, that aligns with national best practices and follows the audit recommendations provided by BDS Consulting in early 2024.

Downtown Portland Clean & Safe is unique among the city's three ESDs in its funding, which comes solely from fees collected by the City of Portland from more than 400 property owners, or ratepayers. Each property owner in our 213-block district pays an annual ESD fee based on a variety of building types and usage criteria. We view and treat this funding as a donation to the City of Portland, using it to provide "enhanced" services: janitorial cleaning of the public rights-of-way, an extra professional community safety presence with reporting and response, and a wide range of retail programming and economic development services. DPCS also manages a variety of dedicated holiday lighting and beautification programs throughout the year. Clean & Safe looks forward to collaborating with the City of Portland to implement a new ESD fee rate that aligns with national best practices and reflects the audit recommendations provided by BDS Consulting in early 2024.

We take pride in the efficiency of our operations and continually seek ways to improve service for all members of our downtown community. Every year, we undergo an independent financial audit conducted by McDonald Jacobs. Our most recent audit report, for fiscal year 2024–2025, is available upon request for full transparency into our financial operations.

Final Audited Expenses

PROGRAM	FY 2024–2025
Personnel	$1,283,632
Operating/Administration	$579,142
Janitorial Program	$2,069,125
Public Safety Program	$2,929,698
Crow Abatement	$60,144
Sidewalk Ambassadors	$128,486
Retail Programs/Retail Advocate	$54,598
Community Outreach Program	$187,377
Holiday Lighting / Amenities	$573,225
Downtown Programming / Activations	$588,056
City Administrative Fees	$290.060
TOTAL EXPENSES	**$8,743,543**

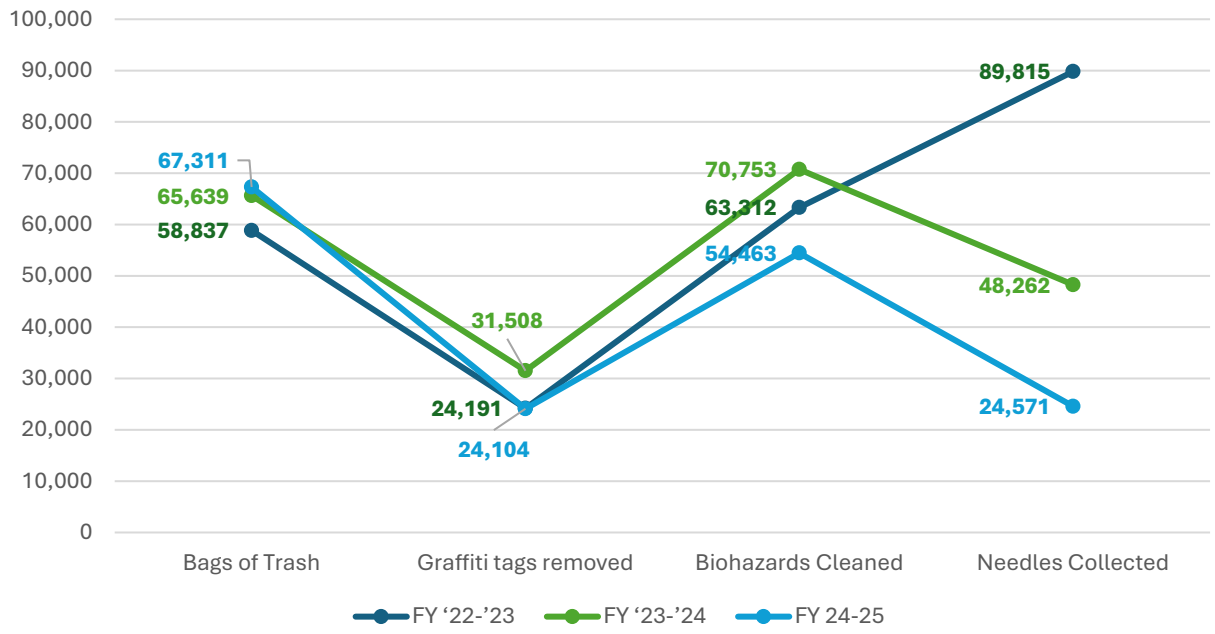


Janitorial

The Clean & Safe contract with Central City Concern's Clean Start Program continues to provide entry-level employment for individuals progressing from houselessness to housing and from addiction to recovery — offering an on-ramp to new opportunities and a new life. The program provides the district with our beloved "barrel pushers," who clean the sidewalks daily, removing trash, biohazards, needles, and other debris. Supported by hard-working e-trikes, bag-removal trucks, and power washers, the team helped improve cleanliness and livability conditions throughout downtown Portland, supporting the hundreds of businesses and thousands of residents who call downtown home.

Our Yearly Impact:

67,311 bags of trash collected	**24,571** Needles collected	**54,463** biohazards cleaned	**24,104** graffiti tags removed



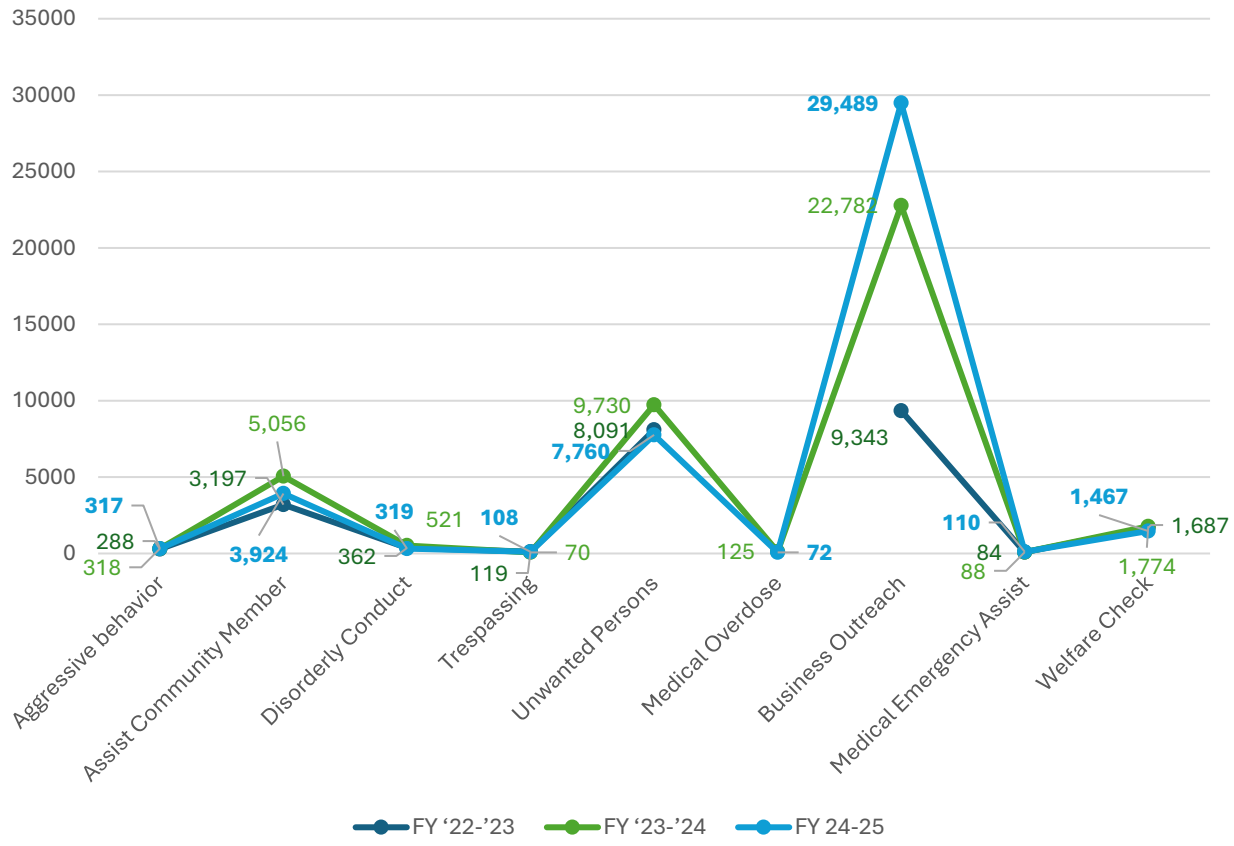
Public Safety

This contract year allowed our Public Safety Program to continue formalizing its evolution into a safety program that serves everyone in our district. From helping smaller, street-front businesses remain open and safe for staff and patrons, to providing extra safety presence for dozens of larger public events vital to attracting more foot traffic downtown, to delivering lifesaving overdose response and 911 medical assistance to dozens of individuals — our dedicated team of Public Safety Coordinators is helping fill many gaps in our public safety system. While we are passionate and deliberate about not being mistaken for city law enforcement and remain clear about our scope of work under our city ESD contract, Clean & Safe's safety team is often first on scene for major incidents and emergencies. At a higher level, our Board and affiliate partners are working diligently to ensure the City of Portland rebuilds all areas of our public safety system, from more efficient 911 service to faster response times for police, fire, and medical services.

All of this work, collaboration, and dedication culminated in Downtown Portland Clean & Safe and our security vendor, GardaWorld, being selected for the "Outstanding Security Partnership and Team Award" at this year's Global Security Exchange conference. Clean & Safe staff and Board members, along with the GardaWorld management team, received this honor — and our security Contract Manager, Kevin McGraham, also received the "Outstanding Security Manager Award." We remain fortunate to have outstanding professionals on our streets every day, handling complex and challenging calls for service to ensure downtown continues to improve and remain safe for everyone to enjoy.

Our Yearly Impact:

29,489 Business Outreach	**7,760** Unwanted Persons	**3,924** Assist Community Member
1,467 Welfare Check	**319** Disorderly Conduct	**317** Aggressive Behavior
110 Medical Emergency Assist	**108** Trespassing	**72** Medical Overdose



Street Outreach Program

Now in our second year of providing street outreach services, Clean & Safe, along with our vendor, Helping Hands Reentry Outreach Centers, continues to provide direct engagement and a host of services to individuals in our district experiencing homelessness, addiction, and mental health challenges.

While a small program with limited capacity, our goal from the start has been to add to and enhance the many existing government and nonprofit organizations that have operated in this space for decades. Like our core Janitorial and Public Safety Programs, our street outreach team works to strengthen outreach efforts and make connections and referrals wherever possible to help individuals find a better place or situation.

A key feature of this program is our internal referral system, through which any member of the Clean & Safe team can make direct referrals to our Street Outreach team when they encounter — or already know of — an individual in need who may be receptive to services.

Our district continued to be overwhelmed by street camping, with hundreds of tents and campsites on public sidewalks and in public areas. Our outreach program worked to meet individuals where they are, providing basic services such as warm food, shoes, and basic medical supplies, while striving to build rapport and relationships that help individuals seek assistance. Many of the individuals our program encounters continue to resist services or referrals to shelter. This program

serves as a vital link between Clean & Safe staff and our vendor's team members, allowing us to work together to identify and support individuals facing highly acute mental health and substance abuse disorders.

Our Yearly Impact:

155 Unique interactions	**35** Day-shelter referrals	**10** Overnight shelter referrals
29 Long-term shelter referrals	**19** Referrals to Hope Center	**37** Transportation services

Retail Engagement and Marketing

PDX Pop-Up Shop Program

Downtown Portland Clean & Safe continued its momentum with targeted retail initiatives that drove foot traffic and promoted downtown experiences. The 2024 Pop-Up Shop Program set a new record of 8 individual locations and returned with a curated mix of emerging and minority-owned businesses, bringing fresh energy to vacant storefronts during the holiday season. Retailers received marketing support, signage, and rent-free space, with many reporting record seasonal sales and some securing long-term leases.

Downtown Retail Council

Clean & Safe also continued to convene the Downtown Retail Council, providing businesses of all sizes with a trusted forum to share information, access public-safety resources, build relationships, and collaborate on strategies supporting a vibrant and resilient downtown retail environment.

Visit Downtown Campaign

The Visit Downtown Campaign is a collaborative effort between the Portland Metro Chamber, Downtown Portland Clean & Safe, and the City of Portland to keep Portland’s core in the spotlight. This partnership helps spread the word about the vibrancy, creativity, and community spirit of downtown, reaching both locals and visitors, inviting everyone to experience what makes our urban center special.

Placemaking

Director Park

In our third year of managing events in Director Park, we hosted more than 300 community and private activations in this European-style plaza—from performances and art installations to community celebrations and cultural programming. Featuring ample seating, a popular fountain, and a glass canopy with dynamic lighting, Director Park serves as downtown's gathering space year-round.

Darcelle XV Plaza

In partnership with Portland Parks & Recreation, Downtown Portland Clean & Safe began the planning stages for fun summer programming to activate the transformed former O'Bryant Square into Darcelle XV Plaza, anticipated to open in mid-2026. This reimagined community space will feature an event hosting area, community plaza, and dedicated dog park.

Reports & Research

Annual Business Survey

Each year, Downtown Portland Clean & Safe conducts a survey of downtown business sentiment as part of its contractual partnership with the City of Portland to better understand and measure the conditions of doing business in the city's center. To measure this, the survey identifies and tracks factors and trends affecting business operations and commerce downtown.

Portland's highly respected public research firm, DHM Research, has been a formal research partner since 2021 to ensure the integrity and independence of findings and data.

Key Findings: A Return to Stability and Growth

Crime & Safety

- Businesses experiencing theft or shoplifting incidents increased slightly from **30% in 2024 to 31% in 2025**, while employees quitting due to safety concerns fell from **29.2% to 25%.**

Declining Incidents of Vandalism

- Businesses repairing windows or physical damage increased from **47% in 2024 to 51% in 2025,** and graffiti repairs decreases **from 53% to 51%.**

Stronger Business Confidence

- **87 percent** of businesses report they do not plan to relocate
- **69 percent** expect their space needs to remain the same

- **55 percent** reported stable staffing levels over the past year

Improved Satisfaction with Downtown Portland Clean & Safe:

- **Tree Lights:** 92% satisfaction (Same as last year)
- **Safety Coordinators (Garda World):** 91% satisfaction (+1%)
- **Cleaners (Central City Concern):** 94% satisfaction (+6%)
- **Dispatch Services:** 82% satisfaction (+2%)

Vendor Family

The Clean & Safe team is proud to share and review the work of the many firms and organizations we contracted with throughout the last year. We have taken great care and due diligence to carefully and fully comply with our contract and the City of Portland's Sustainable Procurement and Labor Peace policies to ensure highly qualified, professional, and competent vendors are delivering the highest services possible to our ratepayers and community in our service area. This work is being supplemented by our internal Equity Committee's work to ensure diversity in procurement and support for local Portland business.

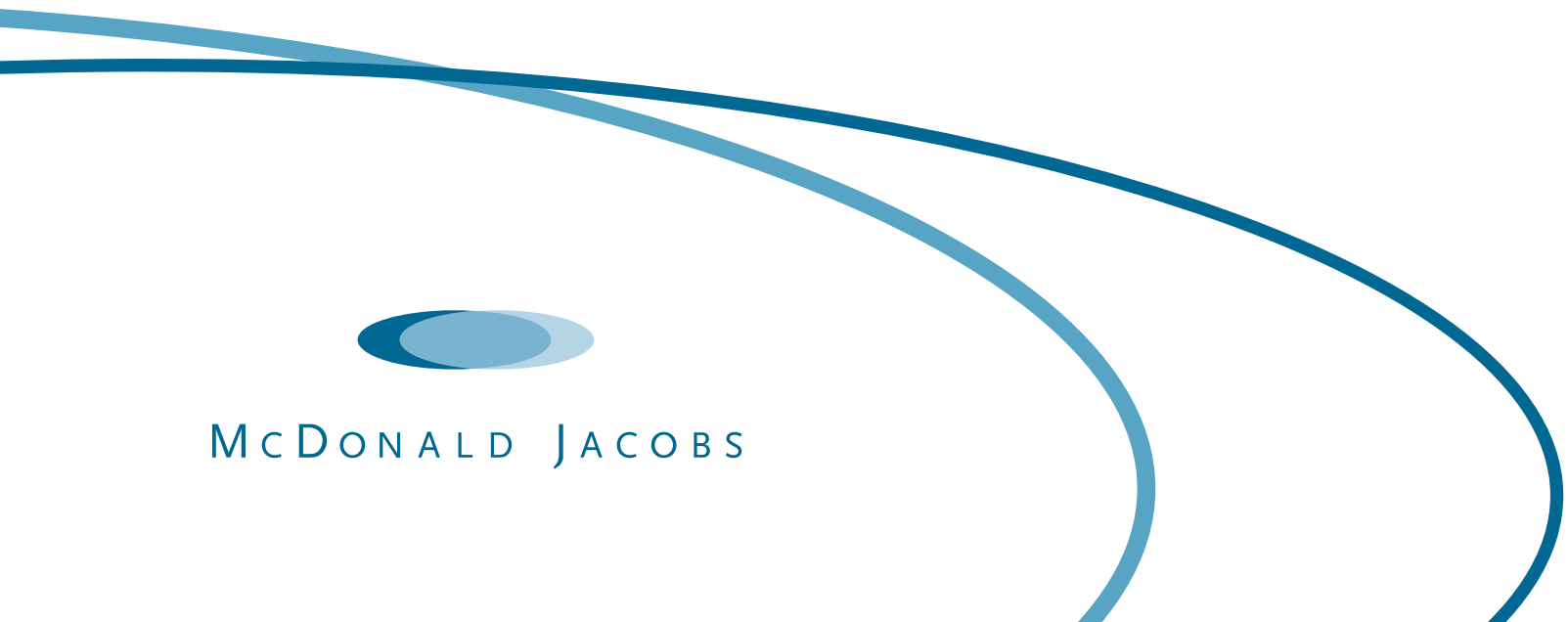
Contracted Firms & Organizations

CENTRAL CITY CONCERN	JANITORIAL PROGRAM
GARDA WORLD	PUBLIC SAFETY PROGRAM
BYBEE LAKES HOPE CENTER / HELPING HANDS OUTREACH REENTRY CENTER	COMMUNITY HEALTH OUTREACH WORKER PROGRAM
INTEGRATED AVIAN SOLUTIONS	CROW ABATEMENT PROGRAM
TROSS	HOLIDAY LIGHTING PROGRAM
EPONIC	SAFETY AND JANITORIAL PROGRAM DATA COLLECTION & TECHNOLOGY
DAY WIRELESS	RADIO SYSTEM FOR PUBLIC SAFETY AND PPB BIKE UNIT
RELAY RESOURCES	TREE WELL LANDSCAPING SERVICES
PORTLAND METRO CHAMBER	MANAGEMENT AND FINANCIAL SERVICES FOR DPC&S

CLEAN & SAFE, INC.

Audited Financial Statements

For the Years Ended June 30, 2025 and 2024



MCDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clean & Safe, Inc.

Opinion

We have audited the accompanying financial statements of Clean & Safe, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clean & Safe, Inc. as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Clean & Safe, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean & Safe, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Clean & Safe, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Clean & Safe, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

McDonald Jacobs, P.C.

Portland, Oregon
November 24, 2025

CLEAN & SAFE, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 3,117,145	$ 2,926,381
Cash - Holiday lighting and district amenities	545,866	545,171
Accounts receivable	876,032	900,253
Prepaid expenses	31,972	15,282
TOTAL ASSETS	$ 4,571,015	$ 4,387,087
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 405,192	$ 718,433
Deferred revenue	1,869,349	1,632,302
Total liabilities	2,274,541	2,350,735
Net assets without donor restrictions	2,296,474	2,036,352
TOTAL LIABILITIES AND NET ASSETS	$ 4,571,015	$ 4,387,087

See notes to financial statements.

CLEAN & SAFE, INC.
STATEMENTS OF ACTIVITIES
For the years ended June 30, 2025 and 2024

	2025	2024
Change in net assets without donor restrictions:		
Revenue:		
Enhanced Services District fees	$ 7,664,006	$ 7,214,454
Contributions	1,201,251	1,214,917
Interest and other income	138,407	93,542
Total revenue	9,003,664	8,522,913
Expenses:		
Program:		
Public policy and business development	323,913	308,325
Public relations and marketing	509,360	754,200
Public space maintenance	2,729,832	2,546,127
Public space security	2,987,284	3,218,425
Outreach	187,377	168,255
Holiday lighting and district amenities	622,121	876,161
Special projects	412,690	-
Shared operating and overhead costs	361,296	317,186
Contributions	4,250	3,500
Total program expenses	8,138,123	8,192,179
Supporting services:		
Administration	605,419	590,998
Total expenses	8,743,542	8,783,177
Change in net assets	260,122	(260,264)
Net assets:		
Beginning of year	2,036,352	2,296,616
End of year	$ 2,296,474	$ 2,036,352

See notes to financial statements.

CLEAN & SAFE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the years ended June 30, 2025 and 2024

	2025			2024		
	Total Program	Admin-istration	Total	Total Program	Admin-istration	Total
Salaries and related expenses	$ 1,273,029	$ 206,146	$ 1,479,175	$ 1,233,127	$ 188,664	$ 1,421,791
Contracts - Security	2,872,113	-	2,872,113	3,107,636	-	3,107,636
Contracts - Maintenance	2,071,683	-	2,071,683	1,914,722	-	1,914,722
Contracts - Holiday lighting and district amenities	985,916	-	985,916	840,895	-	840,895
City processing fees	-	156,986	156,986	-	147,360	147,360
City processing fees - Holiday lighting	-	16,900	16,900	-	16,035	16,035
Operating expenses	931,132	225,387	1,156,519	1,092,299	238,939	1,331,238
Other	4,250	-	4,250	3,500	-	3,500
Total expenses	$ 8,138,123	$ 605,419	$ 8,743,542	$ 8,192,179	$ 590,998	$ 8,783,177
Percent of total expenses	93.1%	6.9%	100.0%	93.3%	6.7%	100.0%

See notes to financial statements.

CLEAN & SAFE, INC.
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 260,122	$ (260,264)
(Increase) decrease in:		
Accounts receivable	24,221	(442,953)
Prepaid expenses	(16,690)	(15,282)
Increase (decrease) in:		
Accounts payable and accrued expenses	(313,241)	207,410
Deferred revenue	237,047	199,114
Net cash flows from operating activities	191,459	(311,975)
Net change in cash and cash equivalents	191,459	(311,975)
Cash and cash equivalents - beginning of year	3,471,552	3,783,527
Cash and cash equivalents - end of year	$ 3,663,011	$ 3,471,552
Cash and cash equivalents	$ 3,117,145	$ 2,926,381
Cash - Holiday lighting and district amenities	545,866	545,171
Total cash and cash equivalents	$ 3,663,011	$ 3,471,552

See notes to financial statements.

1. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

Clean & Safe, Inc. (CSI or the Organization) was incorporated as a nonprofit Oregon corporation in June 1988, originally as an affiliate of the Portland Metro Chamber (the Chamber); however, the organizations are no longer under common control. CSI's principal source of revenue is generated from Enhanced Services District (ESD) fees on downtown businesses within the Clean & Safe District established by the City of Portland (the City). Total ESD fees approximated $7,664,000 and $7,214,000 for the years ended June 30, 2025 and 2024, respectively. Expenditures of fee revenue are restricted to Clean & Safe services, which include security, business development, public relations and marketing, cleaning of sidewalks, graffiti removal, and administration. Clean & Safe services also provide employment opportunities to socially and economically disadvantaged persons. CSI contracts with the Chamber to provide these services and processes all transactions for the Organization. A portion of overhead expenses and shared administrative personnel costs incurred by the Chamber are charged to the Organization based on a percentage direct salaries.

The City has authorized the contract with CSI through September 30, 2026.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

1. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on credit history as well as management's expectations about current and future economic conditions at which time a charge to credit loss expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Collections are the responsibility of the City of Portland. Balances that are still outstanding after reasonable collection efforts have been made by the City are written off through a charge to the valuation allowance and a credit to accounts receivable at the time the City notifies the Organization of the amount to write off. There are no amounts due from the City that are more than 90 days past due. The City manages collections from rate payers and any overdue from rate payers are collectable upon sale of the related property.

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at June 30, 2025 and 2024 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes.

Property and Equipment

CSI capitalizes property and equipment purchases over $750. Property and equipment are stated at cost or at appraised value when acquired by gift. Depreciation is provided on a straight-line basis over the estimated useful lives (generally three to five years) of the related assets. The Organization's property and equipment are fully depreciated and have been written off.

Enhanced Service District Fees and Deferred Revenue

The Organization has a contract with the City of Portland to provide security, business development, public relations and marketing, cleaning of sidewalks, graffiti removal, holiday lighting. Amounts received are recognized as revenue proportionally over the contract period which is estimated to coincide with services provided as outlined in the contract. Contract revenue for holiday lighting is recognized over the lighting season when all services are provided. Advances on the contract are included in deferred revenue.

1. THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Contributions

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Conditional contributions received prior to meeting conditions are reported as deferred revenue. Conditional contributions included in deferred revenue totaled $209,818 and $59,882 at June 30, 2025 and 2024, respectively.

Income Taxes

CSI is a nonprofit corporation exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying financial statements, as the Organization has no activities subject to unrelated business income tax. CSI is not a private foundation.

The Organization follows the provisions of FASB ASC Topic 740 *Accounting for Uncertainty in Income Taxes.* Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this Topic.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses allocated include salaries and related expenses, and operating expenses, which are allocated on the basis of estimates of time and effort.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated all subsequent events through November 24, 2025, the date the financial statements were available to be issued.

2. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets available for general expenditure consist of the following at June 30:

	2025	2024
Cash and cash equivalents	$ 3,117,145	$ 2,926,381
Cash - Holiday lighting and district amenities	545,866	545,171
Accounts receivable	876,032	900,253
	4,539,043	4,371,805
Less amounts unavailable for general expenditure:		
Holiday lighting and district amenities	545,866	545,171
Financial assets available for general expenditure	$ 3,993,177	$ 3,826,634

See Note 5 for information about cash held for holiday lighting and district amenities.

3. ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and consist of the following at June 30:

	2025	2024
Due from City of Portland - ESD and other fees	$ 841,128	$ 880,253
Other	34,904	20,000
Total accounts receivable	$ 876,032	$ 900,253

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

For revenue from contracts with customers, the timing of revenue recognition, billings, and cash collections may result in billed accounts receivable (contract asset) and customer advances and deposits and deferred revenue (contract liabilities) on the statements of financial position. There are no significant judgments affecting the determination of amount and timing of revenue.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS, Continued

Revenue from contracts with customers are recognized as follows:

- Enhanced service district revenue is recognized over the service period (October-September), at rates set by ratepayers in conjunction with City of Portland Code.
- Holiday lighting revenue is recognized over the service period (October-March), at rates set by ratepayers in conjunction with City of Portland Code as the services are provided.

Total revenue recognized over time by contract type is as follows:

	2025	2024
Enhanced Service District Revenue	$ 6,818,987	$ 6,412,724
Holiday Lighting	845,019	801,730
Total revenue from contracts with customers	$ 7,664,006	$ 7,214,454

The beginning and ending contract balances are as follows:

Accounts receivable (contract asset):	2025	2024	2023
Enhanced Service District revenue	$ 644,188	$ 736,599	$ 392,067
Holiday Lighting fees	196,940	143,654	65,233
Total accounts receivable	$ 841,128	$ 880,253	$ 457,300
Deferred revenue (contract liability):			
Enhanced Service District Revenue	$ 1,659,531	$ 1,572,420	$ 1,433,188

Revenue recognized for the years ended June 30, 2025 and 2024 that was included in the contract liability balance at the beginning of each year was $1,572,420 and $1,433,188, respectively.

5. HOLIDAY LIGHTING AND DISTRICT AMENITIES

During the year ended June 30, 2003, City of Portland ordinances stipulated a percentage of license fees collected to be used for the Holiday Lighting project. Additional stipulations were added during the year ended June 30, 2014 which allows funds in excess of amounts necessary to fund the Holiday Lighting project to be used for other district amenities. In September 2020, the ordinance was amended such that if excess revenues will not be needed to fund a prudent reserve for the costs and expenses of the lighting program and district amenities program in future license years, the funds may be used for cleaning, security, crime prevention and other services that benefit properties within the district.

During the years ended June 30, 2025 and 2024, CSI incurred expenses totaling approximately $622,100 and $876,200, respectively, for the Holiday Lighting and District Amenities project. Cash includes remaining funds restricted for approved projects of approximately $545,900 and $545,200 at June 30, 2025 and 2024, respectively.

6. RELATED PARTY TRANSACTIONS

CSI contracts with the Chamber to provide substantially all Clean & Safe services. Three members of the Board of Directors of CSI also serve on the board of the Chamber.

7. CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of CSI if so, determined in the future. It is management's belief that no significant amounts received, or receivable will be required to be returned in the future.

8. PURCHASE COMMITMENTS

As of the date of the report, CSI committed to pay approximately $2.5 million to companies contingent upon terms of the agreements in place. Accordingly, the amount is expected to be paid and recorded during the year ending June 30, 2026.

9. CONCENTRATIONS OF CASH BALANCES ARISING FROM DEPOSITS IN EXCESS OF INSURED LIMITS

CSI maintains its cash balances in several financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The balances, at times, may exceed the federally insured limit. Balances in excess of insured limits were approximately $2.7 million and $2.4 million as of June 30, 2025 and 2024, respectively.